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DECLARATION OF CONDOMINIUM

OF

INVERNESS RETAIL LAND CONDOMINIUM, A LAND CONDOMINIUM

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DECLARATION OF CONDOMINIUM
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This Declaration of Condominium of Inverness Retail Land Condominium, a Land Condominium (this "Declaration"), is made this 14th day of September, 2023, by Third Avenue Partners, LLC, a Limited Liability Company (the "Declarant") pursuant to the provisions of Ala. Code § Sec 35-8A-1 et seq (the "Act"), for the purpose of forming a condominium and establishing certain easements, covenants and restrictions to run with the Land.

RECITALS:

1. The Declarant is the fee simple owner of that certain parcel of Real Property situated in the County of Shelby, State of Alabama, more particularly described in Article III of this Declaration (the "Real Property").

2. The Declarant intends to improve the Real Property in the manner set out in this Declaration.

3. The Alabama Uniform Condominium Act of 1991, Ala. Code 1975, §35-8A-102(d) provides as follows:

"(d) If a condominium contains no more than four units and is not subject to any development rights, the condominium may be created pursuant to this chapter or pursuant to Sections 35-8-1 to 35-8-22, inclusive, and the declaration of condominium shall declare the chapter that shall govern the condominium."

4. Inverness Retail Land Condominium will consist of two (2) Units, together with access, parking and appurtenant facilities described in this Declaration.

5. The Declarant proposes, by recording of this Declaration, to establish a condominium pursuant to Ala. Code 1975, §35-8-1, through §35-8-22 inclusive, to be known as Inverness Retail Land Condominium, a Land Condominium ("the Inverness Retail Land Condominium"), and to impose upon the Real Property mutually beneficial restrictions under a general plan for the benefit of all of the Condominium Units and the Owners thereof.

6. The Declarant desires to create within the Inverness Retail Land Condominium individual Units initially consisting of unimproved Land (pursuant to which each Unit is described by metes and bounds type of legal description). Each Unit will be subsequently developed by the then Owner of such Unit, which development shall be undertaken pursuant to the terms and provisions of this Declaration.

NOW, THEREFORE, the Declarant, upon recording of this Declaration, does submit the Real Property, together with the Improvements thereon, if any, 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 the Act and subject to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Declaration all of which shall run with the Land and shall be binding on all parties having or acquiring any right, title or interest in the Real Property or any part thereof, and shall be for the benefit of each Owner of any portion of said Real Property or interest therein, and shall inure to the benefit of, and be binding upon, each successor-in-interest to the Owners thereof.



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Article I Definitions

The terms used in this Declaration and in the Bylaws shall have the meanings stated in Ala. Code 1975, 35-8A-101, et seq. and in this Declaration, unless the context otherwise requires:

Section 1.01. "Act" means Code of Alabama 1975, §35-8-1, et seq.

Section 1.02. "Assessment" means a proportionate share of the funds required for the payment of the Common Expenses which from time to time may be levied against each Owner and Unit.

Section 1.03. "Association" means Inverness Retail Land Condominium Owners' Association, an Alabama Nonprofit Corporation, organized pursuant to the Alabama Nonprofit Corporation Law, Ala. Code 1975, §10A-1-3.05 and §10A-3-3.02, of which all Owners shall be Members and which Association shall administer the operation, management, maintenance, control and administration of the Condominium Property.

Section 1.04. "Board" or "Board of Directors" means the Board of Directors of the Association elected pursuant to the Bylaws of the Association. "Director" means individual members of the Board of Directors.

Section 1.05. "Building" means all structures or structural Improvements located on the Real Property and forming part of the Inverness Retail Land Condominium. Each Building will be part of the Unit Improvements to be constructed by the individual Unit Owner and will be the Property of the respective Unit Owner.

Section 1.06. "Bylaws" means the duly adopted Bylaws of the Association, a copy of which is attached to this Declaration as Exhibit "D" and made a part of this Declaration as if fully set out, providing for the self-government of the Condominium Property by the Association, and such amendments thereto as may be recorded from time to time.

Section 1.07. "Certificate of Formation" means the Certificate of Formation of the Association.

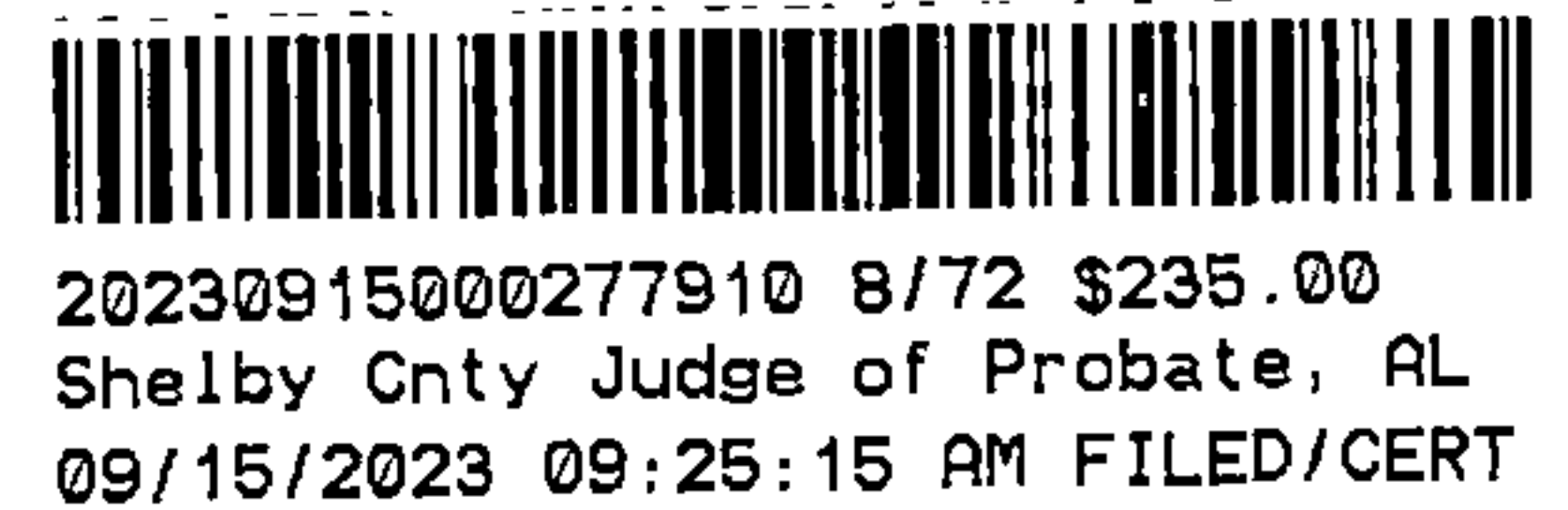
Section 1.08. "Certification" means the Certification referred to in Section 1.27. of this Declaration.

Section 1.09. "Common Elements" means all portions of Inverness Retail Land Condominium other than the Units (and the Unit Improvements) , and as further described in this Declaration. The Unit Owners have an undivided interest in the Common Elements.

Section 1.10. "Common Expenses" means the expenses and expenditures made by or financial liabilities of the Association, together with any allocations to reserves 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, maintenance, operation, repair, replacement, rehabilitation, restoration, renovation and betterment of the Common Elements (and any portion of a Unit maintained by the Association, if applicable) any valid charge against the Condominium Property as a whole; and expenses declared to be Common Expenses by the provisions of the Condominium Documents, as the same may be amended, from time to time, in accordance with the provisions of this Declaration. Common Expenses shall also include any cost or expense related to Easements as defined in Section 5.07 herein.

Section 1.11. "Common Surplus" means the excess of all receipts of the Association, including, but not limited to, Assessments, rents, profits, and revenues over the amount of the Common Expenses.

Section 1.12. "Condominium Documents" means this Declaration, the Bylaws, Certificate of Formation and Rules and Regulations and all exhibits attached to the Condominium Documents as the



same may be amended from time to time.

Section 1.13. "Declarant" means Third Avenue Partners, LLC, a Limited Liability Company, and the successors and assigns of the Declarant, who shall receive by assignment from the Declarant all, or a portion of the rights of the Declarant as set out in this Declaration as the Declarant, by an instrument expressly assigning such rights of the Declarant to such assignee.

Section 1.14. "Declaration of Condominium" or "Declaration" means this Declaration and any amendments thereto which may be made from time to time.

Section 1.15. "Eligible Security Interest Holder" means a holder of a Security Interest or any insurer or guarantor of a holder of a Security Interest which has notified the Association in writing of the name and address of said Eligible Security Interest Holder and status as a holder, insurer or guarantor of a Security Interest. Such notice will be deemed to include a request that the Eligible Security Interest Holder be given the notices and other rights described in this Declaration.

Section 1.16. "Emergency Systems" [INTENTIONALLY OMITTED]

Section 1.17. "Improvements" mean all Buildings, structures, structural Improvements, and all other permanent fixtures to be located on the Real Property and forming part of the Inverness Retail Land Condominium.

Section 1.18. "Land" means the parcel or tract of real estate described in Article III of this Declaration submitted to the provisions of this Declaration and the Act.

Section 1.19. "Limited Common Elements" there are no Limited Common Elements.

Section 1.20. "Limited Common Expenses" there are no Limited Common Expenses.

Section 1.21. "Member" means a Member of the Association, membership in the Association is confined to Owners.

Section 1.22. "Occupant" means a Person or Persons in possession of a Unit, regardless of whether that Person is the Owner, including, but not limited to the Permittee (as defined below) of the Owner or the Person or Persons in possession of a Unit. All Occupants shall be bound by the Condominium Documents.

Section 1.23. "Owner" or "Unit Owner" means every Person who holds the record title to any Unit but excluding in all cases any Person holding a Security Interest.

Section 1.24. "Parking Area(s)" means the vehicle parking spaces, parking areas and vehicle ingress and egress points to adjacent streets.

Section 1.25. "Permittee" means any Occupant and any family member, guest, invitee, tenant, sublessee, licensee, officer, agent, employee, customer, vendor, supplier or contractor of an Owner, the Declarant or the Association.

Section 1.26. "Person" means a natural person, individual, corporation, firm, association, limited liability company, partnership, limited partnership, trustee, the Association or other legal entity.

Section 1.27. "Plan" means the site plan of the Inverness Retail Land Condominium prepared by an independent registered engineer or registered architect, which is marked Exhibit "A" and attached to this Declaration and expressly made a part of this Declaration as though fully set out in this Declaration. The Plan contains a Certification executed by an independent registered engineer or registered architect containing all information required by this Declaration and the Act. The Plan shows the Units and Common Elements of the Condominium Property.



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Section 1.28 "Property Monitoring and Access System" [INTENTIONALLY OMITTED]

Section 1.29. "Real Property" or "Condominium Property" means the Real Property (Land) which is described in Article III of this Declaration and submitted to the Inverness Retail Land Condominium as provided for in this Declaration and shall include all future Improvements that are not Unit Improvements, and all easements, rights and appurtenances belonging thereto, including without limitation, appurtenant easements included in the Real Property description in Section 3.01 hereof, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of the Owners and Occupants, submitted to the provisions of the Act under this Declaration, as amended from time to time.

Section 1.30. "Rules and Regulations" means the Rules and Regulations adopted from time to time by the Board of Directors of the Association, provided they are not in conflict with the Act or the Condominium Documents.

Section 1.31. "Security Interest" means an interest in real estate created by contract or conveyance, which secures payment or performance of an obligation and is secured by a Unit or an interest in the Inverness Retail Land Condominium. The term includes a lien created by a mortgage, vendor's lien, deed of trust, contract for deed, land sales contract, lease intended as security, assignment of lease, rents intended as security, or any similar security device, pledge of an ownership interest in an association, and any other consensual lien or title retention contract intended as security for an obligation.

Section 1.32. "Unanimous" means those eligible voters, Owners, Directors or other groups as the context may indicate all of the total eligible numbers.

Section 1.33. "Unit". Each Unit is depicted on the Plan and shall consist of the volumes or cubicles of space which lie between the lower, upper and lateral or perimetrical boundaries as described in this Declaration. Each Unit is assigned a number or letter or a combination of numbers or letters, which is indicated on the Plan so that no Unit bears the same designation as any other Unit. The legal description of each Unit shall consist of the identifying number or letter or a combination of numbers or letters as depicted on the Plan, the name of the Inverness Retail Land Condominium, and shall refer to Shelby County, Alabama and the Judge of Probate of Shelby County, Alabama, and the recording reference of this Declaration. The description and location of the particular Unit in the Inverness Retail Land Condominium and the appurtenances are determined with the aid of the Plan.

Section 1.34. "Utility Services" shall include but not be limited to electrical power, gas, water, sewage disposal, storm water disposal, garbage, telephone, television, cable service, satellite dishes, internet, Wi-Fi controls, tower antennas, access controls, fire and smoke alarms, security systems, surveillance cameras, audio visual systems, radio systems and other similar type services.

Article II Name

Section 2.01 The name of this Condominium is Inverness Retail Land Condominium. Said Condominium is located at: to be assigned by City of Hoover, County of Shelby, State of Alabama.

Article III The Real Property

Section 3.01. The Real Property. The Real Property which is submitted to Inverness Retail Land Condominium by this Declaration is that parcel of Real Property located in Shelby County, Alabama, and more particularly described on Exhibit "B".

Section 3.02. Encumbrances to Title. The Real Property is subject to the following:



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Declarant does reserve to itself, its successors and assigns, and each Unit Owner a nonexclusive perpetual utility easement (the "Utility Easement") on, over, under and through the area depicted on the Plan as Common Elements. Also, Declarant reserves to itself, its successors and assigns, and each Unit Owner the right to utilize the Common Elements (as described below) and Utility Easement for any purpose so long as such purpose does not materially diminish the right to use the Common Elements (as described below) and Utility Easement for the purposes described herein. The Common Elements and Utility Easement are appurtenant to each Unit and shall run with the land.

The easement and rights granted pursuant hereto are and shall be permanent and perpetual, are nonexclusive and are expressly subject to this Declaration and any matters of record in the Office of the Judge of Probate of Shelby County, Alabama.

The legal description of the Common Elements is as follows, to-wit:

LEGAL DESCRIPTION OF COMMON ELEMENTS

See Exhibit "C"

Article IV Purpose

The Declarant submits the Real Property together with all future Improvements on the Real Property, and all rights and privileges belonging or in any way pertaining to the Real Property, to Inverness Retail Land Condominium in the manner provided for in this Declaration and the Act.

Article V Development Plan

Section 5.01. General Description of Improvements and Plans. The Inverness Retail Land Condominium is a Land Condominium and consists essentially of two (2) unimproved Units, together with the Common Elements, and landscaping and other facilities and other Common Elements as more particularly set forth in this Declaration and depicted in the Plan.

Section 5.02. Relocation of Boundaries. Boundaries between adjoining Units may be relocated only in accordance with this Declaration. The Owners seeking to relocate the boundaries of their Units must submit an application to and obtain the prior written consent of the Board of Directors. Any approved relocation of the boundaries of Units must be memorialized by amendment to this Declaration that identifies the Units involved and must state that the boundaries between those Units are being relocated by agreement of the Owners thereof. The Owners of the Units involved shall specify in their written application to the Board of Directors either: (i) the reallocations between the Units involved of the aggregate undivided interest in the Common Elements and liabilities for Common Expenses attributable to the relocated Units (which shall equal the combined total previously allocated to the Units), or (ii) state that there shall be no such reallocation of the aggregate undivided interest in the Common Elements and liabilities for Common Expenses attributable to the relocated Units. Such amendment to the Declaration must reflect such reallocations or the absence thereof if deemed reasonable by the Board of Directors. If the reallocations specified by the Owners of the Units involved or the absence thereof is deemed unreasonable by the Board of Directors, it shall so notify such Owners and permit them to amend their written application so as to specify reallocations acceptable to the Board of Directors.

Section 5.03. Easements and Restrictions. The Units and Common Elements 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 Units and Common Elements in setting forth the obligations and responsibilities incident to ownership of each Unit and its appurtenant undivided interest in the Common Elements. Said Unit and Common Elements are further declared to be



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subject to the restrictions, easements, conditions and limitations now of record affecting the Condominium Property. Additional easements and restrictions hereunder established include the following:

A. Utility and Telecommunications Easements. A perpetual, non-exclusive easement is reserved in favor of any utility company, telecommunications company, the Association and the Unit Owners over, across, through, under and upon all portions of the Condominium Property, including Units, where any existing utilities and related Improvements are located and the portion of such Condominium Property reasonably necessary to access those areas where existing utilities and related Improvements are located and where utilities and related Improvements may be located in the future (but no such future Improvements may be constructed in another Unit so as to materially and adversely affect the use and enjoyment of the Unit or Common Elements by an Owner without such Owner's prior written approval), only to the extent reasonably necessary or reasonably required in connection with providing any Utility Service to serve the Condominium Property, and subject to the right of the Owner of the Unit (or in the case of Common Elements, the Association) upon which such utilities may be located to relocate such utilities at its own cost and expense in a manner reasonably satisfactory to the Owner of the benefited Unit(s). Subject to the preceding limitations, the easements established and reserved pursuant to this Section 5.03.A. shall include, without limitation, the right to construct, install, maintain, repair and replace any and all lines, pipes, wiring, conduit, meters, equipment, machinery and other apparatus and appurtenances reasonably necessary or otherwise reasonably required in order to provide any of the foregoing described Utility Services to any portion of the Condominium Property. Notwithstanding any provision herein to the contrary, a utility company that installs and owns any existing utilities and related Improvements located within the Condominium Property is hereby granted all easements reasonably necessary to access, maintain and replace its lines and conduits, provided such utility company must use commercially reasonable efforts to avoid substantial interference of the use of the Condominium Property and must repair any damage it causes to the Condominium Property to substantially the same condition as existed prior to such damage occurring. Perpetual non-exclusive telecommunications easements are reserved throughout the whole of the Real Property, including Units, as may be required for telecommunications services and equipment (including, without limitation, telephone, television, cable service, satellite dishes, internet Wi-Fi access controls, security, fire alarm, radio, tower antennas and similar type equipment) in order to adequately serve the Real Property.

The parties acknowledge that the electrical service for the Condominium will require the placement of a transformer on the Condominium Property which may be placed entirely on the property of one of the two Units or may be located with a portion of the transformer in each Unit. The Owners consent to the power company placing the transformer at the location determined by the power company and the easements of this Section 5.03 include the right for each Unit to utilize the transformer.

B. Easement for Use of Leased or Acquired Property. A perpetual, non-exclusive easement is reserved to and for the benefit of each Owner 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 and proper purposes for which the same are reasonably intended, subject to all restrictions in the Condominium Documents and the Rules and Regulations.

C. Easement for Encroachments [INTENTIONALLY OMITTED]

D. Easement of Support. Subject to the other provisions of this Declaration relating to specific, existing or future utilities and the general conditions established in this Section, perpetual, non-exclusive easements are reserved for the benefit of each Unit with respect to each other Unit as follows:

1. for lateral and subjacent support by all portions of the Condominium Property that are presently utilized for lateral and subjacent support (including, without limitation, structural columns, footings and foundations), to the extent located within any Unit or Common Element and benefiting the other Unit, as same may from time to time be relocated, constructed or reconstructed in accordance with the terms of this Declaration; and



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2. for reasonable access to portions of each Unit owned by another Owner for the purpose of exercising its' rights pursuant to this Section 5.03 D.

The exercise of all easement rights under this Section 5.03 D must comply with the requirements of this Declaration.

E. Easement for Use of Limited Common Elements. [INTENTIONALLY OMITTED]

F. Easement for Emergencies. A perpetual, non-exclusive easement is reserved to and for the benefit of each Unit with respect to each of the other Units and the Common Elements for access over and across such portions of the other Units and Common Elements (but only such portions) that is needed for emergency ingress and egress.

G. Easement for Emergency and other Personnel. A perpetual, non-exclusive easement is reserved for all police, firemen, ambulance operators, mailmen, delivery men, garbage men, and all similar persons, and to the local governmental authorities and the Association, but not the public in general, to enter upon the Common Elements in the performance of their duties, subject to reasonable Rules and Regulations as the Board may establish from time to time.

H. Easement for Association. A perpetual, non-exclusive easement is reserved to and for the benefit of the Association and its Permittees for access, ingress and egress to, from, over, under and through the entire Real Property for the performance of its obligations and duties hereunder. The Association shall have a right of access to each Unit to inspect the Unit, to remove violations from the Unit, and to maintain, repair or replace the Common Elements; provided such right of access, except in the event of an emergency, shall not unreasonably interfere with the Owners permitted use of the Unit, and except in the event of emergency, entries shall not be made without prior written notice to the Owner.

I. Easements for Ingress, Egress and Access. Subject to the provisions of this Declaration, each Owner (and Permittee of said Owner) shall have the perpetual, non-exclusive right and easement to use the Common Elements for all purposes incident to the use and occupancy of the Unit as herein provided, without hindering or encroaching upon the lawful rights of the other Owners, which rights shall be appurtenant to and run with the Units. Each Unit shall have a perpetual, non-exclusive easement for pedestrian traffic and parking over, through, and across sidewalks, paths, walks, lobbies, elevators, stairways, walkways and lanes, and passage ways, as the same may from time to time exist in the Common Elements; and for ingress and egress over, through and across such portions of the Common Elements as may from time to time be intended for such purposes, but said easement shall not give or create in any Person the right to park on any portion of the Inverness Retail Land Condominium other than on the Common Elements as designated for parking. This easement shall be non-exclusive and shall include the right of ingress and egress to a public street or highway upon and over Common Elements providing such access, and as depicted on the Plan. The right to use the Common Elements shall be subject to and governed by the provisions of the Act, the Condominium Documents and the Rules and Regulations. In addition, the Association shall have the authority to lease, grant concessions, or grant easements with respect to parts of the Common Elements.

Each Unit shall have a perpetual, non-exclusive easement for pedestrian traffic over, through and across sidewalks, paths, walks, stairways, walkways, and passageways, as the same may from time to time exist (the location of which shall be determined in the discretion of the Unit Owner and approved by the Board of Directors) as part of the other Unit for pedestrian ingress and egress (including ingress for permittees, customers, clients, invitees, employees, contractors, tenants, and occupants of either Unit) over, through and across such portions of each Unit as may from time to time be intended for such purposes. This easement shall be non-exclusive. The rights set forth in this paragraph shall be subject to and governed by the provisions of the Act, Condominium Documents and the Rules and Regulations.

J. Easement for Repair Purposes. A perpetual non-exclusive easement is reserved over and through all Units in favor of the Association for purposes of permitting the Association to access any Common Element for maintenance, repair or replacement purposes. Provided, however, that the



Association shall take advantage of and use such easement only when any such Common Element is not otherwise reasonably accessible without entering into any such Unit; and provided, further, however, that any entry into a Unit by the Association or the agents of the Association pursuant to this Section 5.03, shall occur in such a manner as to reasonably minimize the disruption caused to any lawful Occupants of such Unit except in the event of an emergency wherein there is the potential of damage to life or property, the determination of which shall be in the sole and absolute discretion of the Association, in which event the Association and the agents of the Association shall be permitted to make such entry into such Units as is reasonably necessary to address and remedy said emergency.

K. General Easement Rights. The easements created herein for the benefit of Owners shall be appurtenant to the Units of such Owners and all conveyances of title to the Unit shall be deemed to automatically include a conveyance of the easements benefiting such Unit herein provided even though no specific reference to such easements and rights appear in such instrument. All easements and licenses granted in this Declaration and the use thereof, shall be deemed to be limited to the extent reasonably necessary to accomplish the purposes for which such easements are granted. Each Owner agrees to cooperate with the reasonable requests of the other Owner in furtherance of the spirit and intent of the matters addressed in this Declaration. To this end, in the event that an Owner of a Unit limits access to its respective Unit, such Owner shall provide the other Owner having easement rights over such areas a reasonable means of access over the areas to which such easement rights appertain. Notwithstanding anything to the contrary stated herein, damages caused by the exercise of the easement rights granted in this Article V (reasonable wear and tear excepted), including, but not limited, to reasonable attorneys' fees actually incurred, shall be paid by the responsible Owner, provided that the Permittee of an Owner causing such expense shall be jointly and severally liable. Notwithstanding any provision of this Section 5.03, to the contrary, neither an Owner nor a utility company may access the inside of a building that is part of a Unit without the prior approval of the Owner of such Unit, and such access may be subject to such reasonable restrictions as the Owner of such Unit may implement (including without limitation, a requirement for a representative of the Owner to be present at all times and for such access to not include access to any portion of a Unit leased or otherwise occupied by an Occupant without such Occupant's approval, not to be unreasonably withheld).

L. Exceptions to Title and Rights of Other Parties. The Inverness Retail Land Condominium is subject to the restrictions, easements, conditions and limitations now of record affecting the Condominium Property. The rights to use the non-exclusive easements referred to in this Section 5.03, are subject to the exceptions to title of record, as they apply, including, but not limited to, those set out in Sections 3.01 and 3.02, of this Declaration.

Section 5.04. Units.

A. Unit Boundaries. The Unit boundaries for all Units are defined by the following upper and lower boundaries and perimetrical boundaries.

(a) Upper and Lower Horizontal Boundaries for all Units. There are no upper or lower horizontal boundaries of the Units.

(b) Perimetrical Boundaries for Units. The perimetrical boundaries of each Unit are shown on the Plan and consist of all Land lying within the boundaries of each Unit, as shown on the Plan.

B. General. Each Unit includes any airspace lying within the perimetrical boundaries of the Unit. Without limiting the generality of the foregoing or, as appropriate, in addition, each Unit shall include the following.

(a) All Land lying within the perimetrical boundaries of each Unit and all Improvements to such Land, including, without limitation, landscaping, walkways, sidewalks, and all other Improvements of any nature within said Boundaries;

(b) All other Buildings and Improvements of any nature constructed or situated



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within or upon any Unit;

(c) All Utility Lines situated within the perimetrical boundaries of any Unit which serve only the specific Unit; and

(d) All personal property, fixtures, equipment, machinery and other appurtenances of any kind or character situated on or within the perimetrical boundaries of any Unit.

Section 5.05. One Type of Unit. Both Units are the same type.

Section 5.06. Ownership and Possession of Unit. Each Owner shall be entitled to the exclusive ownership and possession of the Unit of said Owner and the right of the Owner to construct the Improvements based on plans and specifications which have been approved as provided herein. Each Owner shall have the unrestricted right of ingress and egress to the Unit of said Owner, which right shall be an appurtenance to such Unit. Each Unit shall include the air space of the area lying within the Unit boundaries described in Section 5.04.

Section 5.07. Common Elements. Any right, title or interest in a Unit shall automatically carry with said Unit as an appurtenance and without the necessity of specific reference to its respective undivided share of said Unit in the Common Elements and a right to use the Common Elements in conjunction with the other Unit Owners all as more specifically provided for in the Act and in this Declaration. The Common Elements are all portions of the Inverness Retail Land Condominium other than the Units and will include the Common Elements and facilities located substantially as depicted on the Plan. Such Common Elements and facilities will include the following:

- A. Real Property. All of the Real Property (including the Land) except for the Units.
- B. Improvements. All Improvements and parts of the Real Property which are not Improvements to the Unit.
- C. Parking Areas. All Parking Areas (even if assigned to the exclusive use of a Unit), driveways and other means of ingress and egress.
- D. Personal Property. All tangible personal property including, but not limited to, all furniture, appliances, equipment and any other personal property transferred or assigned to the Association or from time to time owned or leased by the Association and held for use in common by the Owners.
- E. Recreation Areas. Recreation areas and facilities.
- F. Lights and Signs. All area outdoor and exterior lights not metered to individual Units and supports and all entrance and related type signs. Such includes the shared monument sign to be located near the access to Parking.
- G. Maintenance. The premises and facilities, if any, used for the maintenance or repair of the Condominium Property.
- H. Common Grounds, etc. Common grounds, common roadways, landscaping and central mailboxes, if any.
- I. Easements. All easements, rights or appurtenances affecting or relating to the use of the Condominium Property. Easements include, without limitation, the Reciprocal Easement Agreement with Covenants and Conditions recorded in the office of the Judge of Probate for Shelby County, Alabama Instrument #20141209000386590, pertaining to access and the Reciprocal Storm-Water and Drainage Easement Agreement with Covenants and Conditions recorded in the office of the Judge of Probate for Shelby County Instrument #20141209000386600, and any amendments that may be filed respecting such Easements.



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J. Common Use. All other parts of the Inverness Retail Land Condominium existing for the common use or necessity of the existence, maintenance and safety of the Inverness Retail Land Condominium.

K. Other Elements. All other elements used for common use, upkeep and safety of the Condominium Property and that are listed as Common Elements in the Act.

Article VI Common Elements

Section 6.01. Ownership of Common Elements.

A. Ownership of the Common Elements. Each Owner shall own an undivided interest in the Common Elements with all other Owners, and, except as provided in this Declaration, shall remain undivided. The extent or amount of such ownership shall be expressed by an equal percentage (i.e. fifty percent (50%) each) relating to each Unit as set forth in this Declaration and shall remain constant, unless changed in accordance with the provisions of this Declaration or by the Unanimous approval of all Owners and Eligible Security Interest Holders. For purposes of percentage of ownership in the Common Elements, percentage of Common Expenses and percentage of Common Surplus, and voting on all matters requiring action by the Owners, the equal percentage as set out in this Section 6.01. shall govern. No Owner shall bring any action for partition or division of the Common Elements. For the purpose of this Section 6.01., the total number of square feet of interior area of any Unit shall be conclusively presumed to be as depicted on the Plan. The ownership interest in the Common Elements shall not be conveyed, transferred, encumbered or otherwise affected separate from the ownership of the Unit, and any agreement to the contrary shall be void.

B. Assignment of Common Elements and Limited Common Elements
[INTENTIONALLY OMITTED]

C. Schedule of Ownership in Common Elements. Each Unit shall have an equal (50/50) percentage share in the Common Elements.

D. Temporary Closings. Only if necessary, in order to establish that the ingress and egress easements created hereunder and any access ways located on the Real Property are and will continue to remain private property and to prevent a dedication thereof or the accrual of any rights to any person or to the public therein, except as herein specifically granted or as may be reasonably necessary in connection with the performance of any construction, repair, relocation, replacement or maintenance of the Improvements comprising such access ways, any utilities or any other Improvements, located or to be located in or on the ingress and egress easement areas, the Owner of any Unit within the Real Property on which an ingress and egress easement is located, shall have the right to temporarily restrict access to the general public with respect to all or any portion of any such access way, to the extent and for such limited periods as shall be necessary to prevent such dedication or accrual or to permit such construction, repair, relocation, replacement or maintenance; provided, however, such Owner shall exercise the rights granted in this subparagraph in such a manner so as to neither cause any unnecessary interruption of or undue interference with the business use of any portion of another Unit, nor unreasonably interfere with rights and privileges granted herein to the other Owners and such Owner shall give reasonable prior notice to the Board of Directors.

Section 6.02. Liability, Lien and Enforcement. The Association is given the authority to administer the operation and management of the Condominium Property. 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 and Assessments 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 Owner or Permittee for damages of any nature and for penalties for violations of the Rules and Regulations



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imposed by the Board of Directors. 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. Each Owner shall be assessed and is individually liable for a proportionate share of the Common Expenses equal to such Owners' percentage share of the Common Elements set forth in Section 6.01 above. Payment of Common Expenses shall be in such amounts and at such times as determined by the Association and by the Bylaws commencing on the date of purchase of a Unit. Assessments shall be collected by the Association on a monthly basis or as otherwise determined by the Board of Directors. No Owner shall be exempt from payment or liability of the proportionate share of the Common Expenses by waiver or nonuse or non-enjoyment of the Common Elements, or by abandonment of the Unit of said Owner. Common Expenses shall include but shall not necessarily be limited to expenditures made or liabilities incurred by the Association, together with payments or obligations to reserve accounts. The Association may assess the Owners of Units for the repair and maintenance of various components of the Common Elements based on the usage of any part of the Common Elements if the same can be measured with a degree of accuracy. Provided, however, anything else contained in this Declaration to the contrary notwithstanding the Declarant may, at the sole election of the Declarant, but is not obligated to, make any advance for all Common Expenses of the Inverness Retail Land Condominium until the Association makes a Common Expense Assessment. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against the Unit of said Owner subsequent to a sale or other conveyance by such Unit Owner. 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 without prejudice to the right of the purchaser to recover from the selling Unit Owner the amounts paid by the purchaser therefor.

Section 6.03. Allocation of Liability for Common Expenses.

A. Except as provided in this Declaration, the amount of all Common Expenses will be assessed against the Units in accordance with the equal percentage share in the Common Elements appurtenant to the Unit as set forth in this Declaration.

B. Any Common Expenses significantly disproportionately benefiting one (1) or more Units may be specifically assessed equitably, in the reasonable discretion of the Board of Directors, among all of the benefited Units according to the respective benefit received.

C. If the Condominium Property is served by any common utility meter paid by the Association as a Common Expense, the Board may assess individual Units utilities usage charges as specific assessments as provided herein. This includes the right to install submeters, add a charge for the cost of overhead for such submetering against individual Units, and/or to install separate utility meters for the Units, and/or any Sub-Units therein.

D. Any Common Expenses occasioned by the conduct of less than all of those entitled to occupy all of the Units or by the Permittees of any such Unit or Units may be specially assessed against such Unit or Units.

Section 6.04. Default, Late Payment of Assessments. The obligation to pay 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 of such payment. Assessments for Common Expenses and installments of said Assessments, paid on or before fifteen (15) days after the date when due shall bear no interest, but all sums not paid on or before fifteen (15) days after the date when due shall bear such late charges, penalties, interest (as provided in Section 6.06) and other costs and expenses, at a rate set by the Board of Directors, but not to exceed the maximum legal rate, together with all expenses, including reasonable attorneys' fees incurred by the Association in any undertaking to collect such unpaid Assessments and expenses. All payments upon account shall be first applied to such late charges, penalties, interests and other costs and expenses, including reasonable attorneys' fees, and then to the Assessment payment due. The Association may, in the manner provided for in the Bylaws, after notice and an opportunity to be heard, levy reasonable fines for violations of this Declaration, the Bylaws and Rules and Regulations.



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Section 6.05. Liens for Assessments. The Association is granted a lien upon each Unit and the appurtenant undivided interest of the Unit in the Common Elements and upon the goods, furniture and effects belonging to the Owner and located in such Unit, which lien shall secure and does secure the moneys due for all Assessments levied against the Owner and/or Unit which lien shall also secure such late charges, penalties and interest, if any, which may be due on the amount of any delinquent Assessment owing to the Association, and which lien shall also secure all costs and expenses, including a reasonable attorneys' fee, which may be incurred by the Association in enforcing this lien upon said Unit and the appurtenant undivided interest of said Unit in the Common Elements. 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. The Association shall further be entitled to interest at the maximum legal rate on judgments on any sums due the Association as provided by laws of the State of Alabama ("Alabama law").

Section 6.06. Priority of Lien. The lien provided for in this Declaration to the Association shall be effective from and after the time of recording this Declaration in the Office of the Judge of Probate of Shelby County, Alabama, and no further recordation of any claim of lien of Assessment under this Section is required. The priority of the lien of the Association shall be subject to the provisions of Section 18.03 of this Declaration. In any suit for the foreclosure of a lien for Assessments, the Association shall be entitled to rental from the Unit and Owner from the date on which the payment of any Assessment or installment becomes delinquent and shall be entitled to the appointment of a receiver for said Unit, without notice to the Owner. The rental required to be paid shall be equal to the rental charged on comparable types of properties in the area in which the Condominium is located. The lien granted to the Association shall further secure such advances for taxes and other payments which may be required to be advanced or paid by the Association in order to preserve and protect the lien of the Association, and the Association shall further be entitled to interest at twelve percent (12%) per annum or at a rate set by the Board of Directors but in no case shall said interest exceed the maximum legal rate on any such advances made for such purposes. All Persons who shall acquire, by whatever means, any interest in the ownership of any Unit, or who may be given or acquire a Security Interest, lien or other encumbrance on any Unit, are placed on notice of the lien granted to the Association. A lien for Common Expenses shall not be affected by any sale or transfer of a Unit, except as provided in this Declaration. A sale or transfer of a Unit pursuant to a foreclosure of a Security Interest held by an Eligible Security Interest Holder shall extinguish a subordinate lien for Assessments which became payable prior to such sale or transfer.

Section 6.07. Disposition of Surplus. Each Unit shall carry with said Unit a proportionate share of Common Surplus, as the case may be, and the proportionate share of Common Surplus shall be the same as the percentage ownership of that Unit in the Common Elements; or, in the alternative, such surplus or any portion of said surplus may be added to a reserve fund for maintenance, repair and replacement of the Common Elements, as the case may be, at the sole discretion of the Association.

Section 6.08. Budget.

A. General. The Board of Directors shall have the power to adopt and amend budgets for revenues, expenditures, and reserves and impose and collect Assessments for Common Expenses from Unit Owners as necessary and as provided for in this Declaration.

B. Annual Budget. At least sixty (60) days prior to the beginning of each fiscal year of the Association, the Board of Directors shall adopt a proposed annual budget for the next fiscal 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 of the Common Elements of the Condominium, including reasonable allowances for contingencies and reserves therefor if the Board of Directors shall so provide, in accordance with 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.

C. Special 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



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reason, including emergencies and non-payment of any Assessment of the Owner, the Board of Directors shall have the authority to levy such special and additional Assessment as it shall deem necessary in accordance with the applicable provisions of this Declaration.

D. Adoption of Budget. Within thirty (30) days after adoption of any budget, the Board of Directors shall provide a copy of the budget to all Unit Owners and shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen (14) nor more less than thirty (30) days after delivery by mailing of the budget to the Unit Owners. In the event the proposed budget is rejected, the budget for the last year, if any, 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.

Section 6.09. 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.

Section 6.10. 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 the Association from later seeking enforcement of the collection by foreclosure of any sums remaining owing to the Association, nor shall proceeding by foreclosure to affect 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 the bid of the Association all sums secured by the lien enforced.

Section 6.11. Enforcement and Foreclosure.

A. Power of Sale. If the Association shall have a lien for nonpayment of Assessments as provided for in this Declaration, the lien granted to the Association may be foreclosed in the same manner as real estate mortgages in the State of Alabama containing a power of sale pursuant to Alabama Code §§ 35-10-11 *et seq.* as it may be amended, but the Association shall give reasonable advance notice of its proposed action to the Unit Owner, the Eligible Security Interest Holder, the Mortgagee, and all other lienholders of record. The Association, at the option of the Association, with or without taking possession of the Unit, may sell the Unit before the door of the courthouse of the county in which the Inverness Retail Land Condominium is situated, at public outcry to the highest bidder, for cash, after advertising the time, place and terms of sale by publication once a week for three (3) consecutive weeks preceding such sale in a newspaper of general circulation published in said county. At any such public sale, upon the payment of the purchase money, the Association or any Person conducting said sale for the Association, is authorized to execute and deliver to the purchaser a deed conveying the Unit so sold, and to this end the Owner of the Unit constitutes and appoints the Association the agent and attorney-in-fact of the Owner of the Unit to make such sale and conveyance, and to divest the Owner of said Unit of all right, title and equity that the Owner of said Unit may have in and to the Unit and to vest the same in the purchaser or purchasers at such sale or sales, and all the acts and doings of said agent and attorney-in-fact are ratified and confirmed and any recitals in said conveyance or conveyances as to facts essential to a valid sale shall be binding upon the Owner of the Unit. The aforesaid power of sale and agency granted are coupled with an interest and are irrevocable by death or otherwise, are granted as cumulative of the other remedies provided in this Declaration and shall not be exhausted by one (1) exercise of said remedy but may be exercised until full payment of all of the Assessment, lien or indebtedness. In the event of any sale under this Declaration by virtue of the exercise of the powers granted in this Declaration, or pursuant to any order in any judicial proceeding or otherwise, and if the Association so elects, the Association may sell the property, including personal property, covered by this Declaration at one (1) or more separate sales in any manner permitted by the Uniform Commercial Code of the State of Alabama, and one (1) or more exercises of the powers granted in this Declaration shall not extinguish nor exhaust such powers, until the Unit is sold or the Assessment, lien or indebtedness is paid in full. If the Assessment, lien or indebtedness is further secured by any chattel mortgages, pledges, contracts of guaranty, assignments of lease or other security instruments, the Association may at the option of the Association exhaust the remedies granted under any



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of said security instruments either concurrently or independently, and in such order as the Association may determine.

B. Lien and Right to Sue. If the Association shall have a lien for nonpayment of Assessments provided for in this Declaration, the Association may, in addition to and not in abrogation of the rights covered under this Declaration, either with or without entry or taking possession as provided in this Declaration or otherwise, proceed by a suit or suits in law or in equity or by any other appropriate proceeding or remedy: (i) to enforce payment of the Assessment, lien or indebtedness due the Association, and (ii) to pursue any and all other remedies available to the Association all as the Association at the sole discretion of the Association shall elect. As to such, the Owner of the Unit waives all rights of exemption under the law and agrees to pay a reasonable attorneys' fee for the collection of the Lien as provided for herein.

C. Association Right to Bid. Upon any foreclosure sale or sales of the Unit under the power granted in this Declaration, the Association or the nominee of the Association may bid for and purchase the Unit and shall be entitled to apply all or any part of the Assessment, lien or indebtedness as a credit to the purchase price.

D. Proceeds of Sale. In the event of a foreclosure or a sale of the Unit under the power granted in this Declaration, or otherwise, the proceeds of said sale shall be applied first to the expenses of such sale and of all proceedings in connection with said sale, including reasonable attorneys' fees; second to the repayment of any money with interest which the Association may have paid or become liable to pay or which it may then be necessary to pay for insurance premiums, liens, Assessments, taxes and charges, including Utility charges advanced by the Association; third to payment of the outstanding principal balance of the Assessment, lien or indebtedness, together with the accrued interest on all of the foregoing; and the remainder, if any, shall be paid to the Owner of the Unit, or to the Person or entity lawfully entitled.

E. Withdrawal of Proceeding. In case the Association shall have proceeded to enforce any right, power or remedy under this Declaration by foreclosure, entry or otherwise or in the event the Association commences advertising of the intended exercise of the sale under power provided under this Declaration, and such proceeding or advertisement shall have been withdrawn, discontinued or abandoned for any reason, or shall have been determined adversely to the Association, then in every such case: (i) the Owner of the Unit and the Association shall be restored to their former positions and rights; (ii) all rights, powers and remedies of the Association shall continue as if no such proceeding had been taken; (iii) each and every default declared or occurring prior or subsequent to such withdrawal, discontinuance or abandonment shall be or shall be deemed to be a continuing default; and (iv) neither this Declaration nor the Assessment, lien or indebtedness, nor any other instrument connected with this Declaration or Assessment, lien or indebtedness, shall be or shall be deemed to have been reinstated or otherwise affected by such withdrawal, discontinuance or abandonment; and the Owner of the Unit expressly waives the benefit of any statute or rule of law now provided, or which may be provided, which would produce a result contrary to or in conflict with this Declaration.

F. Cumulative and Concurrent Rights. No right, power or remedy conferred upon or reserved by the Association by this Declaration is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given under this Declaration existing at law, in equity or by statute.

G. No Impairment of Rights. No delay or omission by the Association, to exercise any right, option, power or remedy accruing upon any breach or default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such breach or default, or acquiescence in said default, and every right, power and remedy given by this Declaration to the Association may be exercised from time to time and as often as may be deemed expedient by the Association. No consent or waiver, expressed or implied, by the Association to or of any breach or default by the Owner of the Unit in the performance of the obligations of the Owner of the Unit under this Declaration shall be deemed or

construed to be a consent or waiver to or of any other breach or default in the performance of the same or any other obligations of the Owner of the Unit under this Declaration. Failure on the part of the Association to complain of any act or failure to act or to declare a default, irrespective of how long such failure continues, shall not constitute a waiver by the Association of the rights of the Association under this Declaration or impair any rights, powers or remedies of the Association under this Declaration.

Article VII
Architectural Review and Architectural Standards

Section 7.01 Architectural Standards. The Board of Directors is hereby authorized to promulgate and amend and modify from time to time written Architectural Standards governing policies, guidelines and minimum requirements to be satisfied with respect to the construction, location, landscaping, signage, and design of all Improvements on any Unit, the content and manner in which plans and specifications and other documentation and information concerning the construction of any Improvements on a Unit are to be submitted to and approved by the Board of Directors and any other matters affecting the construction, repair or maintenance of any Improvements on any Unit. The Architectural Standards and any and all amendments thereto adopted from time to time by the Board of Directors shall be in addition to the provisions and requirements set forth in this Declaration and shall be binding upon and enforceable against all Owners.

Section 7.02 Approval of Plans and Specifications.

A. IN ORDER TO PRESERVE THE ARCHITECTURAL AND AESTHETIC APPEARANCE AND THE NATURAL SETTING AND BEAUTY OF THE CONDOMINIUM PROPERTY, TO ESTABLISH AND PRESERVE A HARMONIOUS DESIGN FOR THE CONDOMINIUM PROPERTY AND TO PROTECT AND PROMOTE THE VALUE OF THE CONDOMINIUM PROPERTY, NO BUILDINGS OR OTHER EXTERIOR IMPROVEMENTS OF ANY NATURE, INCLUDING, WITHOUT LIMITATION, LANDSCAPING AND SIGNAGE, SHALL BE COMMENCED, ERECTED, INSTALLED, PLACED, MOVED ONTO, ALTERED, REPLACED, RELOCATED, PERMITTED TO REMAIN ON OR MAINTAINED ON ANY UNIT WHICH AFFECT THE EXTERIOR APPEARANCE OF ANY UNIT, THE BUILDINGS THEREON OR WHICH ARE OR COULD BE VISIBLE FROM ANY COMMON ELEMENTS UNLESS PLANS AND SPECIFICATIONS FOR THE SAME HAVE BEEN SUBMITTED TO AND APPROVED BY THE BOARD OF DIRECTORS IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS DECLARATION. WITHOUT LIMITING THE FOREGOING, THE CONSTRUCTION AND INSTALLATION OF ANY IMPROVEMENTS, BUILDINGS, STRUCTURES, SIDEWALKS, DRIVEWAYS, PARKING LOTS, MAILBOXES, DECKS, PATIOS, COURTYARDS, AWNINGS, WEATHER VANES, WALLS, FENCES, EXTERIOR LIGHTS, SIGNAGE AND LANDSCAPING SHALL NOT BE UNDERTAKEN, NOR SHALL ANY EXTERIOR ADDITION TO OR CHANGE OR ALTERATION TO ANY EXISTING IMPROVEMENTS OR LANDSCAPING ON A UNIT BE MADE (INCLUDING, WITHOUT LIMITATION, PAINTING OR STAINING OF ANY EXTERIOR SURFACE OR REMOVING OR INSTALLING ANY LANDSCAPING OR SIGNAGE ON A UNIT), UNLESS THE PLAN AND SPECIFICATIONS FOR THE SAME HAVE BEEN SUBMITTED TO AND APPROVED BY THE BOARD OF DIRECTORS IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS DECLARATION.

B. The Board of Directors is hereby authorized and empowered to approve all plans and specifications and the construction of all Buildings and other Improvements on any Unit, including any Improvements on or within any Unit which are or could be visible from any of the Common Elements. Prior to the commencement of any such Buildings or other Improvements on any Unit, the Owner thereof shall submit to the Board of Directors plans and specifications and related data for all such Improvements, which shall include the following:

- (a) Three (3) copies of a professionally and accurately drawn and dimensioned site development plan indicating the location of any and all Improvements, including, specifically, any Improvements to be constructed on said Unit, the location of all driveways, walkways, decks,

terraces, parking area, patios and outbuildings and the relationship of the same to any set-back requirements applicable to the Unit;

(b) Three (3) copies of a foundation plan, floor plans, exterior lighting and sign plans and exterior elevation drawings of the front, back and sides of the Improvements to be constructed on the Unit;

(c) Three (3) copies of written specifications and, if requested by the Board of Directors, samples indicating the nature, color, type, shape, height and location of all exterior materials to be used in the construction of such Improvements, including, without limitation, the type and color of all brick, stone, stucco, roofing and other materials to be utilized on the exterior of all Improvements and the color of paint or stain to be used on all doors, shutters, trim work, eaves and cornices on the exterior of such Improvements;

(d) Three (3) copies of a landscaping plan prepared and submitted in accordance with the provisions of this Declaration, together with the irrigation (underground sprinkler) plan for such Unit; and

(e) Such other plans, specifications or other information or documentation as may be required by the Board of Directors or the Architectural Standards.

C. The Board of Directors shall, in its reasonable discretion, determine whether the plans and specifications and other data submitted by any Owner for approval are acceptable. The Board of Directors shall have the right to disapprove any plans and specifications upon any ground which is consistent with the objectives and purposes of this Declaration, including purely aesthetic considerations, any failure to comply with any of the provisions of this Declaration or the Architectural Standards, failure to provide requested information, objection to exterior design, appearance or materials, appearance of signage, objection on the ground of incompatibility of any such proposed Improvement with the scheme of development proposed for the Condominium Property, objection to the location of any proposed Improvements on any such Unit, objection to the landscaping plan for such Unit, objection to the color scheme, finish, proportions, style of architecture, height, bulk or appropriateness of any Improvements or any other matter which, in the reasonable judgment of the Board of Directors, would render the proposed Improvements inharmonious with the general plan of development contemplated for the Condominium Property. The Board of Directors shall have the right to approve any submitted plans and specifications with conditions or stipulations by which the Owner of such Unit shall be obligated to comply and must be incorporated into the plans and specifications for such Improvements. Approval of plans and specifications by the Board of Directors for Improvements to one particular Unit shall not be deemed an approval or otherwise obligate the Board of Directors to approve similar plans and specifications or any of the features or elements for the Improvements for any other Unit. One copy of all plans, specifications and related data so submitted to the Board of Directors shall be retained in the records of the Board of Directors and the other two (2) copies shall be returned to the Owner submitting the same marked "approved", "approved as noted" or "disapproved". Notwithstanding anything provided herein to the contrary, an Owner may make interior Improvements and alterations within such Owner's Building without the necessity or requirement that the approval or consent of the Board of Directors be obtained so long as such Improvements and alterations do not affect the exterior appearance of such Building.

D. The Board of Directors shall establish a reasonable fee sufficient to cover the expense of reviewing plans and related data and to compensate any consulting architects, landscape architects, designers, engineers, inspectors and/or attorneys retained in order to approve such plans and specifications and to monitor and otherwise enforce the terms hereof. Such fee or fees shall be paid by the Owner who is seeking approval of plans and specifications. If the Board of Directors, in its reasonable discretion, determines that, in the construction of any Improvements to a Unit, such Owner or such Owner's agents, employees or independent contractors, fail to abide by all of the terms and provisions of this Declaration and any of the Architectural Standards, then such failure shall constitute a breach of this Declaration and the Association shall have the right to exercise all rights and remedies set forth in this Declaration or as may be provided at law or in equity.

E. In the event the Board of Directors fails to approve in writing any proposed plans and specifications within thirty (30) days after such plans and specifications have been submitted, then the



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plans and specifications so submitted to the Board of Directors will be deemed to have been disapproved.

F. Any revisions, modifications or changes in any plans and specifications previously approved by the Board of Directors must be approved by the Board of Directors in the same manner specified above.

Section 7.03 Landscaping and Signage Approval. In order to preserve, to the extent practicable, the natural landscaping and plant life currently situated on the Condominium Property and in order to enhance the aesthetic appearance of the Condominium Property (including signage), no landscaping, grading, excavation or fill work of any nature and no signage shall be implemented or installed by any Owner (other than by Declarant) on any Unit unless and until landscaping and signage plans therefor have been submitted to and approved by the Board of Directors. Furthermore, no existing landscaping on a Unit shall be removed and no new or additional landscaping shall be added to any Unit unless the same has been approved by the Board of Directors.

Section 7.04 Construction Without Approval. If (a) any Improvements are initiated, installed, maintained, altered, replaced or relocated on any Unit without Board of Directors approval of the plans and specifications for the same or (b) the Board of Directors shall determine that any approved plans and specifications for any Improvements or the approved landscaping and signage plans for any Unit are not being complied with, then, in either event, the Owner of such Unit shall be deemed to have violated this Declaration and the Association shall have the right to exercise any of the rights and remedies set forth in this Declaration.

Section 7.05 Inspection. The Board of Directors and any agent, employee or representative thereof may (but are not required) at any reasonable time and from time to time enter upon and inspect any Unit or any Improvements being constructed thereon in order to determine whether the approved plans and specifications therefore are being complied with. Any such entry shall not be deemed to be a trespass or any other wrongful act by the Board of Directors.

Section 7.06 Subsurface Conditions/Site Work. Each Owner, for itself and its successors and assigns, by acceptance of a deed to any Unit, (i) shall be deemed to have accepted such Unit in its current "AS IS" condition and acknowledges and agrees that neither Declarant, the Association nor the Board of Directors has and shall have any further obligations of any nature with respect to storm water drainage or runoff onto or from such Unit or the Common Elements, or for any environmental condition or matter that may exist with regard to the Unit or the Common Elements, (ii) covenants and agrees that each Unit owned by such Owner and all Improvements thereto, including site work to Owner's Unit, shall at all times be maintained in strict compliance with (1) all soil erosion protection requirements of all applicable governmental authorities, including, without limitation, the Alabama Department of Environmental Management ("ADEM") and (2) all storm water drainage and runoff requirements and regulations of, and any permits obtained by Declarant from all applicable Governmental Authorities, including, without limitation, any NPDES permits issued by ADEM with respect to the Condominium Property and (iii) accepts the existing storm water drainage Improvements and facilities, if any, on each Unit and acknowledges and agrees that neither Declarant, the Association nor the Board of Directors has and shall not have any further obligation or liability of any nature to construct additional storm water drainage Improvements on any Unit or to perform any site work for any Unit. Each Owner does hereby irrevocably and unconditionally waive, release and forever discharge Declarant, the Association and the Board of Directors and their respective agents, employees, Members, officers, directors, shareholders, mortgagees, successors and assigns, of and from any and all actions, causes of action, claims, potential claims, demands, agreements, covenants, suits, obligations, controversies, accounts, damages, costs, expenses, losses and liabilities of every kind and nature, known or unknown, arising out of or result of any storm water, drainage, site work and/or environmental matters affecting any Unit owned by such Owner or the Common Elements. Each Owner shall and does indemnify, defend and agree to hold harmless Declarant, the Association, the Board of Directors and their respective agents, employees, members, officers, directors, shareholders, members, managers and representatives, from and against any and all damages, demands, claims, costs and expenses, including reasonable attorneys' fees and expenses, suffered, paid or incurred by any of them in connection with any action, suit or proceeding (including the settlement of any suit or proceeding) resulting



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from or arising out of such Owner's failure to fully and faithfully perform its obligations under this Declaration. The approval of plans and specifications by the Board of Directors for any Improvements on a Unit shall not be construed in any respect as a representation or warranty by the Board of Directors or Declarant to the Owner submitting such plans or to any of the successors or assigns of such Owner that the surface or subsurface conditions of such Unit are suitable for the construction of the Improvements contemplated by such plans and specifications. It shall be the sole responsibility of each Owner to determine the suitability and adequacy of the surface and subsurface conditions of any Unit for the construction of any contemplated Improvements thereon, to determine whether any environmental issues exist with relation to the Unit and to cause to be performed any site work required as part of any improvements by the Unit Owner to its Unit.

The anticipated Owner of Unit 1 acknowledges that Declarant has not performed any environmental audit or requested any environmental report with regard to the Units or the Common Elements and any Unit Owner that requires any such environmental audit or report shall obtain same at their expense. Declarant makes no representation or warranty with regard to environmental conditions.

The anticipated Owners of Unit 1 and Unit 2 contemplate that the Site Work for both Units and the Common Elements will be performed by the construction contractor and the construction contractor will complete the improvements comprising the Common Elements. The cost for the Site Work and completion of the Common Elements will be shared equally by the Unit Owners.

Section 7.07 Limitation of Liability. Notwithstanding anything provided herein to the contrary: (a) neither Declarant, the Board of Directors, the Association, nor any agent, employee, member, representative of a member, shareholder, partner, officer or director thereof shall have any liability of any nature whatsoever for, and (b) each Owner, by acceptance of a deed to any Unit, does hereby irrevocably and unconditionally waive and release Declarant, the Board of Directors, the Association and each agent, employee, representative, Member, member, shareholder, partner, officer and director thereof from, any and all damage, loss, action, cause of action, liability, expense or prejudice suffered, claimed, paid or incurred by any Owner on account of (i) any defects in any plans and specifications submitted, reviewed or approved in accordance with the provisions of this Article VII, (ii) any defects, structural or otherwise, in any work done according to such plans and specifications, (iii) the failure of the Board of Directors to approve or the disapproval of any plans, drawings, specifications or other data submitted by any Owner for approval pursuant to the provisions of this Article VII, (iv) the construction or performance of any work related to such plans, drawings and specifications, (v) bodily injuries (including death) to any Owner, Occupant or the respective family members, guests, employees, servants, agents, invitees or licensees of any such Owner or Occupant, or any damage to any Improvements or the personal property of any Owner, Occupant or the respective family members, guests, employees, servants, agents, invitees or licensees of such Owner or Occupant, which may be caused by, or arise as a result of, any defect, structural or otherwise, in any Improvements or the plans and specifications therefore, or any past, present or future soil and/or subsurface conditions, known or unknown (including, without limitation, sinkholes, underground mines, tunnels and water channels and limestone formations on or under any Unit) and (vi) any other loss, claim, damage, liability or expense, including court costs and reasonable attorneys' fees, suffered, paid or incurred by any Owner arising out of or in connection with the use and occupancy of any Unit, or any Improvements situated thereon.

Section 7.08 Compliance Certification. The Board of Directors (or any authorized representative thereof) shall, upon request and at such reasonable charges as may from time to time be adopted by the Board, furnish to an Owner a certificate in writing setting forth whether all necessary Board of Directors approvals have been obtained and whether any Improvements have been constructed in accordance with the provisions of this Declaration.

Article VIII The Association

Section 8.01. Management of the Condominium Property, Powers, and Duties. The operation and administration of the Inverness Retail Land Condominium shall be by the Association. The Association shall be an Alabama Nonprofit Corporation incorporated by Certificate of Formation recorded in the place

designated by Alabama law. The powers and duties of the Association shall include those set forth in the Act, the Alabama Nonprofit Corporations Act, Ala. Code 1975, §10A-1-305., et seq., this Declaration, the Certificate of Formation, and the Bylaws.

Section 8.02. Bylaws. The Association and the Members shall be governed by the Bylaws.

Section 8.03. Members. The Members of the Association shall consist of the record Owners of Units. Change of membership in the Association shall be established by recording in the probate records of Shelby County, Alabama, the deed or other instrument establishing record title to a Unit in 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 Unit Owner and a Member of the Association. Membership of the prior Owner shall thereby be terminated. All present and future Owners and Occupants of the Units shall be subject to and shall comply with the provisions of this Declaration, the Bylaws 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 Unit Owner thereof or the duly authorized proxy of the record Unit Owner in the manner provided in the Bylaws. Each Unit Owner is entitled to the number of votes for each Unit owned as set forth in this Declaration and the By-Laws.

Section 8.04. Voting. Except as otherwise provided in the Bylaws, all votes by the Board of Directors or the Members of the Association must be by Unanimous vote. Each Unit shall be entitled to one (1) vote, which vote is not divisible, the numerical value of which shall be the percentage of undivided interest in the Common Elements assigned to the Unit of which the Member is the Owner. The vote for a Unit shall be cast by the Owner of said Unit in the manner provided for in this Declaration and in the Bylaws. However, should the Association be an Owner, the Association shall not have the voting right for that Unit.

Section 8.05. Designation of Voting Representative. In the event a Unit is owned by one (1) Person, the right of said Person to vote shall be established by the record title to the Unit of said Owner. 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. If a Unit is owned by a corporation, limited liability company, partnership or limited partnership, or other entity, the officer, member, employee or individual entitled to cast the vote for the Unit shall be designated by a certificate of appointment signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the corporation (in the case of a corporation), or by the member or members, if more than one (1), (in the case of a limited liability company) or by the general partner or partners if more than one (1) (in the case of a partnership or limited partnership), which certificate shall be filed with the Secretary of the Association. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned is affected. A certificate designating the Person entitled to cast the vote of a Unit may be revoked by any Owner named in said certificate.

Section 8.06. Restraint upon Assignment of Shares in Assets. The share of a Member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to the Unit of said Owner.

Section 8.07. Board of Directors. The affairs of the Association shall be conducted by a Board of Directors which shall consist of such number not less than two (2) nor more than the number, from time to time, as shall be determined and fixed by a unanimous vote of the voting rights present at any meeting of the Members.

Section 8.08. Indemnification. Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, or any settlement thereof, including counsel fees, reasonably incurred by or imposed upon said Director or officer in connection with any proceeding to which said Director or officer may be a party, or in which said Director or officer may become involved, by reason of said Director or officer being or having been a Director or officer of the Association, whether or not said Person is a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty of willful misfeasance or malfeasance in the



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performance of the duties of said Director or officer; provided that in the event of a settlement, the indemnification provided for in this Declaration shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

Section 8.09. Limitation of Liability. Notwithstanding the liability of the Association to maintain and repair parts of the Inverness Retail Land Condominium, the Association shall not be liable for injury or damage caused by a latent condition of the Inverness Retail Land Condominium to be maintained and repaired by the Association nor for injury or damage caused by the elements, or other Owners or Persons.

Section 8.10. Availability of Records. The Association shall keep financial records sufficiently detailed to enable the Association to comply with generally accepted accounting principles. The Association shall make reasonably available in Shelby County, Alabama for examination by Owners, prospective purchasers, Eligible Security Interest Holders, or their authorized agents, current copies of this Declaration, the Bylaws, Rules and Regulations and other books, records, financial statements and the most recent annual financial statement of the Association. Reasonably available shall mean available for inspection upon request, during normal business hours or under reasonable circumstances.

Section 8.11. Reserves for Replacements. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of the Common Elements. The fund shall be maintained out of regular Assessments for Common Expenses. Special Assessments may be levied by the Association in the event that there is insufficient money in the reserve fund for the maintenance, repair or replacement of any portion of the Common Elements.

Article IX Maintenance and Alteration

Section 9.01. Maintenance by the Association. The Association is responsible for the maintenance, repair and replacement of the Common Elements, the cost of which shall be charged to all Unit Owners as a Common Expense. This Section 9.01 shall not relieve a Unit Owner of liability for damage to the Common Elements, a Unit of another Person, adjacent property, or any other property caused by the Unit Owner or the Permittee of the Unit Owner as a consequence of an accident or the negligence, recklessness or willful misconduct of such Person. The cost of repair for any damage so caused by the Unit Owner or the Permittee of the Unit Owner, shall be a special Assessment against the Unit Owner and Unit.

The costs of insurance pertaining to the Common Elements must be assessed in proportion to risk and the costs of utilities must be assessed in proportion to usage. Such cost of insurance and cost of utilities are presumed to be equal and will only be adjusted if an Owner's Use causes additional insurable risk or additional utilities usage.

Section 9.02. Maintenance by Owner. Each Owner is responsible for the maintenance, repair and replacement of the Improvements within said Unit and shall maintain said Unit and the Improvements thereto in good tenantable condition and repair.

Section 9.03. Addition, Alteration, and Improvement of the Common Elements. Except as may be provided for in this Declaration, after the completion of the Improvements included in the Common Elements which are contemplated by this Declaration, there shall be no addition, alteration, change or further Improvement of Common Elements without prior approval of the Association.

Section 9.04. Covenants of Owner. Each Owner covenants and agrees as follows:

A. Maintenance. To perform all maintenance, repairs and replacements that are the obligations of the Owner under this Declaration.



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B. Utilities and Taxes. To pay for all the utilities used within the Unit and all taxes levied against the Unit of the Owner.

C. No Alterations to Unit. Not to make any addition or alteration to a Unit or to the Common Elements or to do any act that would impair the structural soundness, safety, or overall design of any part of the Inverness Retail Land Condominium or that would impair any easement or right of a Unit Owner without the prior written consent of the Association or all Unit Owners affected thereby.

D. No Alterations to Common Elements. To make no alterations, additions, Improvements, repairs, replacements, or changes to the Common Elements or to any outside or exterior portion of the Unit, specifically including, but not limited to screening or enclosing balconies, installing garage or other exterior doors, or affixing out shutters to windows, or painting any part of the exterior part of the Unit, or changing signage, without the prior written consent of the Association. If consent is granted, the Owner shall use only a licensed contractor who shall comply with the Rules and Regulations with respect to the work which may be approved by the Association. The Owner shall be liable for all damages to another Unit and to the Common Elements caused by any contractor employed by such Owner or by the subcontractor or employees of such contractor, whether said damages are caused by negligence, accident or otherwise.

E. Right of Association to Enter Unit. To allow the Association, the delegates, agents or employees of the Association at all reasonable times to enter into any Unit for the purpose of maintaining, inspecting, repairing or replacing Common Elements or for repairing, maintaining or replacing any utilities located within such Unit but serving other parts of the Inverness Retail Land Condominium; or to determine, in case of emergency, the circumstances threatening Units or Common Elements and to correct the same; or, to determine compliance with the provisions of the Condominium Documents.

F. Promptly Report. To promptly report to the Association any defects or needed repairs for which the Association is responsible.

G. Reimburse Association. To reimburse the Association for any repairs or replacements to the Common Elements which are caused by abuse or negligent use by an Owner (or Owner's Permittee) of the Inverness Retail Land Condominium, the cost of such repair or replacement may be assessed against such Owner.

H. Obligations of Owner. To comply with all of the obligations of an Owner under this Declaration.

Section 9.05. Contracts for Maintenance. The Association may enter into a contract with any firm, Person or corporation, or may join with other entities in contracting for the maintenance and repair of the Inverness Retail Land Condominium and may delegate to such agent all or any portion of the powers and duties of the Association, except such as are specifically required by the Condominium Documents to have the approval of the Members of the Association. This Section 9.05. shall be subject to the provisions of Section 8.10. of this Declaration.

Article X Insurance

Section 10.01. Coverage by Association. The Association is required to maintain the following insurance coverage:

A. Property and Casualty. If commercially available, the Association will obtain, maintain and pay the premiums upon the property insurance, as a Common Expense, insuring against all risks of direct physical loss commonly insured against, in an amount determined each year by the Board of Directors, but in no event an amount less than the full replacement value of the insured property, as herein defined, at the time the insurance is purchased; provided, however, that in the case of flood insurance, the



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amount of insurance required to be maintained hereunder shall not be required to exceed the amounts available under the National Flood Insurance Program or its successor. As used in this Section 10.01, the term "insured property" shall mean and refer to all insurable Improvements located on or constituting part of the Common Elements, but specifically excluding: (1) the property, foundation excavation and other items normally excluded from such insurance coverage; and (2) any and all Improvements situated on any Unit or any furniture, furnishings, fixtures, betterments and all other personal property installed, placed or maintain within any Unit; and (3) any Improvements to the Common Elements which are not customarily insurable (e.g., road pavement, curbing, gutters, storm drainage facilities, Utility lines, landscaping, etc.). The type of policy shall be a "master" or "blanket" type policy of property insurance. The amount of insurance coverage will be determined annually by the Board of Directors with the assistance of the insurance company providing such coverage. The policy shall include an "Agreed Amount Endorsement" or equivalent endorsement and, if available, an "Inflation Guard Endorsement". The property insurance policy shall provide, as a minimum coverage and protection against:

1. Loss or damage by fire and all other hazards that are normally covered by the standard extended coverage endorsement.
2. All other perils which are customarily covered with respect to condominiums similar in construction in order to meet the requirements of this Declaration.
3. Losses resulting from the enforcement of ordinances or laws that regulate construction, demolition, repair or use of the Condominium Property.

DUE TO THE FACT THAT THE COMMON ELEMENTS CONSIST PRIMARILY OF CURBING, GUTTERS, ROAD PAVEMENT, AND OTHER ITEMS THAT ARE NOT CUSTOMARILY INSURABLE, UNIT OWNERS ACKNOWLEDGE THAT IT IS UNLIKELY THAT THE INSURANCE COVERAGES DESCRIBED IN THIS SECTION 10.01 (A) IS COMMERCIALY AVAILABLE AND NO FURTHER NOTICE TO UNIT OWNERS REGARDING THE AVAILABILITY OF SUCH INSURANCE COVERAGES IS REQUIRED.

B. Liability Insurance. The Association will obtain, maintain and pay the premiums upon, as a Common Expense, a comprehensive general liability insurance policy, including medical payments insurance, covering all the Common Elements and Coverage limits shall be in amounts generally required by Eligible Security Interest Holder investors for projects similar in construction, location and use. However, such coverage shall be in an amount determined each year by the Board of Directors, but in no event, if reasonably available, for less than One Million Dollars (\$1,000,000.00) per occurrence/Two Million Dollars (\$2,000,000.00) in the aggregate for bodily injury, including deaths of Persons and property damage arising out of a single occurrence. Coverage under this policy shall include, if reasonably available, without limitation, legal liability of the insured for property damage, bodily injuries and deaths of Persons in connection with the operation, maintenance or use of the Common Elements, and legal liability arising out of lawsuits related to employment contracts of the Association. If required by any Eligible Security Interest Holder and, if reasonably available, the policy shall include protection against such other risks as are customarily covered with respect to condominiums similar in construction, location and use, employers' liability insurance, contractual and all written contract insurance and comprehensive automobile liability insurance.

C. Personnel Coverages. Should the Association employ personnel, all coverage required by law, including workers' compensation, shall be obtained so as to meet the requirements of the law and the premiums for such insurance shall be a Common Expense.

D. Fidelity Bonds. The Association may but shall not be obligated, if reasonably available, obtain, maintain and pay the premiums upon, as a Common Expense, a fidelity bond to protect against loss of money by dishonest acts on the part of all officers, Directors and employees of the Association and all other Persons handling, or responsible for, funds of the Association or funds administered by the Association. The fidelity bond shall name the Association as the obligee and shall be in the form and amount determined by the Board of Directors.



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E. Other Insurance. The Association shall have authority to obtain such other insurance on or relating to the Common Elements or the Association as the Association deems desirable, in such amounts, from such sources and in such forms as the Association deems desirable. The premiums for such insurance shall be a Common Expense.

F. Unavailability of Insurance. In the event the liability insurance required by the terms and provisions of this Declaration is not reasonably available, the Board of Directors shall promptly cause notice of such fact to be given to all Owners and shall attempt to obtain substituted insurance coverage as may be available in order to ensure the interests described herein.

Section 10.02. Owner Insurance Coverage. Nothing contained in this Declaration shall be construed to prevent an Owner from obtaining insurance for the benefit of said Owner. This Declaration contemplates that each Unit will be a land condominium Unit and that each Owner of a Unit will construct Improvements within the boundaries of the Unit owned by such Owner, which Improvements must be insured by the Owner of such Unit. Each Owner of a Unit shall procure and maintain all other insurance coverages which a normal and prudent Owner of a Unit would maintain with respect to such Unit including, without limitation, fire and extended insurance on all Improvements situated on such Unit and general liability insurance coverage. The Association shall not maintain fire and extended coverage, fraud or other similar casualty insurance on any Unit or Unit Improvement constructed on any Unit by any Owner. In no event shall the Association be responsible or otherwise liable for any injury or damage to Persons or property occurring within any Building, the Improvements to a Unit, or the boundary of any Unit. Proof of such insurance shall be provided to the Association. The Owner of each Unit, (1) shall obtain, maintain and pay the premiums for an insurance policy for personal liability for damage which may be caused by any Unit Owner or Occupant of the Unit or for any condition that may arise from the Unit or Improvements to a Unit in an amount of not less than One Million Dollars (\$1,000,000.00) per occurrence/Two Million Dollars (\$2,000,000.00) in the aggregate; and (2) shall obtain, maintain and pay the premiums for an insurance policy covering the Improvements on the Unit insuring against all risks of direct physical loss commonly insured against, in an amount not less than the full replacement value of the insured property, as herein defined, at the time the insurance is purchased; provided, however, that in the case of flood insurance, the amount of insurance required to be maintained hereunder shall not be required to exceed the amounts available under the National Flood Insurance Program or its successor. As used in this Section 10.02, the term "insured property" shall mean and refer to all insurable Improvements to the Unit, but specifically excluding: (1) the property, foundation excavation and other items normally excluded from such insurance coverage; and (2) any furniture, furnishings, fixtures, betterments and all other personal property installed, placed or maintain within any Unit; and (3) any Improvements on the Unit which are not customarily insurable (e.g., road pavement, curbing, gutters, storm drainage facilities, Utility lines, landscaping, etc.). The type of policy shall be a "master" or "blanket" type policy of property insurance. The policy shall include an "Agreed Amount Endorsement" or equivalent endorsement and, if available, an "Inflation Guard Endorsement". The property insurance policy shall provide, as a minimum coverage and protection against:

A. Loss or damage by fire and all other hazards that are normally covered by the standard extended coverage endorsement.

B. All other perils which are customarily covered with respect to condominium Units similar in construction in order to meet the requirements of this Declaration.

C. Losses resulting from the enforcement of ordinances or laws that regulate construction, demolition, repair or use of the Unit.

Section 10.03. Provisions. Insurance coverage, if reasonably available, must comply with the requirements of this Declaration and as follows:

A. Location and Primary Policy. Provide that the policy shall be primary, even if the insured has other insurance that covers that same loss, and further provide that the liability of the insurer

under said policy shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, apportionment, proration or contribution by reason of any other insurance. The Owner shall file a copy of the Owners' individual policy or policies with the Association within thirty (30) days after the purchase of such insurance.

B. Liability of Insurer. Contain no provision relieving the insurer from liability for a loss occurring because the hazard is increased, whether or not within the knowledge or control of the Association, or because of any breach of warranty or condition or any other act or neglect by the Association or any Owner or any other Persons under either of them.

C. No Cancellation of Policy. Provide that such policy may not be canceled or substantially modified and the insurer may not refuse to renew said policy (whether or not requested by the Association or Owner) except by the insurer giving at least thirty (30) days prior written notice to the Association, the Owner, each Eligible Security Interest Holder on an individual Unit, and every other Person in interest who shall have requested such notice of the insurer.

D. Waiver. Contain a waiver by the insurer of any right of subrogation to any right of the Association, the Board of Directors or either against the Owner or lessee of any Unit.

E. Standard Clause. Contain a standard clause for the benefit of the Eligible Security Interest Holders which, among any other provisions included in a standard mortgagee clause, and shall:

1. Provide that any reference to an Eligible Security Interest Holder in such policy shall mean and include all Eligible Security Interest Holders on any Unit, whether or not named in this Declaration; and

2. Provide that such insurance as to the interest of any Eligible Security Interest Holder shall not be invalidated by any act or neglect of the Association, the Board of Directors or Unit Owners or any Persons under any of them; and

3. Waive any provisions invalidating such clause for the benefit of an Eligible Security Interest Holder by reason of the failure of the Eligible Security Interest Holders to notify the insurer of any hazardous use or conveyance, any requirement that the Eligible Security Interest Holders pay any premium thereon, and any contribution clause.

F. No Prejudice. Provide that the insurance will not be prejudiced by any acts or omissions of Unit Owners.

Section 10.04. Liabilities and Responsibilities of Owner. An Owner shall be liable for any claim, damage or judgment entered as a result of the use or operation of the Unit or Common Element caused by the conduct of said Owner.

Section 10.05. Insurance Premiums and Deductibles. Insurance maintained by the Association shall be paid by the Association as a Common Expense. Insurance maintained by the Unit Owner shall be paid by the Unit Owner. Should the Unit Owner fail to pay such insurance premiums when due or should said Owner fail to comply with other insurance requirements of this Declaration then the Association shall have the right, but not the obligation, to order insurance policies and to advance such sums as are required to maintain or procure such insurance. Any costs or advances by the Association shall be assessed against the Unit and Owner as an Assessment as elsewhere provided in this Declaration. Any deductible incurred by reason of a loss or claim under any insurance policy purchased as required by this Declaration shall be paid by the insured.

Section 10.06. Insurance Trustee; Shares of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association, the Owners and the Eligible Security Interest Holders (when appropriate, the policies may name the Eligible Security Interest Holder or the servicer of the Security Interest, and when the servicer is named as the Eligible Security Interest Holder, its name should be followed by the phrase "its successors and assigns as their interest may appear"), and shall provide that all



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proceeds covering property losses shall be paid to the Association as Insurance Trustee for each of the Owners in the percentages as established by this Declaration, which said Association, for the purpose of these provisions, is referred to in this Declaration as the Insurance Trustee. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated in this Declaration and for the benefit of the Owners and Eligible Security Interest Holders. The Insurance Trustee shall have the power (and each Unit Owner hereby appoints the Trustee for this purpose as attorney-in-fact) to adjust all claims arising under insurance policies purchased by the Association; to bring suit in the name of the Insurance Trustee and/or in the name of other insureds; to deliver releases on payment of claims; to compromise and settle such claims; and otherwise to exercise all the rights, powers and privileges of the Association and each Owner and any other holder of an insured interest in the Inverness Retail Land Condominium under such insurance policies, however, the actions of the Insurance Trustee shall be subject to the approval of any Eligible Security Interest Holder if the claim shall involve more than one (1) Unit, and if only one (1) Unit is involved, such actions shall be subject to approval of any Eligible Security Interest Holder holding a Security Interest and encumbering such Unit.

Section 10.07. Association Distribution of Proceeds. Proceeds of insurance policies received by the Association as Insurance Trustee shall be distributed to or for the benefit of the beneficial Owners and as follows:

A. Reconstruction or Repair After Casualty. First, if the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost of said repair or reconstruction. Any proceeds remaining after defraying such costs shall be distributed to the beneficial Owners, with remittances to Owners and Eligible Security Interest Holders being payable jointly to them. This is a covenant for the benefit of any Eligible Security Interest Holder of a Unit and may be enforced by any such Eligible Security Interest Holder.

B. Failure to Reconstruct or Repair. If it is determined that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall first be used to clear the Common Elements of all remaining portions of any structure and of all debris and the remaining proceeds shall be distributed to the beneficial Owners with remittances to Owners and the Eligible Security Interest Holders being payable jointly to them. This is a covenant for the benefit of any Eligible Security Interest Holder of a Unit and may be enforced by any such Eligible Security Interest Holder.

Section 10.08. Owner Distribution of Proceeds. Proceeds of insurance policies received by the Owner shall be distributed to or for the benefit of said Owner and as follows:

A. Reconstruction or Repair After Casualty. First, if the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be paid to defray the cost of said repair or reconstruction. Any proceeds remaining after defraying such costs shall be distributed to the said Owner, with remittances to Eligible Security Interest Holders being payable jointly to them. This is a covenant for the benefit of any Eligible Security Interest Holder of a Unit and may be enforced against the Owner by any such Eligible Security Interest Holder.

B. Failure to Reconstruct or Repair. If it is determined by the Owners that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall first be used to clear the Unit of all remaining portions of any structure and of all debris and the remaining proceeds shall be distributed to the Owner with remittances to the Owner and the Eligible Security Interest Holders being payable jointly to them. This is a covenant for the benefit of any Eligible Security Interest Holder of a Unit and may be enforced against the Owner by any such Eligible Security Interest Holder.

Article XI Reconstruction or Repair After Casualty

Section 11.01. Determination to Reconstruct or Repair. Any portion of Inverness Retail Land Condominium which is damaged or destroyed must be repaired or replaced promptly by the Association if the damage or destruction is to the Common Elements and by the Owner if the damage or destruction is to

the Improvements of an Owner's Unit, unless:

- A. Declaration. Inverness Retail Land Condominium is terminated in accordance with the provisions of this Declaration;
- B. Health, Safety or Zoning. Repair or replacement would be illegal under any state or local statute or ordinance governing health, safety or zoning;
- C. Vote of Owners. All of the Owners vote not to rebuild; or
- D. Decision by Unit Owner. A Unit Owner elects not to repair or rebuild damage to Improvements on such Owner's Unit; provided, however, in such event such Unit Owner shall remove all remaining damaged portions of such improvements and clear the Unit of all debris such that the only remaining portion of such improvements is the building slab.

Section 11.02. Building Plans. Any reconstruction or repair must be substantially in accordance with the plans and specifications approved by the Board of Directors.

Section 11.03. Responsibility. Unless a Unit Owner elects under Section 11.01 (D) not to repair or replace damaged or destroyed improvements, in the event of any damage or destruction to any Improvements of any Unit, then the Owner of such damaged improvements shall promptly repair and otherwise restore such improvements to the condition to which the same existed immediately prior to such damage or destruction, provided however, that any such restoration or repair shall comply with all the terms and provisions of this Declaration and all then applicable rules, regulations, statutes and ordinances of any governmental authorities having jurisdiction. Any restoration or repair shall be commenced within one hundred and eighty (180) days following the occurrence of such damage or destruction. Such Improvements shall be made habitable. If the cost of the restoration exceeds the amount of any insurance proceeds, and the Owner of the Unit does not within a reasonable period of time provide the additional funds required for restoration, such additional funds may, in the discretion of the Board of Directors, be extended for restoration by the Association and be assessed against the damaged or destroyed Unit and the Owner of such damaged or destroyed Unit as an Assessment.

In the event of damage or destruction to all or any portion of the Common Elements, the responsibility of reconstruction and repair after casualty shall be that of the Association.

Section 11.04. Estimate of Cost. Immediately after a casualty causing damage to the Inverness Retail Land Condominium for which the Association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair. The cost of repair or replacement of a Common Element in excess of insurance proceeds and reserves is a Common Expense as provided in this Declaration.

Section 11.05. Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair of the Common Elements, Assessments shall be made against the Owners of Units in sufficient amounts to provide funds to pay the estimated costs. If at any time during reconstruction and repair of the Common Elements, or upon completion of such reconstruction and repair, the funds for the payment of the costs of said reconstruction or repair of the Common Elements are insufficient, Assessments shall be made against the Owners in the case of damage to Common Elements in sufficient amounts to provide funds for the payment of such costs. Such Assessments for reconstruction and/or repair of damage to Common Elements shall be in proportion to the share of the Owner in the Common Elements. Assessments for reconstruction and repair may be collected, and the collection enforced, in the same manner as provided for Assessments elsewhere in this Declaration.

Section 11.06. Construction Funds. The funds for payment of costs of reconstruction and repair after casualty for which the Association is responsible, which shall consist of proceeds of insurance held by the Association as Insurance Trustee and funds collected by the Association from Assessment against Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the following manner and order:



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A. Disbursement. The construction fund shall be disbursed in payment of such costs in the order and in the manner provided by the Board of Directors.

B. Owner. If there is a balance of insurance proceeds after the payment of the cost of reconstruction and repair that is the responsibility of the Association, this balance shall be distributed to Owners pro rata based on their share of the Common Elements. If there is an Eligible Security Interest Holder, the distribution shall be paid to the Owner and to the Eligible Security Interest Holder jointly.

Article XII Eminent Domain

Section 12.01. Proceeds. The taking of a portion of a Unit or of the Common Elements by eminent domain shall be deemed to be a casualty and the determination as to whether the Inverness Retail Land Condominium will be reconstructed or repaired or continued after condemnation will be determined in the manner provided for in this Declaration and the awards for such taking shall be deemed proceeds from insurance on account of the casualty. It is the intent of this Section 12.01 (and Sections 12.02 – 12.05 should be read in light of said intent), that to the extent practicable the Association and the Owners will seek an award from the condemning authority for separate damages done for the taking of all or any part of each Unit (and any improvements thereto) and the taking of all or any part of the Common Elements such that each Unit Owner and the Association shall receive the fair and equitable compensation for their respective loss. If the Unit Owners and the Association cannot agree as to the allocation of condemnation proceeds, the parties will request the Court in Shelby County with jurisdiction to make said determination.

Section 12.02. Disbursement of Funds. Each Unit Owner will be entitled to the condemnation proceeds representing their respective loss for the taking that pertains to Improvements of their Unit. The Association shall be entitled to any condemnation proceeds allocable to the Common Elements. If all or part of the building on a Unit Owner's Unit is taken, such Unit Owner shall have the right to decide whether to reconstruct or repair such improvements as provided for the case of casualty in Section 11.01 (D), and if a Unit Owner elects not to repair or replace such improvements taken, such Unit Owner will comply with the provisions of Section 11.01 (D) pertaining to the clearing of the Unit.

If the Inverness Retail Land Condominium is terminated after condemnation, the proceeds of the condemnation award for the Common Elements will be deemed to be insurance proceeds and shall be owned and distributed in the manner provided in this Declaration for the distribution of insurance proceeds if the Inverness Retail Land Condominium is terminated after damage to the Common Elements. If the Inverness Retail Land Condominium is not terminated after condemnation, the size of the Inverness Retail Land Condominium will be reduced and the Inverness Retail Land Condominium damaged by the taking will be made usable in the manner provided in this Declaration. The proceeds of such award for the Common Elements shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Association after damage to the Common Elements.

Section 12.03. Unit Improvements Reduced but Habitable. If the taking reduces the size of Improvements of a Unit and the remaining portion of the Improvements can be made habitable, the award for the taking of a portion of such Improvements shall be used for the following purposes in the order stated, and the following changes shall be affected in the Inverness Retail Land Condominium:

A. Restoration of Improvements of the Unit. The Improvements of the Unit shall be made habitable. If the cost of the restoration exceeds the amount of the award, and the Owner of the Unit does not within a reasonable period of time provide the additional funds required for restoration, such additional funds may, in the discretion of the Board of Directors, be extended for restoration by the Association and be assessed against such Unit and such Owner as an Assessment.

B. Distribution of Surplus. The balance of the award as it pertains to the Improvements of a Unit, if any, shall be distributed to the Owner of the Unit and to any Eligible Security Interest Holder of a Unit, the remittance being made payable jointly to the Owner and any such Eligible Security Interest Holder.



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C. Adjustment of Shares in Common Elements. If the ground area of the Unit is reduced by the taking, the percentage representing the share in the Common Elements, the Common Expenses and the Common Surplus appertaining to the Unit shall be reduced by the percentage of said reduced ground area. Voting percentage shall not be affected by such reduction.

Nothing contained in this Section 12.03 is intended to diminish a Unit Owner's right, if all or part of the building on such Unit is taken from electing to not repair or reconstruct such building and retain the condemnation proceeds allocable to the Improvements of the Unit for the benefit of the Owner and it's Eligible Security Interest Holder, provided such Unit Owner complies with Section 11.01 (D) pertaining to clearing of the Unit.

Section 12.04. Unit Made Unhabitable. If the taking is of the entire Improvements of a Unit, or so reduces the size of the Improvements of the Unit so that the Improvements of the Unit cannot be used practically or lawfully for any purpose permitted by this Declaration, the award for the taking of the Improvements of the Unit shall be used for the following purposes in the order stated, and the following changes shall be affected in the Inverness Retail Land Condominium:

A. Payment of Award. The award shall be paid first to any Eligible Security Interest Holder in an amount sufficient to pay off the Security Interest held by said Eligible Security Interest Holder on such Unit; and then jointly to the Owner and any other holders of a Security Interest.

B. Adjustment of Shares in Common Elements, Common Expenses and Common Surplus. The shares in the Common Elements, the Common Expenses and the Common Surplus appurtenant to the Units that continue as part of the Inverness Retail Land Condominium shall be adjusted to distribute the ownership of the other shares among the reduced number of Owners. This adjustment shall be done by restating said share of the continuing Owners as percentages aggregating one hundred percent (100%) so that the shares appurtenant to the Units of the continuing Owners shall be in the same proportions to each other as before the adjustment.

C. Assessments. If the balance of the award for the taking is not sufficient to finance the alteration of the remaining portion of the Improvements of the Unit, the additional funds required for such purposes shall be funded by the Owner. If the cost of the restoration exceeds the amount of any proceeds, and the Owner of the Unit does not within one hundred and eighty (180) days following the occurrence of such taking, or such other time as determined by the Board of Directors, provide the additional funds required for restoration, such additional funds may, in the discretion of the Board of Directors, be extended for restoration by the Association and be assessed against such Unit and such Owner as an Assessment.

Section 12.05. Taking of Common Elements. Awards for the taking of Common Elements shall be used to make the remaining portion of the Common Elements usable in the manner approved by the Board of Directors; provided that if the cost of the work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner required elsewhere in this Declaration for further Improvement of the Common Elements. The balance of the awards for the taking of the Common Elements, if any, shall be distributed to the Owners in the shares in which they own the Common Elements, after adjustment of these shares on account of the condemnation, except that if a Unit is encumbered by an Eligible Security Interest Holder, the distribution shall be paid jointly to the Owner and the Eligible Security Interest Holder of the Unit.

Article XIII Use Restrictions

Section 13.01. Restrictions on Use. The use of the Condominium Property is subject to the following restrictions:

A. Commercial Use. Each Unit shall be occupied and used by a single Occupant and operated only as a single business which is allowed by applicable zoning and not in violation of this



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Declaration and for the furnishing of services and facilities provided for the enjoyment of such single business. No Owner or Occupant of a Unit may conduct any garage sale, moving sale, rummage sale, going out of business sale, or similar activity at or about the Condominium Property, whether within a Unit or otherwise.

B. Restrictions on Use. Notwithstanding the generality of Section 13.01 A., a Unit will not be used for any purpose or business described on Exhibit "F".

C. So long as the business operated in Unit 2 is a fitness/training facility, the business operated in Unit 1 is prohibited from being a business that offers or provides fitness training, fitness classes, fitness work outs, dietary advice, or similar services.

D. So long as the business operated in Unit 1 is a business that sells eye wear and/or that provides the service of opticians, optometrists, or ophthalmologists, the business operated in Unit 2 is prohibited from being a business that sells eye wear and/or that provides the services of opticians, optometrists, or ophthalmologists.

E. Condominium Documents. Each Owner shall comply with and shall require the Occupants of the Unit of said Owner to comply with, all provisions of the Condominium Documents that apply to such Owner or the Unit of said Owner.

F Storage and Common Elements. There shall be no obstruction of the Common Elements, nor shall anything be kept or stored in the Common Elements (except outdoor furniture and planters appropriate to the character and appearance of the Condominium may be utilized by Owners and Occupants) except in approved storage areas, nor shall anything be constructed on or planted in or removed from the Common Elements, nor shall the Common Elements in any other way be altered without the prior written consent of the Association.

G. Insurance Rate Increase or Termination. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance for the Inverness Retail Land Condominium without the prior written consent of the Board of Directors. No Owner shall permit anything to be done or kept in the Unit of said Owner or in or on the Common Elements which will result in the cancellation of insurance of any Unit or any part of the Common Elements or which will be in violation of any law, including applicable zoning ordinances at any applicable environmental law, rule, or regulation.

H. Waste. No waste shall be committed in or on the Condominium Property.

I. Clean and Sanitary Conditions. All parts of the Inverness Retail Land Condominium shall be kept in a clean and sanitary condition and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist. Each Owner agrees that all deliveries and all trash removal services, and other such services to that Owner or the Unit of the Owner shall be affected at a central location or locations designated by the Association from time to time for such purposes. The Owners shall not, and shall not permit, any Occupant or the guests of the Owners or Occupant to litter. No burning of trash, garbage or other waste materials will be permitted at the Condominium Property.

J. Nuisance. No immoral, improper, offensive or unlawful use shall be made of any Unit, Common Elements, or any part thereof, nor shall any outside lighting or sound speakers or other sound producing devices be used, nor shall anything be done, on any part of the Condominium Property which, in the judgment of the Board of Directors, may be or become an unreasonable annoyance or nuisance to the other Owners, or be in violation of all valid laws, ordinances or regulations of any governmental bodies having jurisdiction.

K. Signs, etc. Unit 1 and Unit 2 will share a monument sign if and as approved by the applicable zoning authority. Said shared sign, if allowed, shall be in reasonable proximity to the access to the Parking Area if permitted by the applicable zoning authority. All signage on the outside walls of any Unit shall be in accordance with applicable zoning and shall be subject to architectural review, standards and approval as provided in this Declaration.



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L. No Structure, etc. No structure of a temporary character, trailer, tent, shack, carport, garage, barn or other outbuildings shall be erected by any Owner on the Condominium Property at any time temporarily or permanently, except with the prior written consent of the Board of Directors. Provided, however, that temporary structures may be erected or a construction trailer allowed for use in connection with the construction, repair or rebuilding of any Improvement so long as said temporary structure or trailer is approved by the Board of Directors of the Association.

M. Satellite Dishes. No satellite dishes over one (1) meter shall be allowed on the Condominium Property at any time. Satellite dishes less than one (1) meter shall not be allowed on any part of the Common Elements of the Condominium Property except with the express approval of the Board of Directors as to location of the receiving equipment or the dish.

N. Environmental Hazards, Flammable Oils or Liquids. No one shall, without the written consent of the Board of Directors of the Association in their discretion, use or permit to be brought into any Unit or upon any of the Common Elements and facilities any materials which could create an environmental hazard, flammable oils or fluids such as gasoline, kerosene, naphtha or benzene, or other explosives or articles deemed extra hazardous to life, limb or property, except to the extent such materials are used in the ordinary course of operating or maintaining the business located in a Unit and are stored, maintained and used in compliance with all applicable laws.

O. Outdoor Drying. No clothes, sheets, towels, blankets, laundry of any kind or other articles shall be hung out or exposed from or on any part of the Common Elements. The Common Elements shall be kept clear of rubbish, debris and other unsightly materials.

P. Parking. Parking of vehicles in the Parking Area shall be subject to the Rules and Regulations applicable to parking. The Parking Area shall be shared and no exclusive parking spaces will be assigned to Unit 1 or Unit 2. If the Owner of both Unit 1 and Unit 2 and the Association unanimously agree, the Association may assign the exclusive use of certain designated parking spaces. If an assignment is made, such assignment shall not be recorded in the public records. A Unit Owner may not lease or otherwise grant a license or use right for the parking rights provided for in this Declaration.

Q. Vehicles.

1. Motorcycles, motor bikes, motor scooters, recreational vehicles or other similar vehicles shall not be operated within the Inverness Retail Land Condominium except for the purpose of transportation, it being intended that said vehicles shall not be operated within the Inverness Retail Land Condominium so as to annoy or disturb Persons or endanger Persons or property.

2. No motor vehicle and no mobile home, trailer, detached camper or camper shell, boat or other similar equipment or vehicle may be kept or parked at the Condominium Property for more than twenty-four hours unless approved in writing by the Board of Directors of the Association.

3. No motor vehicle shall be constructed, repaired or serviced at the Condominium Property except to the extent necessary to be able to remove the Vehicle from the Condominium Property.

4. An Owner shall not sell, lease or otherwise convey all or any part of the parking rights said Owner has by virtue of the ownership of a Unit.

R. Planting, Gardening, Fences, Etc. No planting, transplanting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon the Inverness Retail Land Condominium, except as approved by the Board of Directors. The Owners of Unit 1 and Unit 2 agree to select a single entity for landscape maintenance and a single entity for trash collection if not provided by the City of Hoover or other governing authority and to request such providers split the charges on equal (50/50) basis.

S. Animals or Pets. Except as may be otherwise provided by law, no animals or pets of any kind, except for trained service animals, shall be kept in any Unit or on the Condominium Property. No animals shall be kept for commercial purposes nor be allowed to create or cause any disturbance or nuisance of any kind, and if an animal or pet does cause or create a nuisance or an unreasonable disturbance, said animal or pet shall be permanently removed from the Condominium Property within three (3) days from the day the owner receives the written notice from the Board of Directors of the Association. The owner of any pet or animal shall be liable for any and all damage caused by such animal or pet to any part of the Condominium Property or to any other Condominium Property operated by the Association. Notwithstanding the foregoing, no potbellied pigs, venomous snakes, or animals deemed vicious or dangerous by the Board of Directors may be brought onto or kept on the Condominium Property at any time.

T. Firearms and Fireworks. The display or discharge of firearms or fireworks on the Common Elements is prohibited; Provided, however, that the display of lawful firearms on the Common Elements is permitted by law enforcement officers and also is permitted for the limited purpose of transferring firearms across the Common Elements to or from a Unit so long as the firearm is not loaded and not carried in a threatening manner. The term "firearms" includes "B-B" guns, pellet guns and other firearms of all types, regardless of size.

U. Employees/Customers. Except for the right to park while working at or doing business with a business located in a Unit, and the right to use Common Elements to access the Units no employee, customer or patron of an Owner shall be allowed either to use any of the facilities which are Common Elements of the Inverness Retail Land Condominium or to use any of the property owned or operated by the Association.

V. Subdivision, Rezoning and Timesharing.

1. No Unit may be subdivided unless all record Owners and Eligible Security Interest Holders join in an amendment to this Declaration.

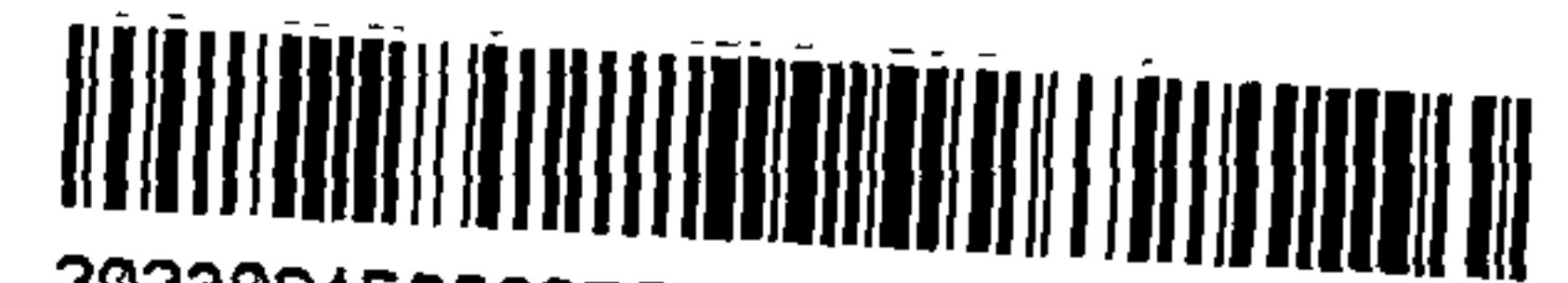
2. Any subdivision of the Units shall be reflected by an amendment to the Plan and this Declaration. An amendment to the Plan and Declaration to subdivide the Units must be signed and acknowledged by all Owners of Units and the Eligible Security Interest Holder of the Units. The amendment to this Declaration shall reflect the change in the allocated interest among the subdivided Units.

3. No application for rezoning any portion of the Units, and no applications for variances or use permits, shall be filed with any governmental or quasi-governmental authority, unless the proposed rezoning has been approved by all Owners of Units and all Eligible Security Interest Holders.

4. No Owner shall offer or sell any interest in any Unit under a "timesharing" or "interval ownership" plan or similar plan.

W. Use of Common Elements. The Common Elements shall be used in accordance with this Declaration and only by the Owners and their Permittees for parking, access, ingress to and egress from the respective Units and for such other purposes incidental to the use of the Units. However, other areas designated for a specific use shall be used for the purposes approved by the Board of Directors. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged, or unreasonably interfered with by any Owner, and shall be subject to any lease, concession, or easement, presently in existence or entered into by the Board of Directors at some future time, affecting any part or all of said Common Elements.

Neither an Owner nor a Permittee may use any Common Element in any manner that unreasonably interferes with the rights of other Owners in and to the Common Elements. No Owner shall cause or permit the guests of said Owner to cause waste to any Common Element. The rights of the Owners to use the Common Elements are subordinate and subject to all of the rights and powers of the



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Association with respect to the Common Elements, including, without limitation, the right and power of the Association to adopt Rules and Regulations regulating the use of the Common Elements.

X. Governmental Authority. Nothing shall be done or kept at the Condominium Property in violation of any law, ordinance, rule, regulation or other requirement of any governmental or quasi-governmental authority. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of the Inverness Retail Land Condominium shall be the same as the responsibility for the maintenance and repair of the Inverness Retail Land Condominium.

Y. Unlawful Discrimination. Neither the Board of Directors nor the Association shall take or permit to be taken any action that unlawfully discriminates against any Owners or Permittees.

Section 13.02. Unrestricted Right of Transfer. The right of an Owner to sell, transfer, or otherwise convey its Unit shall not be subject to any right of first refusal or similar restriction.

Section 13.03. Leases. Except as otherwise expressly provided in this Declaration, each Unit may be leased by the Owner. Provided, however, that such lease and the rights of any tenant under said lease are made expressly subject to the power of the Association to prescribe reasonable Rules and Regulations relating to the lease and rental of Units and to enforce the same directly against such tenant or other Occupant by the exercise of such remedies as the Board of Directors deems appropriate, including eviction.

Each Unit Owner who shall lease or rent the Unit of said Owner irrevocably empowers the Association to enforce the Rules and Regulations and to terminate the lease and evict any tenant or Occupant who fails to comply with the Rules and Regulations. The Association, the Board of Directors, or any agent thereof acting at the direction of the Association or the Board of Directors, shall become liable to any Unit Owner or any Person who sublets a Unit, or other party for any loss of rents or other damages resulting from the reasonable exercise of the provisions of this paragraph. Nothing to the contrary withstanding, a Unit Owner is primarily responsible for the acts or omissions of the Permittees of the Unit Owner. There shall be no minimum rental or leasing period.

Section 13.04. Rules and Regulations. The Association is authorized to promulgate, amend and enforce the Rules and Regulations concerning the operation and use of the Condominium Property provided that such Rules and Regulations are not contrary to or inconsistent with 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 and Occupants, 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 (1) Person shall constitute the agreement of such Person 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 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 an Owner or Permittee of a Unit Owner, including the payment of penalties for such violations. Copies of Rules and Regulations shall be furnished by the Association to all Owners and Occupants of the Inverness Retail Land Condominium upon request.

Section 13.05. No Restrictions on Encumbering Units with Security Interests. Anything construed in any of the Condominium Documents to the contrary, there shall be no restrictions on the right of an Owner to encumber a Unit with a Security Interest.

Section 13.06. Right of Access. Each Unit Owner grants a right of access to such Unit to the Association, and to any other Person authorized by the Association for the purpose of making inspections and for the purpose of correcting any condition originating in the Unit of the Owner and threatening



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other Units, Common Elements or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements within a Unit, if any, or to enforce any provisions of the Condominium Documents, provided that written 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. To the extent that damages are inflicted on the Common Elements or any Unit through which access is taken, the Unit Owner or the Association, if it causes the same, shall be liable for the prompt repair thereof.

Section 13.07. Limitation of Liability. The Association shall not be liable for any failure of any Utility, security, fire protection or other service to be obtained by the Association or paid for out of the Common Expense funds or problems resulting from the operation or lack of operation of any Utility or sewer lines servicing the Condominium Property, or for injury or damage to a Person or property caused by the natural elements or resulting from any Utility, snow or ice which may leak or flow from any portion of the Common Elements or from any Utility, wire, pipe, drain, conduit, appliance or equipment, except to the extent covered by insurance. The Association shall not be liable to the Owner of any Unit for the loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements. No diminution or abatement of the Common Expense Assessments, as herein elsewhere provided, shall be claimed or allowed for any reason, specifically including for inconvenience or discomfort arising from the making of repairs or Improvements to the 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 governmental authority or judicial authority or for the disposition of the Unit Owner by reason of fire or other casualty, except to the extent covered by insurance.

Section 13.08. Abatement of Violations. The violation of any Rule or Regulation or breach of the provisions of the Condominium Documents shall give the Association or any Unit Owner 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 violation or breach. All expenses of such actions or proceedings against a defaulting Unit Owner, including, without limitation, court costs, reasonable attorneys' fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the 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, and any additions and Improvements of said defaulting Unit Owner thereto, and a Security Interest under the Alabama Uniform Commercial Code upon all of such personal property of the defaulting Owner in the Unit of the Owner or located elsewhere on the Condominium Property. Nothing contained in this Declaration shall prevent an Owner from maintaining such an action or proceeding against the Association and all expenses of any such actions, including, without limitation, court costs, reasonable attorneys' fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the highest lawful rate on judgments until paid, shall be charged to and assessed against the Association, and shall be a Common Expense if a court of competent jurisdiction finds the Association to be in such violation or breach as alleged in such action or proceeding.

Section 13.09. Failure of the Association or Owner to Insist on Strict Performance; No Waiver. Failure of the Association or any Owner 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 contained in this Declaration, 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.

Article XIV Amendment

Section 14.01. Amendment by the Declarant. The Declarant reserves the right to amend this Declaration and the Condominium Documents so long as there is no Unit Owner other than the Declarant.



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Section 14.02. Amendment by Unit Owners. At such time as the Declarant no longer owns all Units in the Inverness Retail Land Condominium, then, in addition to the amendments permitted in this Declaration, this Declaration may be amended in the following manner:

A. Proposal to Amend. A proposal to amend this Declaration may be considered at any meeting of the Members called for that purpose in accordance with the provisions of the Bylaws; provided that the Association provides prior written notice of such meeting to the Eligible Security Interest Holders as provided in this Declaration. The proposal to amend this Declaration must be approved by the affirmative vote of all the Members of the Association and by the affirmative vote of all of the Eligible Security Interest Holders; or

B. Unanimous Consent or Agreement. By Unanimous consent or agreement of the Unit Owners and the Eligible Security Interest Holders as evidenced by their signatures to the amendment.

Section 14.03. Effectiveness of Amendments. A copy of each amendment so adopted shall be certified by the President or Vice President and Secretary or Assistant Secretary of the Association as having been fully adopted and shall be effective when recorded in the records in the Office of the Judge of Probate of Shelby County, Alabama.

Article XV

Purchase of Condominium Unit by Association

Section 15.01. Decision. The decision of the Association to purchase a Unit shall be made by the Board of Directors without the approval of the Members except as provided in this Article XV.

Section 15.02. Limitation. If at any time the Association is already the Owner of or has agreed to purchase one (1) or more Units, the Association may not purchase any additional Units without the prior written approval of Members holding all of the votes of those Members eligible to vote, except as provided in this Declaration. A Member whose Unit is the subject matter of the proposed purchase shall be ineligible to vote. Notwithstanding the foregoing, however, the foregoing limitations shall not apply to Units either to be purchased at public sale resulting from a foreclosure of the lien of the Association for delinquent Assessments where the bid of the Association does not exceed the amount found due the Association, or to be acquired by the Association in lieu of foreclosure of such lien if the consideration does not exceed the cancellation of such lien. In any event, the Board of Directors or a designee of the Board of Directors, acting on behalf of the Association, may only purchase a Unit in accordance with this Article XV, or as the result of a sale pursuant to the foreclosure of:

- A. a lien on the Unit for unpaid taxes;
- B. a lien of a Security Interest;
- C. the lien for unpaid Assessments; or
- D. any other judgment lien or lien attaching to such Unit by operation of law.

Article XVI

Notice of Lien or Suit

Section 16.01. Notice of Lien. An Owner shall give notice in writing to the Secretary of the Association of every lien on said Unit, other than liens for a Security Interest, taxes and special Assessments, within five (5) days after said Owner receives notice of the lien.

Section 16.02. Notice of Suit. An Owner shall give notice in writing to the Secretary of the Association of every suit or other proceeding that may affect the title to the Unit of said Owner, with such notice to be given within five (5) days after the Owner obtains knowledge of said suit or proceeding.

Section 16.03. Failure to Comply. Failure to comply with this Article XVI will not affect the validity of any judicial proceeding.

Article XVII Rules and Regulations

Section 17.01. Compliance. Each Owner and the Association shall be governed by and shall comply with the terms of the Condominium Documents and the Rules and Regulations applicable to the Inverness Retail Land Condominium. Ownership of a Unit subjects the Owner to compliance with provisions of this Declaration, the Certificate of Formation, the Bylaws, the Rules and Regulations and any contracts to which the Association is a party, as well as to any amendments to any of the foregoing. Failure of the Owner to comply shall entitle the Association or other Owners to an action for damages or injunctive relief, or both, in addition to other remedies provided in the Condominium Documents.

Section 17.02. Enforcement. The Association, through the Board of Directors, is empowered to enforce the Condominium Documents and all Rules and Regulations of the Association by such means as are provided by Alabama Law, including the imposition of reasonable fines (after reasonable notice and opportunity to be heard) from time to time as set forth in the Bylaws. In the event an Owner fails to maintain the Unit of said Owner in the manner required in the Condominium Documents and any Rules and Regulations, the Association, through the Board of Directors, shall have the right to assess the Owner and the Unit for the sums necessary to do the work required to effect compliance and to collect, and enforce the collection of, a special Assessment as provided in this Declaration. In addition, the Association shall have the right, for the Association and the employees and agents of the Association, to enter the Unit of an Owner and perform the necessary work to effect compliance.

Section 17.03. Negligence. An Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by the act, negligence, or carelessness of said Owner or by that of any Permittee of said Unit Owner, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire and casualty insurance rates occasioned by the use, misuse, occupancy or abandonment of a Unit, or the Common Elements. The liability for such increases in insurance rates shall equal five times the first resulting increase in the annual premium rate for such insurance.

Section 17.04. No Waiver of Rights. The failure of the Association or any Owner to enforce any covenant, restriction of this Condominium Documents, or any Rules and Regulations shall not constitute a waiver of the right to do so.

Article XVIII General Provisions Pertaining to Eligible Security Interest Holders

Section 18.01. Notification of Eligible Security Interest Holders Required. Any Eligible Security Interest Holder who properly notifies the Association in accordance with the terms of Section 18.04, of this Declaration shall have the right to be given written notification by the Association 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 loss to or taking of the Common Elements if such loss or taking should, in the opinion of the Board of Directors, be estimated to exceed Ten Thousand and No/100ths Dollars (\$10,000.00); (c) any condemnation of all or a portion of the Condominium Property; (d) a lapse or cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and (e) any proposed action that requires the consent of a specified percentage of Eligible Security Interest Holders.

Section 18.02. Right of Inspection. The Eligible Security Interest Holders shall have the right to examine the books and records of the Association or the Condominium Property during normal business hours and to receive annual reports, other financial data, and upon the request of the Eligible Security Interest Holder, a copy of the annual compiled statement, if any, within one hundred twenty (120) days following the end of any fiscal year of the Association.



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Section 18.03. Priority of Eligible Security Interest Holders.

A. Priority of Liens. Any lien which is or may be created under this Declaration upon any Unit, including, but not limited to, the lien created for Assessments in this Declaration 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 under this Declaration, provided that after the foreclosure of any such Security Interest there may be a lien created pursuant to this Declaration on the interest of the purchaser as an Owner after the date of such foreclosure sale to secure all Assessments under this Declaration. 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 in this Declaration. Notwithstanding the foregoing, the lien created pursuant to this Declaration is prior to any Security Interest to the extent of the Common Expense Assessments based on the annual budget of the Association which would have become due in absence of acceleration during the six (6) months immediately preceding institution of an action to enforce the lien.

B. Insurance Proceeds or Condemnation Awards. No provision of this Declaration, Certificate of Formation, Bylaws or 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 Security Interest Holders of the Units pursuant to the Security Interest 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 or any portion thereof.

C. Property Taxes, Etc. All assessments, property taxes and other charges imposed by any taxing 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. Breach of Covenants. No breach of the covenants, conditions or restrictions contained in this Declaration 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.

Section 18.04. Request for Protection by Eligible Security Interest Holders. Whenever any Eligible Security Interest Holder desires the benefit of the provisions of this Article to be applicable to such Eligible Security Interest Holder, the Eligible Security Interest Holder shall serve written notice of such fact upon the Association, by registered or certified mail, or by hand delivery or by a recognized overnight courier who maintains verification of delivery, addressed to the Association, and actually delivered to the address of the Association, 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 the Eligible Security Interest Holder. Said notice shall designate the place to which the notices are to be given by the Association to such Eligible Security Interest Holder. Should the Association send notice of any action requiring an affirmative vote of the Eligible Security Interest Holder, and the Eligible Security Interest Holder shall not respond within sixty (60) days from notice of such right, the Eligible Security Interest Holder shall be deemed to have given implied consent to such action by said Eligible Security Interest Holder.

Section 18.05. Blanket Security Interest. The entire Condominium Property, or some or all of the Units included in the Inverness Retail Land Condominium, may be subjected to a single or blanket Security Interest constituting a lien on the Inverness Retail Land Condominium or Units created by a recordable instrument executed by all of the Owners of the Inverness Retail Land Condominium or Units covered by said Security Interest. Any Unit included under the lien of such Security Interest may be sold or otherwise conveyed or transferred subject to said Security Interest. Any such Security Interest shall provide a method whereby any Owner may obtain a release of the Unit of said Owner from the lien of such Security Interest and a satisfaction and discharge in recordable form upon payment to the holder of the Security Interest of a sum equal to the reasonable proportionate share attributable to the Unit of said Owner of the then outstanding balance of unpaid principal and accrued interest, and any other charges then due and unpaid. The proportionate share of the Security Interest required to be paid for release shall be determined by provisions pertaining to said release stated in the Security Interest, or, if the Security Interest contains no



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such provisions, then according to the proportionate share of the Common Elements of the Inverness Retail Land Condominium attributable to such Unit or Units.

Article XIX

Termination; Destruction of the Condominium Property

A. Determination by Board of Directors, Notwithstanding, anything to the contrary contained in this Declaration, if the Board of Directors shall determine that either of the following conditions exist:

1. Both Units shall have been destroyed or substantially damaged by terrorism or fire, wind, water, or other natural causes, or a combination of such, (including condemnation); or
2. The Condominium Property has been in existence in excess of fifty (50) years after the date of this Declaration shall have been executed 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 to consider and vote upon whether to restore, repair and/or rebuild the Condominium Property, and if not, whether to terminate this Declaration and remove the Condominium Property from the provisions of the Act. If approved by all Unit Owners and by all Eligible Security Interest Holders after notice given as provided in this Declaration, this Declaration and plan of condominium ownership established in this Declaration shall be subject to termination and the Association shall be authorized to file on behalf of 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 all of the Owners and Eligible Security Interest Holders vote in favor of terminating the Condominium Property as required in this Declaration, the Condominium Property shall be restored, repaired and/or rebuilt in accordance with the applicable provisions of Articles XI and XII of this Declaration.

B. Petition for Termination. In the event that the Circuit Court of Shelby County, Alabama, shall grant the petition for termination of this Declaration and the plan of condominium ownership as provided in Article XIX of this Declaration, 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 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. Upon termination of this Declaration and the plan of condominium ownership established in this Declaration, the Owners of all Units still habitable shall within sixty (60) days from the date of the granting of the petition, deliver possession of their respective Units to the Association. Upon such delivery of possession, the Owners of habitable Units and their respective Eligible Security Interest Holders, 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 in this Declaration, the Association or the Insurance Trustee, as the case may be, shall distribute any insurance proceeds which may be due under any policy of casualty insurance and any condemnation proceeds to the Owners of the Units and their Eligible Security Interest Holders as their respective interests may appear, such distribution to be made to the Owner of each Unit in accordance with such then undivided interest of the Owner in the Land and remaining Improvements as therein 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 the Eligible Security Interest Holders of the Unit Owner, as their respective interest may appear, in the same manner as is above provided for the distribution of any final insurance proceeds.

C. Termination By Consent. Except in the event this Declaration and plan of condominium ownership established by this Declaration is terminated as provided above, this Declaration may only be



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otherwise terminated by the consent of all Owners of 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 in this Declaration shall be evidenced by a termination agreement executed in writing by all of the aforesaid parties in recordable form in accordance with the Act, and such instruments shall be recorded in the Real Property Records.

The undivided interest in the Land and remaining Improvements 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 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 the Eligible Security Interest Holders of the Unit Owner, as their respective interest may appear, in the same manner as is above provided for the distribution of any final insurance proceeds.

Article XX Dispute Resolution

Section 20.01. Agreement to Encourage Resolution of Disputes Without Litigation.

A. Amicable Resolution of Disputes. The Declarant, Association and the officers, Directors and committee members of the Association, all Owners, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article XX (collectively, the "Bound Party"), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving the Inverness Retail Land Condominium, the Association, including voting by Unit Owners, voting by members of the Board of Directors or any other vote in the Association, and in an effort to resolve deadlock voting without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to a Claim (hereinafter defined), unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in Section 20.02. of this Declaration in a good faith effort to resolve such Claim.

B. Claim. As used in this Article, the term "Claim" shall refer to any claim, grievance or dispute arising out of or relating to:

1. The interpretation, application, or enforcement of the Condominium Documents, including but not limited to and including voting by Unit Owners, voting by members of the Board of Directors or any other vote in the Association; or

2. The rights, obligations and duties of any Bound Party under the Condominium Documents;

Except that the following shall not be considered a "Claim" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 20.02. of this Declaration:

1. Any suit by the Association to collect Assessments or other amounts due from any Owner;

2. Any suit by the Association to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the ability of the Association to enforce the provisions of this Declaration;

3. Any suit between the Owners, which does not include the Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent



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of the Condominium Documents;

4. Any suit in which any indispensable party is not a Bound Party;
5. Any suit as to which any applicable statute of limitations would expire within one hundred eighty (180) days of giving the Notice required by Section 20.02. A., unless the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article XX; and
6. Any suit relating to or arising out of any Alleged Defect (hereinafter defined).

Section 20.02. Dispute Resolution Procedures.

A. Notice. The Bound Party asserting a Claim (the "Claimant") against another Bound Party (the "Respondent") shall give written notice (the "Notice") to each Respondent and to the Board stating plainly and concisely;

1. The nature of the Claim, including the Persons involved and the role of the Respondent in the Claim;
2. The legal basis of the Claim (i.e., the specific authority out of which the Claim arises);
3. The proposed resolution or remedy of the Claimant; and
4. The desire of the Claimant to meet with the Respondent to discuss in good faith ways to resolve the Claim.

B. Negotiation. The Claimant and Respondent shall make every reasonable effort to meet in Person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the parties in negotiating a resolution of the Claim.

C. Mediation. If the parties have not resolved the Claim through negotiation within thirty (30) days of the date of the Notice described in Section 20.02. A. of this Declaration (or within such other period as the parties may agree upon), the Claimant shall have thirty (30) additional days to submit the Claim to mediation with an entity designated by the Association (if the Association is not a party to the Claim) or to an independent agency or individual providing dispute resolution services in the State of Alabama. If the Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim. If the parties do not settle the Claim within thirty (30) days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to file suit or to initiate administrative proceedings on the Claim, as appropriate. Each party shall bear its own costs of the mediation, including reasonable attorneys' fees, and each party shall share equally all fees charged by the mediator.

D. Settlement. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of such agreement, then any other party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Section 20.02. In such event, the party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties in equal proportions) all costs incurred in enforcing such agreement or award, including, without limitation, reasonable attorneys' fees and court costs.



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Section 20.03. Initiation of Litigation by the Association. The Association may initiate legal proceedings on the approval of the Board of Directors.

Section 20.04. No Claims Against Declarant or other Unit Owners for Construction of Common Elements/Site Work. Prior to the filing of this Declaration, the proposed Owners of Unit 1 and Unit 2 agreed as to the engineering firm and construction firm for obtaining governmental and third-party approvals, engineering plans, site work for all of the Land, and the construction of the Common Elements. The Owners of the Units (including their successors and assigns) agree that if there is any alleged defect, malfeasance or nonfeasance with regard to the engineering, approvals process, site work for the Land, or the construction of the Common Elements, they will look solely to the engineering firm and construction firm and their affiliates and subcontractors to remedy or pay for any damages related to any such alleged defect, malfeasance or nonfeasance and neither Unit Owner will have a claim against the Declarant, the Board of Directors or each other with regard to same.

Article XXI General Provisions

Section 21.01. Covenant Against Partition. There shall be no judicial or other partition of the Inverness Retail Land Condominium or any part of the Inverness Retail Land Condominium, nor shall the Declarant or any Person acquiring any interest in the Inverness Retail Land Condominium or any part of the Inverness Retail Land Condominium seek any such partition unless the Inverness Retail Land Condominium has been terminated in accordance with Article XIX of this Declaration or otherwise removed from the provisions of the Act.

Section 21.02. Disclosures. Each Owner and the Permittee of said Owner acknowledge the following:

A. Traffic and Noise. The Inverness Retail Land Condominium is located adjacent to thoroughfares that may be affected by traffic and noise from time to time and may be improved and/or widened in the future.

B. Views. The views from a Unit of an Owner may change over time due to, among other circumstances, additional development and the removal or addition of landscaping.

C. Zoning. No representations are made regarding the zoning of adjacent property, or that the category to which adjacent property is zoned may not change in the future.

D. Objectionable Conditions. Since in every neighborhood, there are conditions that different people may find objectionable, it is acknowledged that there may be conditions outside of the Inverness Retail Land Condominium that an Owner may find objectionable and that it shall be the sole responsibility of the Owners to become acquainted with neighborhood conditions that could affect the Unit.

E. Approximate Dimensions and Square Footage. The Plan and the dimensions and square footage calculations depicted on the Plan, if any, are only approximations. Any Unit Owner who is concerned about any representations regarding the Plan should perform an independent investigation as to the dimensions, measurements and square footage of the Unit of the Owner.

F. Construction Activities. The Unit Owners and Association will be constructing portions of the Inverness Retail Land Condominium and engaging in other construction activities related to the construction or renovation of Common Elements and of the Improvements on Units. Such construction activities may, from time to time, produce certain conditions on the Inverness Retail Land Condominium, including, without limitation: (1) noise or sound that is objectionable because of its volume, duration, frequency or shrillness; (2) smoke; (3) noxious, toxic, or corrosive fumes or gases; (4) obnoxious odors; (5)



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dust, dirt or flying ash; (6) unusual fire or explosion hazards; (7) temporary interruption of utilities; and/or (8) other conditions that may threaten the security or safety of Persons on the Inverness Retail Land Condominium. Notwithstanding the foregoing, all Owners and the Association agree that such conditions on the Inverness Retail Land Condominium resulting from renovation and construction activities shall not be deemed a nuisance and shall not cause the Unit Owners or Declarant and the agents of the Unit Owners or Declarant to be deemed in violation of any provision of this Declaration; provided, however, that if a Building on a Unit is occupied at the time of such construction activities, the Owner or the Association responsible for such construction activities shall take commercially reasonable measures to mitigate the effect of such constructions activities on the business of such Occupant, including, without limitation, not unreasonably interfering with the access of such Occupant to its Building.

G. Exposed Concrete Surfaces. Exposed hard surfaces in portions of the Inverness Retail Land Condominium are subject to cracking due to water penetration, expansion and contraction of the hard surface with temperature changes, building settlement or other reasons.

H. Storms. The Inverness Retail Land Condominium is situated in a location that may be subject to tornadoes, strong winds, storms, erosion, flooding, and other forces of nature that may cause damage or casualty losses to the Inverness Retail Land Condominium.

I. Effect of Disclosures on Duties in Declaration. The disclosures in this Section 21.02 shall not affect the obligations of any Owners or the Association to perform its duties under this Declaration.

Article XXII Miscellaneous

Section 22.01. Intent. It is the intent of the Declarant to create a condominium pursuant to the Act. In the event that the Inverness Retail Land Condominium created by this Declaration shall fail in any respect to comply with the Act, then the common law as the same exists on the filing date of this Declaration shall control, and the Inverness Retail Land Condominium created shall be governed in accordance with Alabama Law, the Bylaws, the Certificate of Formation and all other instruments and exhibits attached to or made a part of this Declaration.

Section 22.02. Rights and Powers of Successors and Assignees. The rights and powers reserved to or exercisable by the Declarant under the Condominium Documents or the Act may be exercised by any successor or assignee of the Declarant: (i) who acquires title from the Declarant by foreclosure or other judicial sale or deed in lieu of foreclosure, or (ii) to whom the Declarant specifically assigns such rights and powers.

Section 22.03. Covenants, Conditions and Restrictions. All provisions of the Condominium Documents shall, to the extent applicable and unless otherwise expressly provided in the Condominium Documents to the contrary, be perpetual and be construed to be covenants running with the Land and with every part of the Land and interest in the Land; and all of the provisions of the Condominium Documents shall be binding on and inure to the benefit of any Owner of all or any part of the Land, or interest in the Land, and their heirs, executors, administrators, legal representatives, successors and assigns, but said provisions are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All Owners and Occupants shall be subject to and shall comply with the provisions of the Condominium Documents and any Rules and Regulations.

Section 22.04. Exhibits. The Exhibits attached to this Declaration are an integral part of this Declaration.

Section 22.05. Invalidity and Severability. The invalidity in whole or in part of any covenant or restriction or any paragraph, subparagraph, sentence, clause, phrase, word or other provision of this Declaration, the Certificate of Formation, the Bylaws, any Rules and Regulations and any exhibits attached to the Condominium Documents, as the same may be amended from time to time, or the Act, or the invalidity



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in whole or in part of the application of any such covenant, restriction, paragraph, subparagraph, sentence, clause, phrase, word or other provision shall not affect the remaining portion.

Section 22.06. Notice. The following provisions shall govern the construction of the Condominium Documents. All notices required or desired under the Condominium Documents to be sent to the Association shall be sent certified mail, return receipt requested, or by hand delivery or by a recognized overnight courier who maintains verification of delivery, to the Secretary of the Association, at such address as the Association may designate from time to time by notice in writing to all Owners. All notices to any Owner shall be delivered by hand delivery, by a recognized overnight courier who maintains verification of delivery in person or sent by first (1st) class mail to the address of such Owner at the Inverness Retail Land Condominium, or to such other address as said Owner may have designated from time to time, in writing duly received, to the Association. All notices to the Association or an Owner shall be deemed to have been given when delivered to the addressee in person or five (5) days after depositing in the first class mail as evidenced by a post office certificate of mailing.

Section 22.07. Governing Law. The Declaration and the other Condominium Documents shall be governed by Alabama Law. Without limiting the generality of the foregoing, should any dispute or litigation arise between any of the parties whose rights or duties are affected or determined by the Condominium Documents or any Rules and Regulations adopted pursuant to such documents, such dispute or litigation shall be governed by Alabama law.

Section 22.08. Conflict Between Documents. If there is any conflict or inconsistency between the terms and conditions of this Declaration and the terms and conditions of the other Condominium Documents, the terms and conditions of this Declaration shall control. If there is any conflict or inconsistency between the terms and conditions of the Certificate of Formation and the terms and conditions of the Bylaws or the Rules and Regulations, the terms and conditions of the Certificate of Formation shall control. If there is any conflict or inconsistency between the terms and conditions of the Bylaws and the terms and conditions of the Rules and Regulations, the terms and conditions of the Bylaws shall control.

Section 22.09. Waiver. No provisions contained in the Condominium Documents shall be deemed to have been waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches of the Condominium Documents which may occur.

Section 22.10. Ratification. Each Owner, by reason of having acquired ownership of a Unit, whether by purchase, gift, operation of law, or otherwise, shall be deemed to have acknowledged and agreed that all the provisions of the Condominium Documents and any Rules and Regulations are fair and reasonable in all material respects.

Section 22.11. Captions. The captions used in the Condominium Documents are inserted solely as a matter of convenience and reference and shall not be relied on and/or used in construing the effect or meaning of any of the text of the Condominium Documents.

Section 22.12. Costs and Attorneys' Fees. In any proceeding arising because of an alleged default by an Owner, the prevailing party shall be entitled to recover the costs of the proceedings and such reasonable attorneys' fees as may be awarded by the court.

Section 22.13. 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 in accordance with Alabama law. Failure to enforce any provision of this Declaration shall not constitute a waiver of the right to enforce said provision or any other provision of this Declaration.

Section 22.14. 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.

Section 22.15. Recording. The recording references in this Declaration are to the Office of the Judge of Probate of Shelby County, Alabama.



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Section 22.16 Rights of the Declarant. When the Declarant no longer owns all the Units, the Declarant shall cease to have the rights or obligations of the Declarant under this Declaration and in the other Condominium Documents and all such rights and obligations shall be transferred automatically to the Owners of the Units and/or the Association as provided herein.

Article XXIII
No Further Development Rights

Section 23.01 Development Rights. Neither the Declarant, the Association, or any Owner shall have the right to: (i) add real estate to the Condominium; (ii) create additional units, Common Elements, or Limited Common Elements within the Condominium; (iii) subdivide Units or convert Units into Common Elements or Common Elements into Units; or (iv) withdraw real estate from the Condominium, unless unanimously agreed to by the Owners and the Eligible Security Interest Holders.

[Signature pages follow]



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IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed on this the 14th
day of September, 2023.

THIRD AVENUE PARTNERS, LLC, an Alabama Limited
Liability Company

By: D. Forrest Walden
Name: D. FORREST WALDEN
Its: MANAGER

STATE OF ALABAMA :

COUNTY OF JEFFERSON :

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify that D. FORREST WALDEN whose name as Manager of Third Avenue Partners, LLC, an Alabama Limited Liability Company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such Member and with full authority, executed the same voluntarily for and as the act of said Company.

Given under my hand and seal on this 14th day of SEPTEMBER, 2023.

[Signature]
Notary Public
My Commissions Expires: _____

[Notarial Seal]





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The undersigned intends to purchase Unit 1 of the Condominium. The undersigned acknowledges that it has fully participated in the selection of the engineering firm and the contractor that have been engaged to: (i) obtain governmental approvals for the Condominium, (ii) prepare engineering plans for the development of the Condominium, (iii) perform the site work required to prepare the Units for the building and other improvements that will be performed by the individual Unit Owner on their Unit, and (iv) construct the Common Elements. The undersigned has agreed to share equally the expenses of the engineering firm and contractor (and their affiliates and subcontractors) with regard to the foregoing.

The undersigned also acknowledges that while Declarant has engaged the attorneys who will prepare this Declaration and related documents necessary to form the Condominium and the undersigned will share equally in the reasonable attorneys' fees related thereto, the undersigned acknowledges that it was represented by its' own counsel in connection with the negotiation, entering into and consummation of the transactions contemplated by this Agreement, and that the undersigned, together with its counsel and other advisers, made its own independent evaluation of this Declaration and the other transactions contemplated by the undersigned's separate real estate purchase agreement with Declarant, without reliance on any matter not set forth herein. The undersigned acknowledges that it has participated in the drafting of this Declaration and no term herein shall be construed in favor of one party over the other based on any contention that the Agreement was not prepared by the party in whose favor it is sought to be construed.

The undersigned acknowledges that it has been advised that neither Declarant, the Association nor the Board of Directors has obtained a report or study regarding environmental conditions and no representation or warranty has been given with regard to same.

The undersigned acknowledges that it will be solely responsible for the cost of all building plans and for the cost of construction of the building and other improvements on Unit 1 that are not Common Elements under the Declaration.

Ansley Enterprises, LLC

By:

Name: Timothy Ansley

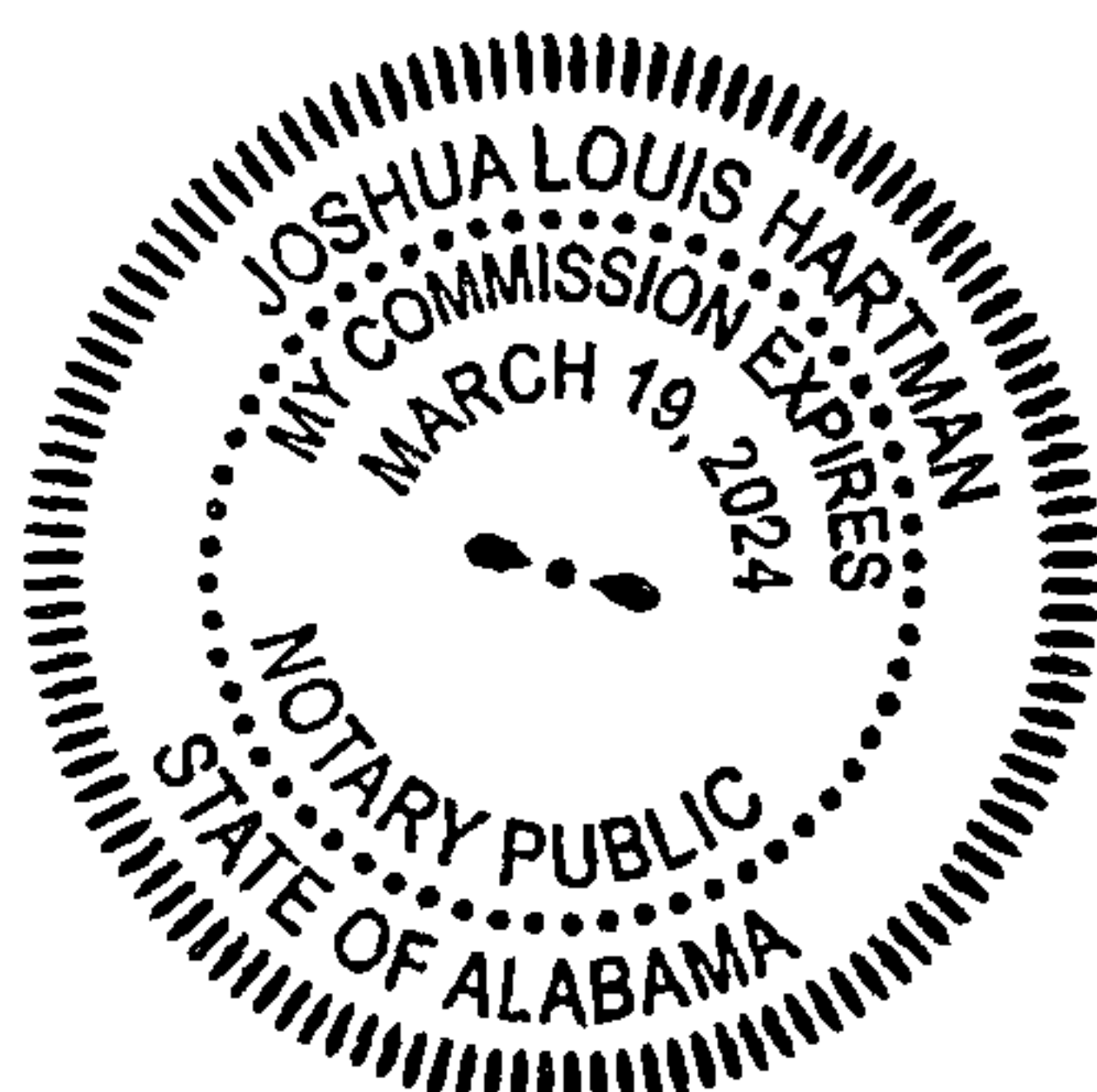
Its: Authorized Member

STATE OF ALABAMA :

COUNTY OF JEFFERSON :

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify that Timothy Ansley whose name as Authorized Member of Ansley Enterprises, LLC, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such Member and with full authority, executed the same voluntarily for and as the act of said Company.

Given under my hand and seal on this 14TH day of SEPTEMBER, 2023.



Notary Public

My Commissions Expires: _____

[Notarial Seal]



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EXHIBIT "A"

CONDOMINIUM PLAN

See Attached and made a part of the
Declaration of Condominium

THE RECORDING INFORMATION IS CONTAINED IN EXHIBIT E



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EXHIBIT "B"

REAL PROPERTY OR CONDOMINIUM PROPERTY

Lot C2-J according to the Resurvey of Beaumont Lots C2-G and C2-H as recorded in the Office of the Judge of Probate of Shelby County, Alabama in Map Book 45, Page 11.

ALSO: THE FOLLOWING EASEMENTS OVER OR ACROSS THE FOLLOWING DESCRIBED PARCELS OF LAND:

That certain Reciprocal Easement Agreement with Covenants and Conditions, recorded in the Office of the Judge of Probate of Shelby County, Alabama as Inst. No. 20141209000386590.

That certain Reciprocal Storm Water and Drainage Easement, recorded in the Office of the Judge of Probate of Shelby County, Alabama as Inst. No. 20141209000386600.



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Exhibit "C"

LEGAL DESCRIPTION OF COMMON ELEMENTS

Common Element for Parking and Ingress/Egress:

A parcel of land situated in the Northeast one-quarter of the Northwest one-quarter of Section 01, Township 19 South, Range 2 West Shelby County, Alabama said parcel being a portion of Lot C2J Resurvey of Beaumont Lots C2G & C2H as recorded in Map Book 45 Page 11 the Office of the Judge of Probate, Shelby County, Alabama, said parcel being more particularly described as follows:

Beginning at a set 5/8 inch capped rebar stamped CA-560LS marking the Northeast corner of said Lot C2-J, said point lying on the Southern-most right of way of Inverness Center Drive (right of way varies); thence run South 21 degrees 44 minutes 23 seconds West along the East line of said Lot for a distance of 317.45 feet to a found capped rebar stamped AL-ENG, said point marking the Southeast corner of said Lot C2-J, said point lying on the Northern-most right of way of a 20 foot alley, said point also lying on a curve turning to the left, said curve having a radius of 304.00 feet, a central angle of 19 degrees 46 minutes 48 seconds, a chord bearing of North 39 degrees 04 minutes 04 seconds West, and a chord length of 104.43 feet; thence run along the arc of said curve, along said lot line and along said alley for a distance of 104.95 feet to a set 5/8 inch capped rebar stamped CA-560LS; thence leaving said alley and lot line run North 21 degrees 51 minutes 58 seconds East for a distance of 263.19 feet to a set 5/8 inch capped rebar, said point lying of the afore mentioned Southern-most right of way of Inverness Center Drive and on the North line of said Lot C2-J, said point lying on a curve turning to the right, said curve having a radius of 925.50 feet, a central angle of 05 degrees 36 minutes 50 seconds, a chord bearing of South 70 degrees 21 minutes 30 seconds East, a chord length of 90.64 feet; thence run along the arc of said curve, along said lot line and along said right of way for a distance of 90.68 feet to the point of beginning. Said parcel contains 26,141 square feet or 0.60 acres more or less.

Together with:

Access and Utility Easement and Access Easement recorded in Instrument No. 20141209000386590.

Storm Easement recorded in Instrument No. 20141209000386600.

Subject to terms, conditions and provisions of the Declaration, including, but not limited to, nonexclusive ingress and egress, provisions for maintenance of Common Elements, provisions for payment of costs to maintain and repair Common Elements, and provisions for lien for failure to pay costs of maintenance and repair of Common Elements.

EXHIBIT "D"

BY LAWS

See Attached and made a part of the
Declaration of Condominium



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BY-LAWS
OF
INVERNESS RETAIL LAND CONDOMINIUM OWNER'S ASSOCIATION

Article I
The Association

Section 1.01. Identity. These are the By-Laws of Inverness Retail Land Condominium Owner's Association, an Alabama Nonprofit Corporation (the "Association"), which was formed under the Alabama Nonprofit Corporation Act (Ala. Code 1975, §10A-1-3.05., et seq.) (the "Nonprofit Act") by filing the Certificate of Formation of the Association (the "Certificate"), with the Office of the Judge of Probate of Shelby County, Alabama. The Association has been organized for the purpose of providing for the operation, management, maintenance, care, control and administration of the properties of Inverness Retail Land Condominium, a Land Condominium ("Inverness Retail Land Condominium"), pursuant to the provisions of Ala. Code 1975 §35-8-1, et seq. (the "Condominium Ownership Act") and the Declaration of Condominium of Inverness Retail Land Condominium", a Land Condominium (the "Declaration"), as filed with the Office of the Judge of Probate of Shelby County, Alabama, in accordance with the provisions of the Condominium Ownership Act. All capitalized terms used in these By-Laws, but not defined herein, shall have the meaning given to them in the Declaration and the Condominium Ownership Act and are incorporated by reference and made a part of these By-Laws.

Section 1.02. Principal Office. The principal office of the Association in the State of Alabama shall be located in Shelby County, Alabama. 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 1.03. Registered Office. The registered office of the Association, required by the Nonprofit 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.

Section 1.04. [INTENTIONALLY OMITTED]

Article II
Membership

Section 2.01. Qualification. The qualification for membership in the Association shall be ownership of a Unit in Inverness Retail Land Condominium. No membership may be separated from the Unit to which said membership is appurtenant. The qualification for membership is more fully set out in the Declaration, the terms of which pertaining to membership are specifically incorporated in these By-Laws by reference.

Section 2.02. No Additional Qualifications. No initiation fees, costs or dues shall be assessed against any Person as a condition of the exercise of the rights of membership, except such Assessments, levies, fees and charges as are specifically authorized by the Declaration or the Condominium Ownership Act.

Section 2.03. Succession. The membership of each Owner shall automatically terminate on the conveyance, transfer or other disposition of an interest of an Owner in the Unit. The membership of the Owner shall automatically be transferred to the new Owner succeeding to such ownership interest.

Article III

Meetings of Members

Section 3.01. Annual Meeting. A meeting of the Members of the Association must be held at least once each year. The annual meeting of Members shall be held on the first Saturday in the month of November in each year, beginning with the year 2023, or on a date to be designated by the Board of Directors at such other time or such other day within such month for the purpose of electing Directors, and in any event, for the transaction of such other business as may come before the meeting. If the election of members of the Board of Directors shall not be held on the day designated herein for any annual meeting of the Membership, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Membership as soon thereafter as may be convenient.

Section 3.02. Special Meetings. The President of the Board of Directors may call special meetings of Members for any purpose or purposes, unless otherwise prescribed by statute. In addition, special meetings of the Members may be called at any time by all of the Board of Directors and shall be called by the officers of the Association upon receipt of a written request from Members entitled to cast all of the total votes in the Association. The notice of any special meeting of the Members shall be given to each Member of record as provided for in Section 3.04. of these By-Laws. The business conducted at a special meeting of the Members shall be limited to that stated in the notice of the meeting.

Section 3.03. 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 3.04. Notice of Meetings. Not less than ten (10) days nor more than sixty (60) days in advance of any meeting, the Secretary or other officer specified by the Board of Directors shall cause written notice of said meeting to be hand-delivered or sent prepaid by United States mail to the mailing address of the Owner of each Unit or to any other mailing address designated in writing by the Owner. The written notice of any meeting of Members must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or By-Laws, any budget changes, and any proposed order to remove an officer or Director. Proof of such notice shall be given by the affidavit of the Person giving the notice. If written notice is mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at the address of the Member as it appears on the records of the Association, with postage thereon prepaid.

Section 3.05. 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 has been made, as provided in this section, such determination shall apply to any adjournment thereof.

Section 3.06. 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 said Member 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 therefore 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



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subject to the inspection of any Member during the whole time of the meeting.

Section 3.07. Quorum. A quorum of Members for any meeting shall be deemed present throughout such meeting if Members, represented in Person or by proxy, holding all of the total votes entitled to be cast at such meeting are present throughout such meeting, except as otherwise provided by the Certificate, by the Declaration or by these By-Laws. Any provision in the Declaration concerning quorums is specifically incorporated in these By-Laws.

Section 3.08. Adjournment for Lack of Quorum. In the absence of a quorum at any meeting of Members, all of those Members entitled to vote at said meeting, present in Person or by proxy, shall have the power to adjourn the meeting, from time to time, without notice other than announcement at the meeting, until the requisite number of Members, present in Person or by proxy, shall be present. At such adjourned meeting at which the requisite number of votes shall be present, any business may be transacted which might have been transacted at the meeting as originally noticed.

Section 3.09. Unanimous Vote. The vote of Members entitled to cast all 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 Certificate or these By-Laws.

Section 3.10. Proxies. At all meetings of the Membership, a Member may vote in Person or by proxy executed in writing by the Member or by the duly authorized attorney-in-fact of the Member. 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. No proxy shall be valid after one (1) year from the date of its execution, unless a shorter term is provided in the proxy.

Section 3.11. Minutes of Meetings. The minutes of all meetings of Members shall be kept in a book available for inspection by Owners or their authorized representatives at any reasonable time during regular business hours.

Section 3.12. Open Meetings. All meetings of the Members shall be open to all Members of the Association.

Section 3.13. Voting Rights. If only one (1) of the multiple Owners of a Unit is present at a meeting of the Association, said Owner is entitled to cast all the votes allocated to that Unit. If more than one (1) of the multiple Owners are present, the votes allocated to that Unit may be cast only in accordance with the agreement of a Majority of the Owners. There is a Majority agreement if any one of the multiple Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit.

Section 3.14. 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 3.15. Order of Business. The order of business at annual meetings of Members and, as far as practical, at all other meetings of Members, shall be:

- Call to order
- Calling of the roll and certifying of proxies
- Proof of notice of meeting or waiver of notice
- Reading and disposal of any unapproved minutes

Reports of officers
Reports of committees
Election of the Board of Directors
Unfinished business
New business
Adjournment



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Article IV
Board of Directors

Section 4.01. Governing Body and Number. The affairs of the Association shall be managed and governed by a Board of Directors. The initial number of Directors in the Association shall consist of two (2) Directors. These By-Laws may be amended from time to time, as provided for herein, to increase or decrease the number of Directors of the Association to not less than two (2) Directors. The Members of the Association shall have the right to amend the number of the Directors at any regular or special meeting called for that purpose. Except as provided in these By-Laws, the Directors shall be Members. The act of all of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 4.02. Membership List. At least ten (10) days before every election of the Directors, a complete list of the Members of the Association, arranged alphabetically, shall be prepared by the Secretary. Such list shall be maintained by the Secretary of the Association and shall be opened to examination by any Member at any reasonable time and on reasonable notice.

Section 4.03. Qualification. Each Director shall be an Owner. If an Owner is a trust, then the beneficiary of the trust may be a Director; and if an Owner is a corporation, partnership or limited liability company, then an officer, partner, member, or employee of such Owner may be a Director. If a Director shall cease to meet such qualifications during the term of said Director, said Director shall cease to be a Director and the place of said Director on the Board of Directors shall be vacant.

Section 4.04. Appointment by the Declarant. [INTENTIONALLY OMITTED]

Section 4.05. Nomination for Election. Nomination for election to the Board of Directors shall be made from the floor at the annual meeting of Members or at any other meeting of Members called for the purpose of electing the Directors. Nominations shall also be made by a nominating committee appointed by the Board of Directors prior to the annual meeting of the Members or prior to any other meeting of Members called for the purpose of electing the Directors.

Section 4.06. Election of the Board of Directors. The Board of Directors shall be elected at the annual meeting of Members or at a special meeting called for that purpose. Within thirty (30) days after the Owners are entitled to elect one or more Directors, a special meeting of the Members shall be called in accordance with the notice provisions contained in Section 3.04. of these By-Laws for the purpose of electing said Director. The election shall be conducted in the manner specified in these By-Laws.

The election of Directors shall be by secret ballot (unless dispensed with by unanimous consent). There shall be no cumulative voting. Those candidates receiving the greatest number of votes cast either in Person or by proxy shall be elected.

Section 4.07. Term. Each Director elected by the Members shall hold office for two (2) years or until their respective successors have been elected and qualified, or until said Director resigns or is removed in any manner provided in these By-Laws.

Section 4.08. Vacancies. Any vacancy in the position of a Director elected by the Members shall



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be filled by the remaining Members of the Board of Directors, and any Director so elected shall hold office for a term equal to the unexpired term of the Director whom said Director succeeds.

Section 4.09. Removal. Any Director may be removed for cause by the concurrence of all of the total votes entitled to be cast by Members of the Association at a meeting of Members called for that purpose. The vacancy in the Board of Directors so created shall be filled by the Members at the same meeting.

Section 4.10. Compensation. A Director shall not receive any compensation for any services said Director may render to the Association as a Director. Provided, however, that any Director may be reimbursed for actual out-of-pocket expenses incurred by said Director in the performance of the duties of said Director. No such payment shall preclude any Director from serving the Association in any other capacity and receiving compensation therefor.

Article V Meetings of the Board of Directors

Section 5.01. Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice 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 5.02. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President or Secretary and must be called by the Secretary at the written request of any Director. Not less than three (3) days' notice of the meeting shall be given by hand-delivery or sent by United States mail to the mailing address of each Director, or by telephone or electronic transmission. The notice of any meeting of the Board of Directors must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to these By-Laws, any budget changes, and any proposed order to remove an officer or Director. Proof of such notice shall be given by the affidavit of the Person giving the notice.

Section 5.03. Open Meetings. All meetings of the Board of Directors shall be open to all Members and notice of such meetings shall be posted conspicuously in the principal office of Inverness Retail Land Condominium at least forty-eight (48) hours prior to the meeting, except in the event of an emergency.

Section 5.04. Quorum. A quorum shall consist of all of the Directors. The acts of the Board of Directors approved by all of the votes of the Directors shall constitute the acts of the Board of Directors. The joinder of a Director in the action of a meeting by signing and concurring in the minutes of said meeting shall constitute the presence of such a Director for the purpose of determining a quorum. If a quorum is present when the meeting is convened, the Directors present may continue to do business, taking action by all of the Directors, 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 5.05. Informal Action Without Meeting. Any action permitted or required to be taken at a meeting of the Board of Directors may be taken without a meeting if written consent setting forth the action so taken shall be signed by all the Board of Directors and filed with the minutes of the proceedings of the Board of Directors.

Section 5.06. Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a book available for inspection by the Owners, or their authorized representatives, or any Directors at any reasonable time during regular business hours.



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Section 5.07. Presiding Officer. The presiding officer of meetings of the Board of Directors shall be the President. In the absence of the President, the Secretary shall preside.

Section 5.08. Executive Session. The Board of Directors may adjourn a meeting and reconvene in executive session to discuss and vote upon personal matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session of the Board of Directors.

Section 5.09. Vacancies. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors may be filled by all of the remaining Directors, except as otherwise provided in this Article V. A Director elected or appointed, as the case may be, shall be elected or appointed for the unexpired term of the predecessor in office of the elected or appointed Director.

Section 5.10. Resignations. Any Director of the Association may resign at any time, either by oral tender of resignation at any meeting of the Board of Directors or by giving written notice thereof to the Secretary of the Association. Such resignation shall take effect at the time specified therefore, and the acceptance of such resignation shall not be necessary to make it effective.

Section 5.11. 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 regular or special meeting of the Board of Directors.

Article VI Powers and Duties of the Board of Directors

Section 6.01. Powers Defined. The Board of Directors shall have the power to exercise all powers, duties and authority vested in the Association by the Declaration, the Certificate or these By-Laws, except for such powers and duties reserved to the Members.

Section 6.02. Committees. The Board of Directors may, by resolution passed by all of the Board of Directors, appoint such committees as deemed appropriate in carrying out the purpose of the Board of Directors, and such committees shall have the powers of the Board of Directors for the management of the affairs and business of the Association to the extent provided in the resolution designating said committee. Any committee shall keep regular minutes of the proceedings of the committee and shall report the same to the Board of Directors. Members of any such committee need not be members of the Association.

No such committee shall have the authority of the Board of Directors in reference to: (a) amending, altering or repealing the By-Laws; (b) electing, appointing or removing any member of any such committee or any Director or officer of the Association; (c) amending the Certificate, restating the Certificate, adopting a plan of merger or adopting a plan of consolidation with another corporation; (d) authorizing the sale, lease, exchange, security interest or mortgage of all, or substantially all, of the property and assets of the Association; (e) authorizing the voluntary dissolution of the Association or revoking proceedings therefor; (f) adopting a plan for the distribution of assets of the Association; or (g) amending, altering or repealing any action or resolution of the Board of Directors. The designation of such committee or committees, or the delegation thereto of authority, shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon the Board of Directors or individual Director by law.

Section 6.03. Managing Agent. The Board of Directors shall be authorized to employ the services of a manager or managing agent, who may either be a Director, officer, or employee of the Association, or an independent Person or firm qualified to manage the affairs of the Association under the supervision of the



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Board of Directors. The compensation paid to any such manager or managing agent shall be in the amount established from time to time by the Board of Directors.

Section 6.04. Order of Business. The order of business at the meetings of the Board of Directors shall be:

- Call of roll
- Proof of due notice of meeting
- Reading and disposal of unapproved minutes
- Reports of officers and committees
- Election of officers
- Unfinished business
- New business
- Adjournment

Section 6.05. Borrowing. The Board of Directors shall have the power to borrow money pursuant to the terms and conditions of the Declaration.

Article VII Officers

Section 7.01. Executive Officers. The executive officers of the Association shall be a President, who shall be a Director; and a Secretary, who shall be a Director; all of whom shall be elected annually by the Board of Directors and who may be removed by vote of the Board of Directors at any meeting. Any Person may hold two (2) or more offices, except that the President shall not also be the Secretary. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board of Directors shall find to be required to manage the affairs of the Association. Election or appointment of an officer shall not, of itself, create any contract rights in favor of such officer.

Section 7.02. Term. Each officer shall hold office for a term of one (1) year and until the successor of said officer shall have been appointed or elected and qualified, provided that any officer may serve unlimited multiple terms of office.

Section 7.03. Resignation and Removal. Any officer may be removed from office either with or without cause by the vote of all of the Board of Directors present at any meeting. Any officer may resign at any time by giving written notice to the Board of Directors. Such resignation shall take effect on the date of receipt of said resignation or at any later time specified in said written notice, and, unless otherwise specified in said written notice, the acceptance of such resignation shall not be necessary to make said resignation effective.

Section 7.04. Vacancies. A vacancy in any office shall be filled by a vote of all of the Members of the Board of Directors at any meeting. An officer elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer that said officer succeeds.

Section 7.05. Compensation. An officer shall not receive any compensation for any service said officer may render to the Association as an officer. Provided, however, that any officer may be reimbursed for actual out-of-pocket expenses incurred by said officer in the performance of the duties of said officer.

Section 7.06. President. The President is the chief executive officer of the Association, and, subject to the control of the Board of Directors, shall have all the powers and duties that are usually vested in the office of President of a condominium owners' association including, but not limited to, the following powers:



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- A. To preside over all meetings of the Members and of the Board of Directors.
- B. To sign as President all Deeds, Security Interests, mortgages, bonds, contracts and other instruments that have been duly approved by the Board of Directors.
- C. To call meetings of the Board of Directors whenever the President deems necessary.
- D. To have the general supervision, direction and control of the affairs of the Association.

Section 7.07. Secretary. The Secretary shall have all the powers and duties that are usually vested in the Secretary of a condominium owners' association. The Secretary shall: (a) keep the minutes of all proceedings of the Board of Directors and the Members; (b) attend to the giving and serving of all notices to the Members and the Board of Directors and other notices required by law; (c) have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed; (d) sign as Secretary all Deeds, contracts, and all other instruments which have been duly approved by the Board of Directors, if said instrument requires the signature or attestation of the Secretary; (e) keep the records of the Association, except those of the Treasurer, if any, and shall perform all other duties incident to the office of the Secretary of an Association as may be required by the Board of Directors or the President.

Section 7.08. Seal. The corporate seal shall be circular in form and shall contain the name of the corporation and the words "Corporate Seal.". Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced, inscribed, or otherwise.

Section 7.09. Salaries. The salaries of an employee, if any, shall be fixed from time to time by the Board of Directors, and no employee shall be prevented from receiving such salary by reason of the fact that the employee is also a Director of the Association.

Article VIII

Books and Records and Fiscal Management

Section 8.01. The Fiscal Year. The fiscal year of the Association shall be such as shall from time to time be established by the Board of Directors.

Section 8.02. Accounting. The Board of Directors shall cause the Association to 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 the Members entitled to vote for Directors and officers. The accounting records shall be maintained in accordance with generally accepted accounting principles. All books and records of the Association shall be open to inspection by the Members, the Eligible Security Interest Holders, or their authorized representatives for any proper purpose at any reasonable time in Shelby County, Alabama. Such records shall include:

A. Association Accounts. The receipts and expenditures of the Association shall be 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 (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 incurred in any successive year or may be placed in the Reserve Fund Account.



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(ii) Reserve Funds. All funds to be expended for replacement, maintenance, acquisition and repair of those portions of the Common Elements that must be maintained, replaced, or repaired on a periodic basis shall be held in the Reserve Fund Account.

B. Unit Accounts. An account for each Unit shall be maintained setting forth the name and address of the Unit Owner, the interest percentage in the Common Elements assigned to that Unit, if any, the amount of each Assessment against that Unit, the amounts and dates on which the Assessments become due, the amounts paid upon the account and the balance due.

Section 8.03. Annual Budget. Within sixty (60) days prior to the beginning of each fiscal year of the Association, the Board of Directors shall adopt a proposed annual budget for the next fiscal 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 of Inverness Retail Land Condominium and the individual Units therein, including reasonable allowances for contingencies and reserves therefor if the Board of Directors shall so provide, in accordance with the Condominium Ownership Act and the Declaration, all according to generally accepted accounting principles.

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 Unit Owners 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 Unit Owners. Unless, at the meeting, 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 a new budget is ratified.

Section 8.04. Supplemental Assessments. If during the course of any fiscal year, the Board of Directors determines that the Assessments, as established in the annual budget, are insufficient or inadequate to cover the estimated Common Expenses for the remainder of such year, then the Board of Directors shall prepare and approve a supplemental budget covering the estimated deficiency. Copies of the supplemental budget shall be delivered to each Owner, and a supplemental Assessment shall be made to each Owner for the share of the supplemental budget of said Owner.

Section 8.05. Assessments. Assessments for Common Expenses shall be established as provided for in the Declaration and these By-Laws. Assessments shall be collected by the Association on a monthly basis as follows: On or before the first day of each month for which the Assessments are made each Owner shall pay the share of said Owner in the Common Expenses as shown by the budget. The Board of Directors may cause to be sent to each Owner, on or before the first day of each month, a statement of the monthly Assessments. However, the failure to send or receive such monthly statement shall not relieve the Owner of the obligation of the Owner to make timely payment of the Assessments. If the Board of Directors shall not approve an annual budget or shall fail to determine new Assessments for any year, or shall be delayed in doing so, each Owner shall continue to pay the amount of the Assessment of said Owner as last determined. Provided, however, the Board of Directors shall have the power to amend the period of the installment payments to be due and payable to provide for annual, quarterly, monthly or any other period of installment payment.

Section 8.06. Assessments for Emergencies. Subject to the terms and conditions of the Declaration, 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 may require in the notice of Assessment. Such Assessments shall constitute a lien as provided for in the Declaration.



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Section 8.07. Lien for Assessments. If any Owner shall fail or refuse to make any payment of the Assessments when due, the amount due, together with costs, reasonable attorney's fees and interest thereon at a rate to be set by the Board of Directors but in no event greater than eighteen percent rate per annum from and after the date said Assessments became due and payable in accordance with the Declaration and shall constitute a lien on the interest of the Owner in the Unit.

Section 8.08. Acceleration of Assessment Installments Upon Default. If an Owner shall be in default in the payment of an installment upon any Assessment, the Board of Directors may accelerate the remaining installments of such Assessment upon notice to the Owner, and thereupon the unpaid balance of the Assessment shall come due upon the date stated in the notice, but not less than ten (10) days after hand-delivery to the Owner, or not less than twenty (20) days after posting such notice in the United States mail to said Owner by registered or certified mail, postage prepaid, whichever shall first occur. Upon default in the payment of an installment upon any Assessment, the Board of Directors shall be entitled to charge interest and service charges at a rate to be set by the Board of Directors but in no event greater than eighteen percent rate per annum.

Section 8.9. Default. In the event an Owner of a Unit does not pay any sums, charges or Assessments required to be paid to the Association, the Association may foreclose the lien encumbering the Unit created by non-payment of the required monies in accordance with the Declaration; provided that thirty (30) days prior notice of the intention to foreclose shall be by United States mail, postage prepaid, to the Owner and to all Eligible Security Interest Holders as shown in the records of ownership of the Association and publication of notice of the sale in a newspaper of general circulation in Shelby County, Alabama. The Association shall be entitled to the appointment of a receiver if the Association so requests. The Association shall have the right to bid on the Unit at a foreclosure sale and to acquire, hold, obtain a Security Interest and convey the Unit as provided in the Declaration. In any such foreclosure action, the lien of the Association shall be as stated in the Declaration. In lieu of foreclosing the lien of the Association, the Association may bring suit to recover a money judgment for any sums, charges or Assessments required to be paid to the Association without waiving the lien of the Association securing same. In any action either to foreclose the lien of the Association or to recover a money judgment brought by or on behalf of the Association against an Owner, the defendants shall pay the cost together with a reasonable attorney's fee.

If the Association becomes the Owner of a Unit by reason of foreclosure, the Association shall offer said Unit for sale and at such time as a sale is consummated the Association shall deduct from such proceeds all sums of money due the Association for Assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees, and any and all expenses incurred in the resale of the Unit, which shall include but not be limited to advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurbishing of the Unit in question. All monies remaining after deducting the foregoing items of expense shall be returned to the record Owner of the Unit in question.

Section 8.10. Annual Statement. Within sixty (60) days after the end of each fiscal year, the Board of Directors shall cause to be furnished to each Owner, a statement for the year so ended showing the receipts and expenditures of the Association, and such other information as the Board of Directors may deem desirable.

Section 8.11. Accounting Records. The Board of Directors shall cause to be kept, in accordance with generally accepted accounting principles, a record of all receipts and expenditures; and a separate account for each Unit showing the Assessments or other charges due, the due dates of said Assessments or charges and the present balance due. Such accounting records shall be open to inspection by Owners at reasonable times during regular business hours.

Section 8.12. Fidelity Bonds. Fidelity bonds may be required by the Board of Directors from all officers and employees of the Association and from any Persons handling or responsible for Association



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funds. The amount of such bonds shall be determined by the Board of Directors. The premiums on such bonds shall be paid by the Association as a Common Expense.

Section 8.13. Directors' and Officers' Insurance. The Association, if reasonably available, may obtain, maintain and pay the premiums upon, as a Common Expense, Directors' and officers' insurance to protect the Directors and officers of the Association.

Section 8.14. Insurance and Casualty Loss. The Board of Directors shall comply with all of the provisions of the Declaration pertaining to insurance and casualty loss.

Section 8.15. Records of the Association: The Association shall make available copies of the records of the Association pursuant to the requirements of the Declaration.

Section 8.16. Notices to Lenders. The Association shall provide notices to lenders required by the Declaration.

Section 8.17. Fiscal Management. The terms and provisions of the Declaration pertaining to fiscal management are incorporated in these By-Laws as if fully set out as an exhibit.

Article IX Contracts, Loans, Checks and Deposits

Section 9.01. 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 9.02. 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 9.03. 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 9.04. 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.

Section 9.05. Attorney or Agent. Unless otherwise provided by resolution of the Board of Directors, the President may from time to time appoint an attorney or agent of the Association, in the name and on behalf of the Association, to cast the votes which the Association may be entitled to cast as the holder of stock or other securities in any other corporation any of whose stock or other securities may be held by the Association, at meetings of the holders of the stock or other securities of such other corporation, or to consent in writing, in the name and on behalf of the Association, as such holder, to any action by such other corporation, and may instruct the Person or Persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed, in the name and on behalf of the Association and under its corporate seal or otherwise, all such written proxies or other instruments as he may deem necessary or proper in the premises.



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Article X
Obligations of the Owners

Section 10.01. Assessments. Every Owner of any Unit shall contribute toward the expense of administration of the Association, as provided in the Declaration and in these By-Laws. Each Assessment against a Unit shall also be the personal obligation of the Owner at the time the Assessment fell due.

Section 10.02. Maintenance and Repair. Every Owner of any Unit shall promptly perform all maintenance and repair work, as provided in the Declaration or these By-Laws. An Owner shall reimburse the Association for any expenditures incurred in repairing or replacing any Common Elements or common facilities damaged through the fault of the Owner or the fault of the family, guests, or invitees of the Owner.

Section 10.03. Use of Units. All Units shall be used in accordance with the provisions of the Declaration, these By-Laws and the Rules and Regulations.

Article XI
Rules and Regulations

Section 11.01. Rules and Regulations. Subject to the terms and conditions of the Declaration, the Board of Directors may from time to time adopt, modify, amend or add to Rules and Regulations concerning the use of Inverness Retail Land Condominium. Copies of such Rules and Regulations shall be hand-delivered or posted by United States mail, postage prepaid, to each Owner not less than fourteen (14) days prior to the effective date of said Rules and Regulations. No Rules or Regulations may be adopted by the Association that conflicts with the Declaration, the Certificate or these By-Laws.

Section 11.02. Hearing Procedure. The Board of Directors shall not impose a fine, suspend voting or infringe upon any of the rights of a Member or other Occupant for violations of the Rules and Regulations, or the Declaration, these By-Laws or Certificate, unless and until the following procedure is followed:

A. Demand. Written demand to cease and desist from an alleged violation shall be hand-delivered or posted by United States mail, postage prepaid, to the alleged violator specifying: (i) the alleged violation; (ii) the action required to abate the violation; and (iii) a time period not less than ten (10) days, but in the case of an emergency immediate notice may be given, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of a sanction after notice and a hearing that the violation if not continuing.

B. Notice. At any time within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same is subsequently violated, the Board of Directors or a delegate of the Board of Directors shall hand-deliver or mail by United States mail written notice to the violator of a hearing to be held by the Board of Directors or a committee appointed by the Board of Directors. The notice shall contain: (i) the nature of the violation; (ii) the time and place of the hearing, which time shall not be less than ten (10) days from the giving of the notice, but in the case of an emergency immediate notice may be given; (iii) an invitation to attend the hearing and produce any statement, evidence and witness on behalf of the violator; and (iv) the proposed sanction to be imposed.

C. Hearing. The hearing shall be held in executive session pursuant to the notice affording the Member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction under these By-Laws, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.



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D. Appeal. If a hearing is before a committee of the Board of Directors, following said committee hearing, the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, written notice of appeal must be received by the President or Secretary within thirty (30) days after the hearing date.

Article XII Amendments to the By-Laws

Section 12.01. Adoption. These By-Laws may be altered, amended or repealed or new By-Laws may be adopted in the following manner:

A. By the Members. By the Members at any regular or special meeting (where notice of such proposed amendment has been given more than ten (10) days in advance of the meeting) upon the affirmative vote of the holders of not less than all of the outstanding votes present and entitled to vote at such meeting in person or represented by proxy, at which a quorum is present.

Section 12.02. Recordation. No modifications or amendment to the By-Laws shall be valid or effective until the President and Secretary of the Association shall certify as to the adoption of such amendment and shall file their certificate setting forth the text of the amendment with the Office of the Judge of Probate of Shelby County, Alabama.

Section 12.03. Prohibited Amendments. No amendment that is in conflict with the Certificate, the Declaration, or Alabama law shall be adopted.

Article XIII Miscellaneous

Section 13.01. Construction. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

Section 13.02. Captions. The captions in these By-Laws are inserted only as a matter of convenience for reference, and in no way define, limit or describe the scope of these By-Laws or the intent of any provision of these By-Laws.

Section 13.03. Conflicts. If there are conflicts or inconsistencies between the provisions of Alabama law, the Certificate, the Declaration and these By-Laws, the provisions of Alabama law, the Declaration, the Certificate and these By-Laws (in that order) shall prevail.

Section 13.04. Compliance. These By-Laws are intended to comply with the requirements of Alabama law which shall be considered an appendage to the Declaration and the Certificate filed with these By-Laws.

Section 13.05. Right of Entry. The manager and any Person authorized by the Board of Directors shall have the right to enter each Unit in case of any emergency originating in or threatening such Unit whether or not the Owner or Occupant is present at the time.

Section 13.06. Parliamentary Rules. Roberts Rules of Order (latest edition) shall govern the conduct of the meetings of the Association or the Board of Directors when not in conflict with the Declaration or these By-Laws.

Section 13.07. Waiver of Notice. Whenever any notice is required to be given to any Member or



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Director of the Association, or Eligible Security Interest Holder, under the provisions of these By-Laws, the Certificate, the Declaration, the provisions of the Nonprofit Act, and any act amendatory thereof, supplementary thereto or substituted therefore, the provisions of the Condominium Ownership Act, and any act amendatory thereof, supplemental thereto or substituted therefore, 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. Notice of any meeting may be waived before or after the meeting, orally or in writing. Attendance by a Member or Director at any meeting, either in Person or by proxy, shall constitute waiver of notice of such meeting, except when attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business on the grounds that the meeting was not lawfully called.

Section 13.08. Indemnification. The Association shall indemnify and hold harmless the Board of Directors, each of its Directors and officers, each member of any committee appointed pursuant to the By-Laws of the Association and the Declarant against all contractual and other liabilities to others arising out of contracts made by or other acts of such Directors, officers, committee members or the Declarant, on behalf of the Unit Owners, or arising out of their status as Directors, officers, committee members or Declarant, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such officer, Director, committee member or Declarant may be involved by virtue of such Persons being or having been such officer, Director, committee member or Declarant; Provided, however, that such indemnity shall not be operative with respect to:

(1) Any matter as to which such Person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of the duties as such officer, Director, committee member or Declarant, or

(2) Any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board of Directors, there is not reasonable ground for such Persons being adjudged liable for gross negligence or fraud in the performance of the duties as such officer, Director, committee member or Declarant.

Section 13.09. Registered Office and Agent

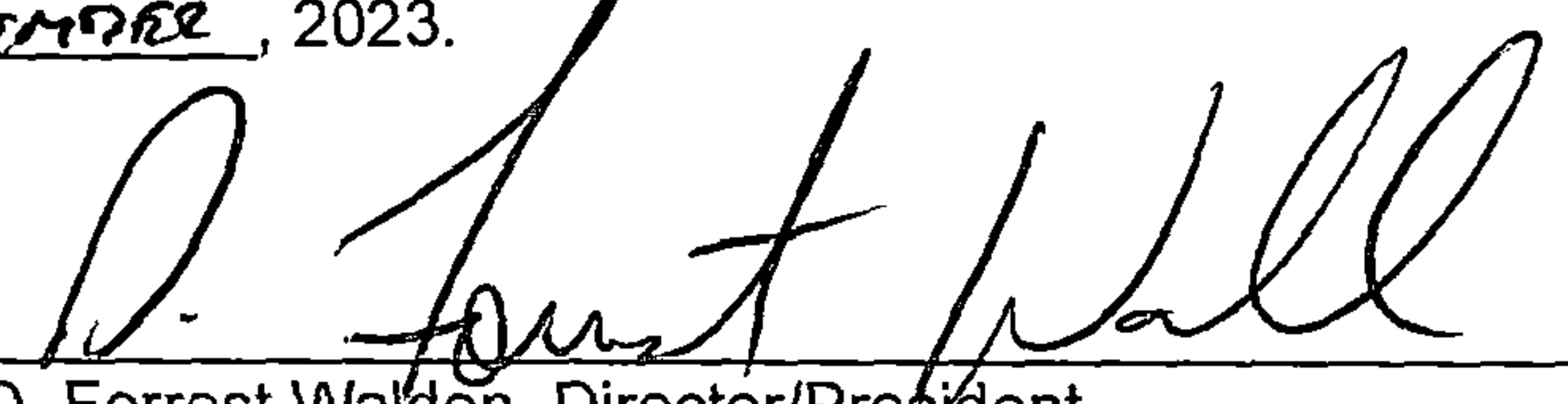
The location and the mailing address of the initial registered office is:

Location Address: 1520 Fairway View Drive

Mailing Address: Hoover, AL 35244

The name of the initial registered agent of the Association is: Robert S. Griffis.

These are the By-Laws of Inverness Retail Land Condominium Owners Association, Inc., adopted by the Board of Directors on the 14th day of September, 2023.


D. Forrest Walden, Director/President

Approved:


Timothy Ansley, Director/Secretary



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THIS INSTRUMENT PREPARED BY:

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R. Stephen Griffis
R. Stephen Griffis, PC
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EXHIBIT "E"

RECORDING INFORMATION FOR CONDOMINIUM PLAN

The Plan and Certification for Inverness Retail Land Condominium, a Land Condominium, are recorded in the Office of the Judge of Probate of Shelby County, Alabama, in Apartment Book 58, Pages 70 through _____.

EXHIBIT "F"

RESTRICTIONS ON USE

No Unit in Inverness Retail Land Condominium will be used for the following purposes:

1. any public or private nuisance;
2. any adult video store, adult bookstore or adult cinema or adult entertainment club;
3. any noise or sound that is objectionable due to intermittence, beat, frequency, shrillness or loudness (except drive-thru speakers adequately maintained);
4. any obnoxious odor (this shall not apply to normal restaurant odors provided that the restaurants are maintaining grease exhaust/interceptor systems and HVAC systems in accordance with manufacturer's recommendations and grease trap systems in good order and condition);
5. any excessive quantity of dust, dirt or fly ash;
6. any fire, explosion or other damaging or dangerous hazard, including, the storage, display or sale of explosives or fireworks;
7. any distillation (other than so-called micro-brewing of beer), refining, smelting, agriculture or mining operations;
8. any drilling for and/or removal of subsurface substances;
9. any dumping of garbage or refuse, other than in enclosed receptacles intended for such purpose;
10. any fire sale, bankruptcy sale (unless pursuant to a court order), or auction operation;
11. a mobile home park, trailer court, junk yard, stock yard or animal raising facility;
12. a laundry or dry-cleaning operation (which shall not preclude a "drop off" and "pick up" dry cleaning service where all dry-cleaning processes shall be located outside of such premises);
13. automobile, truck, RV, sales or leasing or display;
14. funeral home or mortuary;
15. any center for medical procedures, counseling or activities related to abortion, birth control or euthanasia;
16. any establishment selling or exhibiting pornographic materials, provided, however, that the foregoing shall not prohibit the sale of such items on an incidental basis within the operation of a national or regional bookstore or video store (or technological evolution thereof) (e.g., Barnes & Noble, Books A Million) of the type typically found in first class shopping centers or from an art gallery of the type located in first class shopping centers;
17. any body or fender repair work;
18. a "head" shop or any establishment displaying or selling drug paraphernalia or a marijuana dispensary/store;



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19. a government owned or operated medical clinic or governmental office;
20. a massage parlor (excluding therapeutic massages in a medical office or performed by licensed massage therapists in a "spa" or retail store such as "Massage Envy"), topless bar or club or restaurant which provides adult entertainment;
21. any discotheque, discotheque, night club or dance hall;
22. a landfill, garbage dump or any business storing or handling hazardous materials;
23. any carnival or amusement park;
24. a temporary placement service;
25. a drug or alcohol recovery or treatment facility; or
26. an off-track betting facility or betting club or any other type of gambling establishment.
27. a pawn shop;
28. payday loan or check cashing provider;
29. flea market;
30. tattoo parlor or body piercing establishment.