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THIS INSTRUMENT PREPARED BY:

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STATE OF ALABAMA:

COUNTY OF SHELBY:

DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS

OF

PEAVINE CROSSING SUBDIVISION

THIS DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS (this "Declaration") is made this 24 day of November, 2025, by Peavine Creek Development, LLC, an Alabama limited liability company ("Declarant").

WITNESSETH:

WHEREAS, on November 21, 2025, Declarant recorded in Instrument No. 20251121000358200 of the Public Records a subdivision plat for Peavine Crossing Subdivision (the "Plat"), pertaining to certain real property owned by Declarant in Shelby County, Alabama, as more specifically described on Exhibit "A" hereto.

NOW, THEREFORE, DECLARANT HEREBY DECLARES, that subject to the provisions hereof, all of the Lots (hereinafter defined) shall be held, sold and conveyed by the Owners and the Common Area (hereinafter defined) shall be held by the Association, subject to the restrictions, covenants, and conditions contained herein, for the purposes of protecting the value and desirability of, and which shall run with, the Community Property (hereinafter defined) and be binding on all parties having any right, title or interest in the Community Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner of any portion thereof.

ARTICLE ONE **GENERAL PROVISIONS**

1.01 Restrictive Covenants and Easements Running with the Land. The use of the Community Property shall be in accordance with the provisions and restrictions of this

Declaration, all of which are to be construed as restrictive covenants and/or easements, as applicable, running with the land and with the title to each and every Lot and shall be binding upon all Owners and other persons having interests therein and upon their heirs, personal representatives, successors, grantees and assigns.

1.02 Terminology. Whenever the context requires, words used in the singular shall be construed to mean or to include the plural and vice versa, and pronouns of any gender shall be deemed to include and to designate the masculine, feminine or neuter gender.

1.03 Definitions. The following terms, when capitalized herein, shall have the meaning set forth in this Section 1.03:

- (a) "Additional Property" shall mean any property adjacent to or in close proximity to the Community Property (as the same may be amended and expanded from time to time).
- (b) "Architectural Review Committee" means the Architectural Review Committee as established by the Board of Directors in accordance with the Bylaws.
- (c) "Association" means Peavine Crossing Owners Association, Inc., an Alabama non-profit corporation.
- (d) "Board" or "Board of Directors" means the Board of Directors of the Association, established in accordance with the Certificate of Incorporation and Bylaws of the Association.
- (e) "Builder" means any commercial home builder or contractor who owns one or more Lots in the Subdivision and is in the business of constructing residential structures to sell to owner-occupants.
- (f) "Bylaws" means the Bylaws of the Association, as the same may hereafter be amended, altered or repealed from time to time.
- (g) "Certificate of Incorporation" means the Certificate of Incorporation of Peavine Crossing Owners Association, Inc., an Alabama non-profit corporation, as filed in the records of the Alabama Secretary of State, as the same may hereafter be amended, altered or repealed from time to time.
- (h) "Common Area" means all real property within the Subdivision which is owned or leased by the Association or dedicated for use or maintenance by the Association or its Members, regardless of whether title has been conveyed to the Association.
- (i) "Common Expense" means any and all expenses of the Association (i) associated with the ownership, maintenance, repair and/or replacement (as applicable) of the HOA Property; (ii) in obtaining and maintaining any and all insurance required or

otherwise permitted in accordance with Section 12.01 hereof; and (iii) otherwise denominated hereunder as a Common Expense.

- (j) "Common Property" means any and all personal property or fixtures owned by the Association, whether now owned or hereafter acquired, and/or held and operated by the Association for the benefit of the Owners.
- (k) "Community Property" means all of the Lots, the Common Area, and the Common Property, collectively.
- (l) "Declarant" means Peavine Creek Development, LLC, an Alabama limited liability company, its successors and assigns which expressly are assigned and assume the Declarant's rights as "Declarant" hereunder.
- (m) "Detached Home Lot Expense" means any and all expenses of the Association denominated hereunder as a Detached Home Lot Expense.
- (n) "Detached Home" means any single-family dwelling unit that is not attached to any other dwelling unit and which is situated upon a Detached Home Lot.
- (o) "Detached Home Lot" means each and every Lot on which a Detached Home has been or could be constructed.
- (p) "HOA Act" shall mean the Alabama Homeowners' Association Act, currently codified at Chapter 20 of Title 35 of the Code of Alabama (1975), as the same may hereafter be altered, amended, replaced, and/or restated from time to time.
- (q) "HOA Property" means the Common Area and the Common Property, collectively.
- (r) "Home" means any single-family dwelling unit that is situated upon a Lot and includes any Detached Home or Townhome, as applicable.
- (s) "Lot" means each and every numbered lot shown on the Plat.
- (t) "Member" means every Person who is a member of the Association.
- (u) "Mortgagee" means a holder or beneficiary of any mortgage, deed with vendor's lien reserved, or any other form of instrument used for the purpose of encumbering or conveying real property as security for payment or satisfaction of any obligation.
- (v) "Owner" means the record owner, whether one or more Person, of a fee simple title to any Lot, including contract sellers, but excluding Mortgagees, lien holders, lessees, tenants, and those having such interests solely as security for the performance of an obligation.

- (w) "Party Roof" means a common roof system for any Townhome sharing a Party Wall(s).
- (x) "Party Wall" means a common wall separating any Townhomes located on two (2) or more separate Townhome Lots that is constructed, improved, maintained, repaired and replaced on the boundary line between said two (2) or more Townhome Lots.
- (y) "Person" means any individual, corporation, trust, partnership, joint venture, limited liability company or other entity.
- (z) "Plat of Subdivision" has the meaning ascribed to such term hereinabove and shall also include any additional plat or plats or real property that are hereafter recorded where such real property is annexed to this Declaration in accordance with the terms of Section 10.02 hereof.
- (aa) "Public Records" means the records of the Office of the Judge of Probate of Shelby County, Alabama.
- (bb) "Subdivision" means Peavine Crossing, a subdivision as shown on the Plat of Subdivision, including any of the Additional Property made subject to this Declaration in accordance with the terms of Section 10.02.
- (cc) "Townhome" means any single-family dwelling unit that is situated upon a Townhome Lot and is attached to another dwelling unit that is situated upon another Townhome Lot.
- (dd) "Townhome Building" means two (2) or more Townhomes that are attached to one another via the sharing of a Party Wall(s).
- (ee) "Townhome Expense" means (i) any expense of the Association incurred in connection with repairing and maintaining Townhomes pursuant to Article 12 hereof, and (ii) any other expense denominated hereunder as a Townhome Expense.
- (ff) "Townhome Lot" or "Townhome Lots" means each and every Lot on which a Townhome has been or could be constructed.
- (gg) "Turnover" means the earlier to occur of (i) Declarant relinquishing control of the Association in a written instrument recorded in the real property records of Shelby County, Alabama; (ii) three (3) months after one hundred percent (100%) of the lots in the Subdivision, including lots to be created out of the Additional Property in accordance herewith, have been conveyed to persons other than Declarant or Declarant's successors or assigns (for avoidance of doubt purposes, the event described in this clause (ii) shall not be deemed to have occurred prior to Declarant's having annexed all of the Additional Property into the Subdivision and having sold all of the Lots therein); or (iii) December 31, 2044; provided however,

in the event of a conflict between the Alabama law and the foregoing, the applicable Alabama law shall control.

ARTICLE TWO **COMMON AREA**

2.01 Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, the Certificate of Incorporation and the Bylaws, shall be responsible for the exclusive maintenance, management, and control of the Common Area and all improvements thereon, and shall keep the Common Area in good, clean, attractive, and sanitary condition, order, and repair pursuant to the terms and conditions of this Declaration. The Association has the right to restrict the use and govern the operation of the Common Area by promulgating reasonable rules and regulations, including with respect to any Common Area facilities, the right to charge reasonable one-time or monthly fees for the use thereof by the Owners as the Association deems necessary or appropriate. Rules and regulations may be established by the Association to regulate the use of the Common Area. The necessary work or maintenance, repair and replacement of the Common Area and the making of any additions or improvements thereto shall be carried out only as provided in this Declaration, the Certificate of Incorporation, and the Bylaws.

2.02 Right of Enjoyment. Subject to any rules and regulations promulgated by the Board of Directors, the Bylaws, and the terms and conditions of the HOA Act, every Member shall have a right and easement of enjoyment of the Common Area, and such easement shall be appurtenant to and pass with the title to each Lot.

2.03 Restrictive Covenant on Common Area. A restrictive covenant is hereby imposed on the Common Area such that no part of the Common Area may be developed for residential or commercial purposes; provided, however, that the Declarant and/or the Association shall have the right, but not the obligation, to construct and install amenities on the Common Area that are for the use and enjoyment of the Members, subject to the terms and conditions hereof and any rules and regulations adopted by the Association. This restrictive covenant shall run with each Lot and shall exist for the benefit of the Owners and be binding upon their successors and assigns.

2.04 Lots Subject to Covenants, Restrictions, Limitations and Term. Each Lot that shall be conveyed, held, devised, leased, or demised at any time hereafter shall be subject to all the terms, conditions, covenants, restrictions, and limitations herein contained, and the obligation to observe and perform the same whether or not it be so expressed in the deed or other instrument of conveyance of the Lot or real property, and such shall run with the Lot or real property and be appurtenant thereto as if fully set out in such deed or instrument of conveyance, subject to the terms and conditions hereof.

2.05 [Intentionally Deleted].

2.06 Overhead Wires. No Lot shall be served with any overhead electrical or communications service, and no Owner shall erect power poles for such service; provided, however, that nothing herein shall be construed to prohibit overhead street lighting or ornamental

yard lighting provided that such lighting is constructed in accordance with the terms and conditions hereof.

2.07 Control of Common Area. The Association may, upon approval by the Board of Directors, sell, subdivide, lease, mortgage, grant easements over or otherwise encumber the Common Area, or exchange all or any portion of the Common Area for Lots or other real property, or purchase or acquire any additional real property and dedicate the same as Common Area subject to the terms of this Declaration.

2.08 Condemnation. In the event of a taking by eminent domain of any portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements so taken on the remaining Common Area, unless within sixty (60) days after such taking, an alternative plan is approved by at least seventy-five percent (75%) of the voting interests of the Members. The provisions of this Declaration applicable to replacement or restoration of damaged improvements on the Common Area shall also apply to and govern the actions to be taken in the event that the improvements are not restored or replaced after a condemnation.

2.09 Assumption of Risk and Indemnification by Owners. Each Owner, by its purchase of a Lot, hereby expressly assumes the risk of noise, bodily injury or property damage caused by maintenance, operation or use of the Common Areas, including, but not limited to: (i) noise from equipment to maintain, repair or replace the same, it being specifically understood that certain maintenance, repairs or replacements may take place around sunrise, sunset, or at night, (ii) noise caused by users of the Common Areas, (iii) use of pesticides, herbicides and fertilizers, (iv) wildlife within Common Areas, (v) view restrictions caused by planting and maturation of trees, shrubbery and berms (whether planted or installed prior to the Owner's occupancy of a Lot or subsequently planted or installed, (vi) reduction in privacy caused by traffic on the roadways, or other Common Areas or the removal or pruning of shrubbery or trees on the Common Areas, and (vii) design or modification of the Common Areas. Each Owner, on behalf of themselves and their family, guests and invitees, agrees that except for gross negligence or willful misconduct, neither the Declarant, the Association, nor any entity managing the Common Area (including Board members, officers, employees, agents, contractors, subcontractors, successor and assigns of any of the foregoing) shall be liable to Owner, its family members, its guests, its invitees or any other person claiming any loss or damage, including indirect, special or consequential loss or damage arising from bodily injury, destruction of property, trespass, or loss of enjoyment or any other alleged wrong or entitlement to remedy based upon, due to, arising from or otherwise related to the proximity of Owner's Lot to the Common Area, including, without limitation, any claim arising in whole or in part from the negligence of the Association or any other entity owning, managing, and/or maintaining the Common Area. The Owner hereby agrees to indemnify and hold harmless, except for gross negligence or willful misconduct, the Declarant, the Association, and any entity managing the Common Area (including Board members, officers, employees, agents, contractors, subcontractors, successor and assigns of any of the foregoing) against any and all claims by Owner's, their family, guests, invitees, tenants, and others. Notwithstanding anything to the contrary contained herein or in the Certificate of Incorporation, Bylaws, any rules and regulations adopted by the Association, or any other document governing or binding the Association, the Association shall not be a guarantor or insurer of, the health, safety or welfare of any Owner,

occupant, or user of any portion of the Common Area, or the Owner's guests, invitees, agents, servants, contractors or subcontractors or for any property of any such persons. The Association is not empowered, and has not been created, to act as an agency which enforces or ensures compliance with the laws of the State of Alabama or Shelby County or the prevention of tortious activities.

2.10 Indemnification by Association. The Association shall to the broadest extent possible by applicable statute, indemnify and hold harmless every officer, director, and committee member against any and all expenses, including counsel and paralegal fees, reasonably incurred by or imposed upon such officer, director, or committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member. The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers, directors and committee members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers, directors, or committee members may also be members of the Association), and the Association shall indemnify and forever hold each such officer, director, and committee member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director, or committee member, or former officer, director, or committee member may be entitled. The Association shall, as a common expense, maintain adequate general liability and directors' and officers' liability insurance to fund this obligation.

ARTICLE THREE

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

3.01 Membership. Each Owner shall be a Member, subject to the terms and conditions of the Certificate of Incorporation and the Bylaws.

3.02 Voting. Voting by Owners shall be in accordance with the Bylaws.

3.03 Assignment. 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 of said Owner's Lot.

ARTICLE FOUR

COVENANT FOR MAINTENANCE ASSESSMENTS

4.01 Personal Obligation of Assessments. Declarant, for each Lot, hereby covenants and agrees, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree, to pay to the Association: (1) annual assessments or charges for the Common Expenses, (2) special assessments for capital improvements to the HOA Property, (3) annual assessments or charges for Townhome Expenses, but only with respect to the Townhome Lots, (4) special assessments for Townhome Expenses,



but only with respect to the Townhome Lots, (5) annual assessments or charges for the Detached Home Lot Expenses but only with respect to the Detached Home Lots, (6) special assessments for Detached Home Lot Expenses, but only with respect to the Detached Home Lots, and (7) any individual assessments, fines or charges charged against the Lot or Owner, as such assessments are hereinafter established and shall be collected as hereinafter provided (singularly, an "Assessment" and collectively, the "Assessments"). The Assessments, together with interest, costs, an administrative late fee not to exceed the greater of Twenty-Five and No/100 Dollars (\$25.00) or five percent (5%) of the amount of each installment that is past due, and reasonable attorneys' fees, shall be a charge on the Lot and shall be a continuing lien upon the property against which each such Assessment is made effective from and relating back to the date on which this Declaration was recorded. Any payment received and accepted by the Association shall be applied first to any interest accrued, then to any administrative late fee, then to any costs and reasonable attorneys' fees, and then to the delinquent Assessments. Each such Assessment, together with interest, costs, the administrative late fee, and reasonable attorneys' fees, shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the Assessment fell due. The personal obligation for delinquent Assessments shall pass to successors in title.

4.02 Purpose of Assessments. The Assessments levied by the Association shall be used to provide for (a) the operation of the Association, (b) the management, care and maintenance of the Common Area and any improvements constructed thereon, including provision for appropriate insurance against casualty and liability, and for the purposes set forth herein, (c) the payment of Townhome Expenses in accordance with the terms and conditions hereof, (d) maintenance and repair of any aspect of the Townhomes that is delegated to the Association in accordance with Article Eleven hereof, (e) the payment of Detached Home Lot Expenses in accordance with the terms and conditions hereof, (f) the payment of Common Expenses in accordance with the terms and conditions hereof, and (g) performance of any and all matters that are declared herein to be a Common Expense. The Association shall have the obligation to maintain the Common Area (including, without limiting the generality of the foregoing, any and all roads, easements, drainage facilities, landscaping, structures, holding and retention ponds, and the like, whether denominated as such or otherwise) and shall pay all ad valorem property taxes assessed upon them.

4.03 Annual Assessments for Common Expenses. To provide the total sum necessary for the insurance purchased by the Association hereunder, the HOA Property Reserve Account, the maintenance, repair and replacement (as applicable) of any improvements located on the Common Area, payment of all Common Expenses, and any and all other expenses of the Association (whether pertaining to the ownership, operation, use, maintenance, and/or repair of the Common Areas or otherwise), each Member for each Lot owned shall pay a portion of the total amount necessary for such purposes to the Association. The portion to be paid by each Member for each Lot owned shall be determined in accordance with Section 4.10 hereof. The amount of the annual Assessment assessed against each Member as provided under the foregoing sentence shall be assessed by the Association as a lien at the beginning of each annual Assessment period.

4.04 Special Assessments for Capital Improvements Upon Common Area. In addition to the annual Assessments authorized above, the Board of Directors may levy, in any assessment year, a special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement

upon the Common Area and any entrance wall or signage, including fixtures and personal property related thereto; provided, however, that the total of all such special Assessments for any given calendar year shall not exceed One Thousand and No/100 Dollars (\$1,000.00) per Lot, unless such special Assessments in excess of such total are approved by the affirmative vote of the Members holding a majority of the voting rights in the Association. The portion to be paid by each Member for each Lot owned shall be determined in accordance with Section 4.10 hereof.

4.05 Annual Assessments for Townhome Expenses. To provide the total sum necessary for the Townhome Expenses and any amounts necessary to fund the Townhome Reserve Account, each Owner of a Townhome Lot for each Townhome Lot so owned shall pay a portion of the total amount necessary for such purposes to the Association. The portion to be paid by each Owner of a Townhome Lot for each Townhome Lot owned shall be equal to a fraction, the numerator of which shall be the number of Townhome Lots owned by such Owner and the denominator of which shall be the total number of Townhome Lots in the Subdivision, and which the quotient of such fraction shall be multiplied by the total sum necessary for such purposes. The amount of assessment assessed against each Owner of a Townhome Lot for Townhome Expenses as provided under the foregoing sentence shall be assessed by the Association as a lien at the beginning of each annual assessment period. The total number of Townhome Lots in the Subdivision may be increased from time-to-time by the Declarant in accordance with the terms of this Declaration.

4.06 Special Assessments for Townhome Expenses. In addition to the annual Assessments authorized above, the Board of Directors may levy, in any assessment year, a special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any Townhome Expenses that are not otherwise adequately accounted for by the annual Assessments contemplated by Section 4.05 hereof; provided, however, any such special Assessment(s) must be approved by the affirmative vote of a majority of the Owners of the Townhome Lots.

4.07 Annual Assessments for Detached Home Lot Expenses. To provide the total sum necessary for the Detached Home Lot Expenses and any amounts necessary to fund the Detached Reserve Account, each Owner of a Detached Home Lot for each Detached Home Lot so owned shall pay a portion of the total amount necessary for such purposes to the Association. The portion to be paid by each Owner of a Detached Home Lot for each Detached Home Lot owned shall be equal to a fraction, the numerator of which shall be the number of Detached Home Lots owned by such Owner and the denominator of which shall be the total number of Detached Home Lots in the Subdivision, and which the quotient of such fraction shall be multiplied by the total sum necessary for such purposes. The amount of Assessment assessed against each Owner of a Detached Home Lot for Detached Home Expenses as provided under the foregoing sentence shall be assessed by the Association as a lien at the beginning of each annual assessment period. The total number of Detached Home Lots in the Subdivision may be increased from time-to-time by the Declarant in accordance with the terms of this Declaration.

4.08 Special Assessments for Detached Home Lot Expenses. In addition to the annual Assessments authorized above, the Board of Directors may levy, in any assessment year, a special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any Detached Home Lot Expenses that are not otherwise adequately accounted for by the annual

Assessments contemplated by Section 4.07 hereof; provided, however, any such special Assessment(s) must be approved by the affirmative vote of a majority of the Owners of the Detached Home Lots.

4.09 Date of Commencement of Annual Assessments and Due Dates. The Assessments provided for herein shall only be assessed against Lots upon which a Home has been constructed, and will commence as to a particular Lot upon conveyance of the Lot to any Owner who is not Declarant or a Builder. The first annual Assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual Assessment against each Lot at least thirty (30) days in advance of each annual Assessment period. Written notice of the annual Assessment shall be sent to every Owner subject thereto. The Board of Directors shall determine if annual and special Assessments will be collected annually, quarterly or at some other interval and shall set due dates for Assessment payments. If the Board of Directors does not fix an annual Assessment in advance of any annual Assessment period, the annual Assessment for the period will be the same as for the prior period until the Board fixes a new annual Assessment amount.

4.10 Assessment Shares – Common Expenses. Each Member shall be responsible for a portion of any annual or special Assessments levied against the Members, pursuant to Sections 4.03 and 4.04 hereof, equal to a fraction calculated in accordance with the following: the numerator of such fraction shall be the number of Lots owned by such Member and the denominator of which shall be the total number of Lots in the Subdivision at the time such Assessment is levied. The quotient of such fraction shall be multiplied by the total sum of the applicable Assessment, and the resulting figure shall be the portion of such Assessment that is owed by the applicable Member. The total number of Lots in the Subdivision may be increased from time-to-time by Declarant in its sole and absolute discretion in accordance with Section 10.02 hereof, and any such increases in the total number of Lots in the Subdivision shall be taken into account in calculating any Assessments in accordance with this Section.

4.11 Initial Capital Contribution Assessment. An Assessment is hereby levied against and due upon the closing of the sale of each Lot with a completed Home located thereon (an "Improved Lot") in the amount of the then current annual Assessment, against the purchaser of each Improved Lot and against each subsequent purchaser of each Improved Lot. The proceeds of such Assessments may be used by the Association for any purpose for which the Association is authorized under the Certificate of Incorporation or this Declaration.

4.12 Reservation of Lien; Effect of Nonpayment of Assessments; and Remedies of the Association. Any Assessment not paid within thirty (30) days after the due date shall bear interest thereon at a rate to be set by the Board of Directors but in no event greater than the maximum percentage rate as may then be permitted under the laws of the State of Alabama. The Association may bring an action at law or in equity against the Owner personally obligated to pay any Assessment, foreclose a lien against the Lot(s) against which the Assessment is applicable, or seek injunctive relief. Furthermore, a lien is hereby reserved in favor of the Association against each Lot in the amount of all Assessments outstanding against such Lot (the "Assessment Lien"). Interest, costs, and reasonable attorneys' fees of any action brought by the Association in respect of an Assessment and/or the Assessment Lien applicable to such Assessment shall be added to the

amount of such Assessment and shall be secured by the Assessment Lien. Each such Owner, by his acceptance of a deed to or other conveyance of an interest in a Lot, hereby expressly vests in the Association the right and power to bring all actions against such Owner personally for the collection of each Assessment as a debt and to foreclose the Assessment Lien by all methods available for the enforcement of such liens, including foreclosures by an action brought in the name of the Association in a like manner as a mortgage lien on real property, and such Owner hereby expressly grants to the Association a power of sale in connection with the Assessment Lien. The Assessment Lien may be foreclosed by the Association in the same manner as real estate mortgages in the State of Alabama. The Association shall have the power to bid for an interest foreclosed under an Assessment Lien at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. No Owner may waive or otherwise escape liability for the Assessments by non-use of the HOA Property or abandonment of said Owner's Lot. The Board of Directors may also suspend any Owner's use rights of the HOA Property in the event of a failure to pay any Assessment within thirty (30) days of the applicable due date. Furthermore, and without limiting any rights of the Association hereunder, the Association shall have the right to transfer, assign and convey to any third party any debt associated with any unpaid Assessments and the Assessment Lien that is associated therewith.

4.13 Lien Rights under the HOA Act. The lien rights granted and reserved to the Association in accordance with Section 4.12 hereof shall be in addition to, and shall not be in lieu of, the lien rights that are granted to the Association by Section 35-20-12 of the HOA Act. The Association shall have the right, exercisable by the Board of Directors in its sole and absolute discretion, to elect from time to time whether to establish, record, enforce, foreclose or otherwise treat a lien against an Owner's Lot as being (a) an Assessment Lien granted and reserved in accordance with this Declaration or (b) a lien granted to the Association by Section 35-20-12 of the HOA Act. Any lien granted to the Association by Section 35-20-12 of the HOA Act and sought to be enforced by the Association shall be enforced in accordance with the terms and conditions of the HOA Act.

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

4.15 Subordination of the Lien to Mortgages. The Assessment Lien shall be subordinate to the lien of any first mortgage on a Lot. Sale or transfer of any Lot shall not affect the Assessment Lien; provided, however, the sale or transfer of any Lot pursuant to foreclosure of a first mortgage on said Lot or any proceeding in lieu thereof, shall extinguish the Assessment Lien as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the Assessment Lien associated therewith or relieve the prior Owner from any personal liability for any unpaid Assessments occurring prior to said sale or transfer.

4.16 Estoppel Letter. The Association shall, within thirty (30) days after receiving a written request therefor and for a reasonable charge, as established by the Board of Directors, certify to the amount of any unpaid Assessments constituting a lien on a specified Lot. A certification letter signed by an officer of the Association or the Association's managing agent, if any, as to the amount of Assessments due with respect to a Lot shall be binding upon the Association.

ARTICLE FIVE **MAINTENANCE AND REPAIR**

5.01 Maintenance. The Association shall provide maintenance of the HOA Property. In addition, the Association shall have the right, but not the obligation, to maintain other property not owned by the Association, whether within or without the Subdivision and to enter into easement and covenant to share costs agreements regarding such property where the Board has determined that such action would benefit the Owners. Without limiting the foregoing, the Association shall have a reasonable right of entry upon any Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the HOA Property and to carry out its rights and duties set forth in this Declaration. Except as otherwise provided in Article 12 hereof, each Owner shall maintain his or her respective Lot and shall also maintain and repair, at such Owner's sole cost and expense, said Owner's Home, patio and yard area keeping the same in good condition and making all structural repairs and maintenance, external and internal, as may be required from time to time, including, but not limited to maintenance and repairs of any enclosed patio area, screens and screen doors, exterior door and window fixtures, glass, and other hardware. Each Owner of a Detached Home Lot shall also be responsible for the maintenance and repair of any fence or fences erected on such Owner's Detached Home Lot and gates appurtenant thereto.

5.02 Failure to Maintain. In the event an Owner shall fail to maintain and repair his Lot and the improvements situated thereon, as provided for herein and provided that the failure to so maintain shall cause damage or injury to the adjoining Lot or to common structural elements which affect an adjoining Lot, the Association, after approval by a majority vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain, and restore the Lot and the Home and any other improvements erected thereon. The cost of the same shall be added to and become part of the Assessment to which such Lot is subject; provided, however, if a dispute arises concerning the foregoing between the Owner and the Association, the matter may be submitted to arbitration in accordance with the mutual agreement of the parties.

5.03 Maintenance of Detached Home Lots and Detached Homes. Each Owner of a Detached Home Lot shall maintain his or her respective Lot and shall also maintain and repair, at such Owner's sole cost and expense, said Owner's Detached Home and patio area, keeping the same in good condition and making all structural repairs and maintenance, external and internal, as may be required from time to time, including, but not limited to maintenance and repairs of any enclosed patio area, screens and screen doors, exterior door and window fixtures, glass, and other hardware.

5.04 Damage to HOA Property. Notwithstanding anything contained in this Article Five to the contrary, each Owner shall be personally responsible and personally liable for any damage to the HOA Property, or any portion thereof, caused by the Owner and/or the Owner's family members, guests, invitees, lessees or licensees as a consequence of the negligence, recklessness or willful misconduct of such Person. The cost of repair for any damage so caused by the Owner, the Owner's family members, guests, invitees, lessees or licensees shall be an individual Assessment against the Owner responsible therefor and the Lot of such Owner.

5.05 Reserve Fund – HOA Property. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to the HOA Property and for such other purposes as may be set forth herein or otherwise permitted or required by applicable law (the "HOA Property Reserve Account"). The HOA Property Reserve Account shall be maintained out of regular assessments for Common Expenses.

5.06 Reserve Fund – Townhomes. The Association shall establish and maintain an adequate reserve fund for the Townhome Expenses in accordance with the terms and conditions hereof (the "Townhome Reserve Account"). The Townhome Reserve Account shall be maintained out of regular assessments for Townhome Expenses.

5.07 Reserve Fund – Detached Home Lots. The Association shall have the right, but not the obligation, to establish and maintain an adequate reserve fund for the Detached Home Lot Expenses in accordance with the terms and conditions hereof (the "Detached Home Lot Reserve Account"). The Detached Home Lot Reserve Account shall be maintained out of regular assessments for Detached Home Lot Expenses.

ARTICLE SIX **ARCHITECTURAL CONTROL**

6.01 Submission of Plans and Specifications. No House, building, fence, wall, or other structure or improvement shall be constructed, erected, or maintained upon any Lot, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications of the same shall have been submitted by an Owner to and approved in writing as in harmony with this Declaration by the Architectural Review Committee. Two (2) copies of the building or construction plans and specifications (collectively, the "Plans") shall be submitted to the Architectural Review Committee. Prior to commencement of any construction activities on a Lot, an Owner's Plans must be approved by the Architectural Review Committee as to conformity and harmony with this Declaration. The Architectural Review Committee may, in its sole discretion, assess a charge against the Owner requesting the Architectural Review Committee's review of the Plans representing the reasonable costs incurred by the Architectural Review Committee in its review of the Plans, which costs must be paid by the Owner regardless of whether the Architectural Review Committee approves or disapproves said Plans. The Architectural Review Committee may, from time to time, establish additional written design guidelines for the Subdivision, and a copy of any such guidelines then in effect shall be made available to any Owner requesting a copy of the same from the Association. If any Lot is owned by more than one Owner, submission of

Plans by any one Owner shall be deemed authorized by each other Owner of the same Lot and the Architectural Review Committee shall be entitled to conclusively rely on such authorization without any duty to inquire or seek approval by any other Owner. Notwithstanding anything contained in this Article 6.1 to the contrary, any Builder shall be exempt from any charge from the Architectural Review Committee for the review of Plans.

6.02 Approval or Disapproval. The Architectural Review Committee shall indicate its approval or disapproval of such Plans by delivering, in writing, notice of such approval or disapproval to the requesting Owner. In the event the Architectural Review Committee fails to approve or disapprove such Plans within thirty (30) days after said Plans have been submitted to it, approval shall be deemed automatically given. Notwithstanding the immediately preceding sentence, if an Owner constructs, modifies, or alters any improvement on his or her Lot prior to delivering the applicable plans and specifications to the Architectural Review Committee as required hereunder, then such plans and specifications shall not be deemed approved if the Architectural Review Committee fails to approve or disapprove of such plans and specifications within said thirty (30) day period.

6.03 Right of Inspection. The Architectural Review Committee shall have the right, but not the obligation, to inspect the Owner's Lot and improvements during construction and prior to occupancy to inspect whether construction is proceeding in accordance with the Plans approved by the Architectural Review Committee. Failure of an Owner to comply with the provisions of this Section 6.03, or failure of an Owner to carry out construction in accordance with the provisions of this Article, shall subject such Owner to such remedies as might be available at law or in equity (including, but not limited to, specific performance and injunction, and payment of the prosecuting parties' reasonable legal fees and expenses).

6.04 Limited Review. The scope of review by the Architectural Review Committee is limited to appearance only and does not include any responsibility for structural soundness, suitability of construction or materials, compliance with building or zoning codes or standards, this Declaration, or any other similar or dissimilar factors.

6.05 Waiver of Liability. Neither the Architectural Review Committee nor any architect nor agent thereof nor the Association nor any agent or employee of any of the foregoing shall be responsible in any way for the failure of any improvements to comply with the requirements of this Declaration, nor for any defects in any Plans submitted, revised or approved in accordance with the foregoing provisions, nor for any structural or other defects in any work done according to such Plans, and all Persons relying thereon or benefiting therefrom agree not to sue or claim against the Persons referred to in this Section for any cause arising out of the matters referred to herein and further agree to and do hereby release said Persons for any and every such cause.

ARTICLE SEVEN

USE RESTRICTIONS

7.01 Residential Use; Commercial Activity. Except as is hereinafter provided in this Section and in Section 10.01(c) hereof, each. Each Lot is hereby restricted to a private, single-family dwelling for residential use. No commercial activities of any kind whatsoever shall be

conducted in any Home, any other building located on a Lot, or any portion of any Lot; provided, however, that (a) an Owner may conduct a business entirely within his Home so long as (i) such business uses only ten percent (10%) of the total square footage of such Home, (ii) such business does not result in parking of additional vehicles on the Subdivision streets or Common Areas, (iii) such business is secondary to the use of the Lot for residential purposes, and (iv) such business shall not violate any applicable zoning ordinances, and (b) Builders shall have the right to use a Home as a "model home" and to operate a sales office from such model home.

7.02 Subdivision of Lots. Each Lot shall be conveyed as a separately designated and legally described freehold estate subject to the terms, conditions, and provisions hereof, to easements and rights-of-way, and matters of public record. No Lot may be subdivided into a smaller Lot or Lots unless approved by the Association; provided, however, that an entire Lot may be combined with an entire adjacent Lot and occupied as one Lot but assessed and governed as two Lots.

7.03 Signs. No sign of any kind shall be displayed on any Lot (including, without limitation, any signage within a Home that is visible from the exterior of such Home), except (i) that any Owner actively attempting to sell his Lot may place a "for sale" sign of less than four (4) square feet on his Lot; (ii) during the building of homes in the Subdivision, the Declarant and/or the Builders in the Subdivision may place signs at the entrance and/or on any Lot to advertise the Subdivision and the Lots for sale therein; and (iii) any Owner may display a sign of reasonable size provided by a contractor for security services within 10 feet of any entrance to the Home.

7.04 Noxious and Offensive Activity. No noxious or offensive activity shall be carried on, in or upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to any other Owner.

7.05 Design Criteria; Structure. All improvements to be constructed or otherwise located on a Lot by an Owner shall comply with the following requirements:

- (a) Any Detached Home shall contain a minimum of one thousand (1,000) square feet of heated and cooled living space.
- (b) Any Townhome shall contain a minimum of one thousand (1,000) square feet of heated and cooled living space.
- (c) No Home may exceed three (3) habitable stories above grade.
- (d) All sidewalks shall be constructed along the street right-of-way of each Lot in accordance with a uniform plan established by the Declarant. Accordingly, each site Plan submitted to the Architectural Review Committee shall show the location and material to be used for construction of the sidewalk, all as required and approved by the Architectural Review Committee. Each Owner shall construct or cause to be constructed on his or her Lot the approved sidewalk upon completion of the Home on his or her Lot and before occupancy thereof. It shall be each



Owner's responsibility to maintain any portion of a sidewalk situated on the Owner's Lot so that such sidewalk remains in an attractive, well-kept condition.

- (e) Homes may contain a garage; provided however, that no garage may have a screen located in the vehicular entryway or a flat roof and any such garage shall be in conformity with the general architecture of the primary residential building or structure. Carports shall not be permitted.
- (f) No window air-conditioning units shall be permitted.
- (g) Underground electrical distribution facilities are required and no overhead electrical or similar wiring or lines shall be permitted.
- (h) All outside radio and T.V. antennas (including satellite dishes and other signal receiving/transmitting equipment) shall be installed in such a way as to minimize visibility from the front of the Lot and shall be placed on the back side of any roof.
- (i) No plumbing or heating vent shall be placed on the front side of any roof.
- (j) Driveways must be made of concrete. In no event may any driveway be painted, scored or otherwise colored. Any driveway extension must be approved by the Architectural Review Committee and any such extension shall not impede any utility easement.
- (k) All building debris, stumps, trees, etc., must be removed from each Lot by the Owner thereof as often as necessary to keep the House and Lot attractive. Such debris shall not be dumped in any area of the Subdivision.
- (l) During construction, all vehicles, including those delivering supplies, must be parked so as not to unnecessarily damage trees on a Lot or Common Area.
- (m) No walls or fences may be built or otherwise constructed on or around Townhome Lots.
- (n) Fences constructed or erected on any Detached Home Lot shall be of wood construction. Each fence must be a picket fence design, privacy fence design or shadowbox fence design. No fence shall exceed six feet in height. The application of paint or stain to a fence resulting in any solid color appearance is strictly prohibited, provided, however, that clear stain or waterproof coating may be applied to fences to maintain the natural wood appearance. Walls or other designs are not permissible. No fence shall be constructed from the front property line to 20 feet behind the corner of the Detached Home nearest front property line. No fence upon any Detached Home Lot shall be constructed over or within the boundaries of any dedicated easement in the Subdivision. Any portion of a fence which faces a street, alley, or Common Area shall have a finished side appearance facing said street, alley, or Common Area. Notwithstanding anything contained in

this paragraph to the contrary, any fence located on a Detached Home Lot that faces or abuts a pond or lake must be constructed of metal and measure four feet (4') in height.

- (o) It shall be each Owner's responsibility to maintain the lawn and landscaping, and any fence situated on such Owner's Detached Home Lot, so that such improvements remain in an attractive, well-kept condition.
- (p) [Intentionally Deleted].
- (q) No outside clothes lines shall be permitted.
- (r) Following construction of a Home on a Lot, existing drainage shall not be altered in any manner, and specifically shall not be altered in such a manner as to divert the flow of water onto an adjacent Lot.
- (s) Any roof constructed over any structure on any Lot must be covered with composite shingles or such other types of roof coverings of a higher grade and quality than composite shingles as are approved by the Architectural Review Committee.

7.06 Animals.

- (a) No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot except that dogs, cats, and other household pets (as applicable, "Pets") may be kept subject to the rules and regulations adopted by the Association, provided that they are not kept, bred, or maintained for any commercial purpose.
- (b) Pets must be kept leashed and/or under control at all times. Without limiting the immediately preceding sentence, with respect to Townhomes and the Owners of Townhome Lots, Pets shall not be (1) kept in a cage or kennel unless such cage or kennel is located inside of a Townhome, or (2) kept on a chain or leash outside of the Townhome unless such Pet is accompanied by an individual who is responsible for such Pet.
- (c) Notwithstanding the foregoing, the restrictions in this Section 7.06 shall not apply to any service animals, support animals, and any other animals permissible under the Americans with Disabilities Act.

7.07 Waste.

- (a) Waste – Townhomes. No rubbish, trash, garbage, or other waste material shall be kept or permitted upon any Townhome Lot except in sanitary containers located in an appropriate area.
- (b) Waste – Detached Homes. No rubbish, trash, garbage, or other waste material shall be kept or permitted upon any Detached Home Lot except in sanitary containers



located in an appropriate area and screened.

7.08 Accessory Structures.

- (a) No Accessory Structures – Townhomes. No patio cover, building or storage unit of any kind may be erected, placed or set on any Townhome Lot.
- (b) Accessory Structures – Detached Homes. Except as otherwise provided for herein, no patio cover, building or storage unit of any kind shall be erected, placed or set on any Detached Home Lot, unless such structure is attached to the Detached Home erected on the same Detached Home Lot and the architecture and character of such structure matches that of said Detached Home. Notwithstanding the foregoing, one (1) accessory building may be erected, placed or set on any Detached Home Lot if such structure is: (a) no more than twelve (12) feet by sixteen (16) feet in size; (b) no more than nine (9) feet in height; (c) located upon the back yard of such Detached Home Lot; (d) enclosed on all sides by a wooden fence of at least six (6) feet in height; (e) of the same architecture and character of the Detached Home located on such Detached Home Lot; and (f) approved by the Architectural Review Committee. Without limiting the foregoing, the roof shingles of the accessory building and the Detached Home must match.

7.09 Temporary Structures. No structure of a temporary character, trailer, mobile home, motor home, modular building unit, basement, tent, shack, garage, barn, or other outbuilding shall be used at any time on the Lots as a residence, either temporarily or permanently.

7.10 Vehicles.

- (a) No inoperative cars, trucks, or other types of vehicles shall be allowed to remain either on or adjacent to any Lot; provided, however, this provision shall not apply to any such vehicle being kept in an enclosed garage.
- (b) No trucks larger than a one-ton pickup shall be parked in the Subdivision, except those reasonably necessary to complete approved improvements.
- (c) Recreational vehicles, campers and semi-trucks shall not be parked or stored on any Lot or Common Area.
- (d) With respect to Detached Home Lots, boats, boat trailers, jet skis, and utility trailers may only be (1) parked in garages, (2) parked in basements, or (3) stored behind a privacy fence of no less than six (6) feet in height; provided, however, if an Owner elects to store a boat or utility trailer on his or her Detached Home Lot in accordance with this subsection, then no more than one (1) boat, boat trailer, jet ski or utility trailer may be stored on such Detached Home Lot.

- (e) With respect to Townhome Lots, no utility trailers, boats, boat trailers, jet skis or commercial vehicles shall be parked or stored on any Townhome Lot, unless it is kept in an enclosed garage on a Townhome Lot.
- (f) Parking in yards, on sidewalks and in front of private driveways is strictly prohibited.
- (g) Overnight parking within the Access Easement is prohibited.
- (h) There shall be no major repair performed on any motor vehicle on or adjacent to any Lot unless performed inside an enclosed garage.
- (i) No noxiously loud or dangerous vehicles may be allowed to be operated on any Lot, including, without limitation, all-terrain vehicles (aka ATVs).

7.11 Construction. Any and all improvements on any Lot shall comply with the standards and provisions of Shelby County and its applicable building code. The use of dumpsters for cleaning of construction sites is permitted.

7.12 Pollution. There shall be no noxious emission of smoke, dust, odor, fumes, glare, noise, vibration, or electrical or magnetic disturbance detectable at the lot line or beyond.

7.13 Outdoor Lighting. No exterior lighting fixture (other than fixtures approved by the Architectural Review Committee) shall be installed within or upon any Lot without adequate and proper shielding of the fixture. No lighting fixture shall be installed that may become an annoyance or a nuisance to Owners or occupants of adjacent properties. No flood lights or security lights shall be allowed on any Lot. No light shall be attached to the soffits of any improvements on the Lot unless the light is approved by the Architectural Review Committee in accordance with Article Six hereof and is recessed.

7.14 Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage, or waste. All storage equipment for such material shall be kept in a clean and sanitary condition and screened from street view.

7.15 Oil and Mining Operations. No activity or hardware used for the purpose of exploration or extraction of minerals, oil, or gas shall be allowed on any Community Property at any time.

7.16 Firearms and Fireworks. The display or discharge of firearms or fireworks on any Lot or any Common Area is prohibited; provided, however, that the display of lawful firearms on the Common Area is permitted by law enforcement officers and also is permitted for the limited purpose of transferring firearms across the Common Area to or from an Owner's Lot. The term "firearms" includes "B-B" guns, pellet guns and other firearms of all types, regardless of size.

7.17 No Hanging of Items. No clothes, sheets, blankets, towels, laundry, flags or other decorative items or other articles shall be hung out or exposed on any portion of a Lot.



Notwithstanding the foregoing, each Owner may exhibit or display on such Owner's Lot a current flag of the United States that is not in excess of that which is permitted by Section 35-1-5 of the Alabama Code (1975), as the same may be altered, amended, and/or replaced from time to time hereafter, and on a pole that does not extend beyond the highest point on the roof of such Owner's Home.

7.18 Hazardous Items. No one shall use or permit to be brought onto any Lot or upon any of the Common Area any flammable oils or fluids such as gasoline, kerosene, naphtha or benzene, or other explosives or articles deemed hazardous to life, limb or property, without the written consent of the Board of Directors; provided, however, that an Owner may store and possess gasoline and other flammable or hazardous materials typically used in the operation and maintenance of a single family residence and yard, in reasonable quantities for personal use upon Owner's Lot without obtaining such written consent. The Board of Directors may require removal of any flammable or hazardous materials from the Subdivision if it determines, in its sole and absolute discretion, that any type or quantity of material is in violation of this Section.

7.19 Water and Sewer Service. The Owner of each Lot shall be required to connect to and use the central water distribution system and central sanitary sewage disposal system serving the Subdivision, and shall be responsible for paying all connection fees and assessments. No septic tanks or wells will be permitted.

7.20 Windows and Window Treatments. The exterior facing of window coverings must be off-white or a neutral color. Reflective glass shall not be permitted on the exterior of any Home or other structure. No foil or other reflective materials shall be installed on any windows or used for sunscreens, blinds, shades or for other purposes. All exterior window styles, materials, and colors and all hurricane or storm shutters must be approved by the Architectural Review Committee; provided, however, that in no event shall burglar bars and/or wrought iron doors be permitted. Hurricane or storm shutters (a) may not be closed or otherwise installed to cover windows unless and until a tropical storm or hurricane warning is issued by the National Weather Service for the County in which the Subdivision is located, and (b) shall be opened and/or otherwise removed within seventy-two (72) hours of the storm's passage.

7.21 Lots on Wetland Areas, Body of Water. No Lot shall be increased in size by filling in of any wetlands, body of water, creek or any waterway on which it may abut without appropriate governmental permits (if any are required) and prior written approval of the Architectural Review Committee.

7.22 Compliance With Law. In all cases, each Owner shall comply in all respects with all applicable laws, rules and regulations (including, without limitation, applicable zoning ordinances) promulgated by any governmental authority having jurisdiction over the Lots and the Common Area.

7.23 Swimming Pools.

(a) No Swimming Pools – Townhomes. Swimming pools of any type are expressly prohibited on all Townhome Lots.



- (b) Swimming Pools – Detached Homes. Above-ground swimming pools are expressly prohibited on all Detached Home Lots. No swimming pools shall be constructed, altered or maintained upon any Detached Home Lot without the prior written approval of the Architectural Review Committee in accordance with Article Six hereof. Notwithstanding the foregoing, any such swimming pool located on a Detached Home Lot must also be constructed, equipped, and maintained in accordance with the laws, ordinances, regulations, rules and standards of any city, county, and/or state authorities having jurisdiction over the Subdivision. Any Owner of a Detached Home Lot who desires to construct a swimming pool on such Owner's Lot shall also, prior to completion of such swimming pool, construct a fence around such swimming pool, which fence must also be approved by the Architectural Review Committee in accordance with Article Six hereof. Notwithstanding anything contained herein to the contrary, pools may not be screened.

7.24 Stormwater Drainage Improvements. Owners shall not alter, fill or otherwise change any stormwater improvements made to such Owner's Lot by Declarant in the development of the Subdivision or by any Builder during the construction of a Home on such Owner's Lot, including, without limitation, any drainage ditches and/or swales, without the prior written approval of the Association, which may be withheld by the Association in its sole and absolute discretion.

7.25 Outdoor Equipment.

- (a) No Outdoor Equipment – Townhomes. No outdoor equipment, firepits, tools, generators, or sporting equipment (including but not limited to basketball goals) may be installed or affixed to any Townhome Lot or Townhouse.
- (b) Outdoor Equipment – Detached Homes. No outdoor equipment, tools, generators, or sporting equipment (including but not limited to basketball goals) may be installed or affixed to any Detached Home Lot or Detached Home without prior written approval from the Architectural Review Committee; provided, however, that portable outdoor equipment, tools, generators, or sporting equipment may be used on a temporary basis and removed from view immediately after use. Certain outdoor equipment including firepits, grills, patio furniture, artificial vegetation, playground equipment and/or trampolines may be placed on a Detached Home Lot, however such items must be placed behind the Detached Home, on the rear side of the Detached Home Lot, and enclosed with a fence, with prior approval of the Architectural Review Committee required for the fencing design, materials, height and location for such fencing.

7.26 Holiday Displays. Notwithstanding anything to the contrary in this Declaration, including but not limited to those certain restrictions set forth in Section 7.13, holiday lighting and holiday decorations shall be permitted to be placed, installed, located, and/or erected upon the exterior portion of the Home or Owner's Lot beginning no earlier than thirty (30) days before a

holiday, and shall be removed in their entirety no later than fourteen (14) days following such holiday. In no way limiting the foregoing, the Architectural Review Committee and/or the Association may establish additional standards and/or rules and regulations regarding holiday lights and/or decorations. The Association may require the removal of any holiday lighting and/or decoration that creates a nuisance, which includes but is not limited to, spillover to adjacent Lots, excessive noise, light shining directly onto adjacent Homes, and/or the cause of excessive vehicular traffic within the Subdivision.

7.27 Solar Panels and Collectors. No solar panels and/or solar collectors (as applicable, "Solar Equipment") may be placed on a Home without prior written approval from the Architectural Review Committee; provided, however, that if such approval is granted by the Architectural Review Committee, such solar equipment must be located on the rear elevations of the Home. Notwithstanding the foregoing, if a Home's rear elevation is in the line of sight of any lake, pond or Common Area, and such line of sight is unobstructed in the opinion of the Architectural Review Committee, then the Architectural Review Committee may prohibit the installation of Solar Equipment on such Home. The Architectural Review Committee shall have the right to grant variances if needed to comply with any future changes to applicable laws.

7.28 Rules and Regulations. The Association may, from time to time, establish additional written use guidelines for the Subdivision, and a copy of any such guidelines then in effect shall be made available to any Owner requesting a copy of same from the Association.

ARTICLE EIGHT **ADDITIONAL RESTRICTIONS**

8.01 Leasing.

- (a) Leasing – Detached Homes. Detached Homes and Detached Home Lots may be leased by the Owner thereof for residential purposes only; provided, however, that any such leasing and rental activities shall be subject to the following terms and conditions: (a) any such lease and the rights of any tenants thereunder are hereby made expressly subject to the power of the Association to prescribe reasonable rules and regulations relating to the lease and rental of Detached Home Lots and Detached Homes 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; (b) no such lease shall be for less than ninety (90) days; and (c) all leases must be in writing, with a copy provided to the Association upon request by the Association. Any Owner who leases his Detached Home or any portion thereof shall be responsible for the acts of his tenants, including, without limitation, the violation of this Declaration and/or any rules and regulations promulgated by the Association hereunder. Notwithstanding the foregoing, this sub-section shall not apply with respect to any Detached Home Lot subject to a mortgage which is insured or guaranteed by the Federal Housing Administration or the Veterans Administration, or where the provisions of this Section are otherwise prohibited by law.



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- (b) Leasing – Townhomes. Owners may lease or rent Townhomes and Townhome Lots; provided, however, that any such lease or rental and the rights of any tenants thereunder are hereby made expressly subject to the power of the Association to prescribe reasonable rules and regulations relating to the lease and rental of Townhome Lots and Townhomes 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. Any Owner who leases his Townhome or any portion thereof shall be responsible for the acts of his tenants, including, without limitation, the violation of this Declaration and/or any rules and regulations promulgated by the Association hereunder.

8.02 Restrictions on Mortgaging Lots. Nothing contained herein shall be construed to place any restrictions on an Owner's right to mortgage his Lot.

8.03 Regulations. Reasonable regulations concerning the use of the Lots and the HOA Property may be made and amended from time to time by the Board of Directors.

8.04 Lender's Notices. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Lot number or address, any mortgage holder, insurer, or guarantor will be entitled to timely written notice of:

- (a) Any condemnation or casualty loss that affects either a material portion of the Common Area or the Lot securing its mortgage.
- (b) Any sixty (60) day delinquency in the payment of Assessments or charges owed by the Owner of any Lot on which it holds the mortgage.

ARTICLE NINE

ENFORCEMENT; DURATION; AMENDMENT

9.01 Enforcement. The Association, the Board of Directors, the Architectural Review Committee and/or any Owner shall have the right to enforce by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges imposed by the provisions of this Declaration. Failure by the Association, the Board of Directors, the Architectural Review Committee and/or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

9.02 Enforcement by Owners. An Owner may file a legal action for the violation of this Declaration (the "Complainant"), provided that the following procedure is strictly followed:

- (a) The Complainant must first give the Association written notice of the alleged violation of this Declaration together with a demand seeking that the Association enforce the terms of this Declaration as against said violator; and



- (b) The Association must fail to cause a cure of the alleged violation or, if the alleged violation has not been cured, fail to commence legal proceedings against said violator for the enforcement of the terms and conditions of this Declaration within one hundred twenty (120) days of the date of the Association's receipt of the notice referenced in subsection (a) hereof.

9.03 Attorneys' Fees. In any action (whether in advance of or prior to the initiation of any legal or equitable proceeding, in arbitration, in trial, in any administrative or other similar proceedings, or in any appeal from any of the same) pertaining to any condition, restriction or covenant herein contained (due to their alleged violation or breach) or for the enforcement of any lien against any Lot or against any Person, unless otherwise expressly provided in this Declaration to the contrary for specific instances and conflicts, the prevailing party shall be entitled to recover all costs, including reasonable legal fees and expenses.

9.04 Term. This Declaration is to take effect upon recordation and shall be binding upon the Association and all Owners and all persons and entities claiming title under and through them for fifty (50) years after the date this Declaration is recorded in the Public Records, after which it shall be automatically extended for successive ten (10) year periods unless an instrument in writing, signed by Members holding at least eighty percent (80%) of the voting interests in the Association, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

9.05 No Additional Burden. Except as provided in Article Ten, no amendment of this Declaration shall place an additional burden or restriction or requirement on any Lot where the Owner of such Lot does not join in said amending instrument.

9.06 Amendments. Except as provided in Article Ten, this Declaration may be amended by vote of the Members having sixty-seven percent (67%) of the voting interests in the Association, or by a written instrument signed by the same percentage of Members; provided, however, that unless and until Turnover has occurred no such amendment may be effected without the written consent of Declarant to such amendment, which consent may be withheld by Declarant in Declarant's sole and absolute discretion. Declarant shall have and reserves the right at any time and from time to time, without the joinder or consent of any other party to amend this Declaration by any instrument in writing duly signed, acknowledged and filed for record for the purpose of correcting any typographical or grammatical error, ambiguity or inconsistency appearing herein, provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by this Declaration and shall not impair or adversely affect the vested property or other rights of any Owner or such Owner's Mortgagee.

ARTICLE TEN

RESERVED DECLARANT RIGHTS

10.01 General Reserved Rights. Until Turnover, Declarant reserves unto itself, its successors and assigns:



- (a) A right-of-way and easement for ingress and egress and easement for utilities, drainage, maintenance, repairs and other related uses over, along, and across the Common Area for all purposes relating in any manner to the subdividing, developing or aiding in the development of the Subdivision or any parts or parts thereof or additions thereto by Declarant or others.
- (b) The right to grant easements and rights-of-way of ingress and egress and for drainage, utilities, maintenance and repairs along, over, across and under the Common Area to any person, firm, corporation or entity for use as ingress or egress or for drainage, utilities, maintenance and repairs.
- (c) The right to maintain, and grant Builders the right to maintain, a sales office and/or a management office and/or one or more model homes in the Subdivision and to maintain signs therein advertising the Subdivision and to conduct its business and sales activities pertaining to the Subdivision therein and therefrom.

All of the above rights and interests reserved by Declarant may be exercised by Declarant without the consent or concurrence of the Association or any Member.

10.02 Right to Annex Property. Declarant hereby reserves the right, exercisable in its sole and absolute discretion, to (a) make any real property located adjacent to the Subdivision (the "Additional Property") subject to all or any of the terms and conditions of this Declaration, and/or (b) permit owners of Additional Property to become Members of the Association. No assurances can be made as to whether any Additional Property will be annexed. Furthermore, Declarant expressly reserves the right to exercise this right on multiple occasions until such time as all Additional Property has been annexed into the Subdivision and made subject to this Declaration. No assurances can be made with respect to the boundaries of any portions of any Additional Property that might be annexed. Declarant's option to annex any Additional Property in accordance with this Section shall expire upon Turnover. The Additional Property may be annexed in accordance with this Section by an amendment to this Declaration, which amendment may be made and entered into by Declarant in its sole and absolute authority and discretion without the consent, approval or signature of the Association or any Member. Notwithstanding anything contained in this Section to the contrary, (aa) no Additional Property shall be subject to this Declaration unless and until Declarant executes an amendment to this Declaration affirmatively exercising Declarant's rights hereunder and records such amendment in the office in which this Declaration is recorded, and (bb) in the event Declarant exercises its right to annex any Additional Property in accordance with this Section, Declarant shall also have the sole and exclusive right (i) to alter or amend the terms of Article Seven hereof as those terms pertain to any Lots created out of such Additional Property, (ii) exempt any Lots created out of such Additional Property from any or all of the requirements of Article Seven hereof, and/or (iii) impose additional covenants and obligations on any Lots created out of such Additional Property.

10.03 Amendment of Declaration by Declarant. Until Turnover, Declarant reserves unto itself the right, authority and power to amend this Declaration in any manner Declarant deems necessary and appropriate. Any amendment to this Declaration made in accordance with this

Section shall require only the signature of Declarant and shall not require the signature of any other Owner or any Mortgagee of any Owner.

10.04 Turnover. All rights of Declarant hereunder shall automatically terminate upon Turnover, except those rights that Declarant holds as an Owner and not by virtue of being the declarant under this Declaration, which shall continue as long as Declarant is an Owner.

10.05 Consent of TL – Peavine Crossing LB, LLC to Certain Matters. Declarant may not exercise any rights reserved in this Article Ten, or take any action or grant any approval as Declarant under this Declaration (other than any other approval given in the ordinary course as an Owner and not as Declarant) without first obtaining the prior written consent of TL – Peavine Crossing LB, LLC, a Delaware limited liability company (“Land Banker”), provided that Land Banker still owns Lots in the Subdivision; provided, however, that no such consent shall be required for any changes to or additions of restrictive covenants that are applicable solely to phases of the Subdivision in which Land Banker does not own any Lots that it acquired from Declarant or any affiliate of Declarant and does not have a purchase contract with Declarant for the purchase of Lots. The foregoing consent right of Land Banker shall run with title to each Lot owned by Land Banker, and shall exist for the benefit of any successor Builder who acquires title to a Lot directly from Land Banker for so long as the successor Builder owns the Lot.

ARTICLE ELEVEN **TOWNHOME ISSUES**

11.01 General Rules of Law to Apply. Each wall built and located on the common or dividing line between adjoining Townhome Lots shall constitute a Party Wall. Each roof system built over structures on adjoining Townhome Lots shall constitute a Party Roof. To the extent not inconsistent with the provisions of this Declaration, the general rules of law regarding party walls and party roofs and liability for property damage due to negligence, or willful acts or omissions, shall apply thereto.

11.02 Maintenance of Townhomes. Each Owner of a Townhome shall be responsible for maintaining, repairing, and replacing all portions of the Townhome, except as otherwise expressly provided in this Article Eleven, and all other improvements situated on his Townhome Lot in a clean, sanitary, neat, safe and orderly and objectively good condition, including without limitation, for structural maintenance, repair or replacement of interior and exterior walls, including Party Walls, windows, window and patio screens, screened enclosures, doors, framing and casing, gutters, downspouts and skylights, and maintenance, repair and replacement of any air-conditioning or water softening fixtures or equipment, or any equipment, facilities or other items whatsoever installed within or placed upon any Townhome Lot by any Owner, including its agents, or other designees, in an aesthetically appropriate manner for portions of the Townhome visible from the street or adjacent Townhome Lot, consistent with the standards for the Subdivision generally, and/or in compliance with any other maintenance obligations designated as the Owners' responsibilities from time to time in this Declaration, the Certificate of Incorporation, and the Bylaws. If any Townhome Lot Owner breaches these covenants, the Association may, but is not obligated to, enter upon the Townhome Lot and charge an individual Assessment for costs required to bring the Townhome Lot and/or Townhome into compliance. The Townhome Lot Owner shall

obtain the written consent of the Association prior to making any modifications requiring approval under Article Six hereof.

11.03 Repair and Maintenance of Party Roofs.

(a) When the need arises for repair, replacement or other maintenance of any part or all of a Party Roof, excepting roof damage caused by a casualty event, the Association shall perform (or cause to be performed) such repair, replacement or other maintenance, and the cost thereof shall be a Townhome Expense. No Owner may cause any such repairs or maintenance to be so performed; provided, however, that in the event of any material damage to a Party Roof that may result in water or other elements penetrating the Party Roof and damaging the Townhome(s), an Owner shall have the right to make any emergency repairs such Owner deems reasonably necessary to protect his or her Townhome from damage; provided, further, however, that in the event an Owner exercises such right, he or she shall immediately notify the Association of such repairs.

(b) When the need arises for repair or replacement of a Party Roof as a result of a casualty event, the Owner of the Townhome shall perform (or cause to be performed) such repair or replacement.

11.04 Exterior Painting and Pressure Cleaning. Each Owner shall be responsible for exterior painting and pressure cleaning of the Townhome and other improvements on the Townhome Lot as required by the Association in accordance with this Section. It is anticipated that the Association shall require the roof, exterior walls, sidewalks, patios and driveways of all Townhomes to be pressured washed approximately every three years. It is anticipated that the Association shall require all Townhomes to be painted approximately every five to seven years. The Board of Directors shall convene a duly noticed meeting to determine when the uniform exterior painting and pressuring washing shall be required for all improved Townhome Lots in the Subdivision, and each Owner shall have at least 120 days to commence the work after the Association provides written notification of required painting or cleaning. Each Owner shall have the right to paint or clean more frequently than required by the Association; provided that prior written approval of paint color is obtained from the Board. If any Owner fails or refuses to paint or pressure wash his Townhome and/or other improvements as required herein, the Association may perform the work and charge the Owner the cost thereof as an individual Assessment. Notwithstanding the foregoing, by 2/3 vote of the Board at a duly notice meeting, the Association may elect to enter into a bulk contract for uniform painting and/or pressuring washing of all Townhomes in the Subdivision and charge each Owner of a Townhome Lot improved with a Townhome its equal share of the cost thereof as an individual Assessment.

11.05 [Intentionally Deleted].

11.06 [Intentionally Deleted].

11.07 Cost of Construction. If the Owner of any Townhome Lot erects a Party Wall at a time when the adjoining Owner is not ready to construct, then the Party Wall must be located on the applicable Townhome Lot line, but entirely within the Townhome Lot on which construction is to begin and such Owner shall bear the entire cost of constructing said Party Wall. If the

adjoining Owner later erects a building utilizing said Party Wall, or any part thereof, he shall promptly pay to the Owner who originally bore the entire Party Wall cost an amount equal to the ratio that the portion of the Party Wall utilized for support, attachment or joinder bears to the original cost thereof, divided by one-half.

11.08 Adjoining Townhome Lot. The first Owner to erect a Party Wall shall have the right to enter the adjoining Townhome Lot(s) and shall have the right to authorize entry by his contractor, agents, employees, and suppliers to the extent reasonable and appropriate for construction purposes. Such right includes the right to make necessary excavations or to do other work required in connection with the construction of the Party Wall; provided, however, that on completion of the Party Wall, the adjoining Townhome Lot(s) shall be restored to its condition prior to the start of construction. The first Owner to erect a Party Wall shall erect said Party Wall and any Party Roof in such a manner so as not to encroach into the Townhome Lot of any adjoining Owner; provided, however that such Party Wall and Party Roof may, with the advance written approval of the Architectural Review Committee, have a finished eave or other overhang structure encroaching into such adjoining Owner's Townhome Lot; provided, further, however, that such eave or other overhang structure shall be subject to the rights of an adjoining Owner to thereafter eliminate or modify such eave or other overhang structure to accommodate the construction of an adjoining Townhome; and the elimination or alteration of any such eave or other overhang structure shall, in all events, be subject to the equitable and final discretion of the Architectural Review Committee. No construction shall be undertaken in a manner so as to adversely affect the structural integrity of any Townhome located on a Townhome Lot.

11.09 Fire Rating. Every Townhome (including all accessory structures attached thereto) shall be constructed in such a manner as to not adversely affect the fire rating of any other Townhome. The purpose of this Section is to allow Townhomes to be fire rated as separate and distinct units without deficiency charge.

11.10 Access to Common Areas During Construction. Each Builder shall have a license to go upon and make use of such portions of the Common Area as are reasonably necessary in connection with a Builder's construction of a Townhome or Townhome Building on a Townhome Lot or Townhome Lots adjacent to such Common Area; provided, however, that each such Builder shall be responsible for and shall repair any damage caused to the Common Area by such Builder or such Builder's subcontractors and materials suppliers.

11.11 Failure to Maintain. In the event an Owner shall fail to maintain and repair his Townhome Lot and/or Townhome as required herein, and that failure to so maintain shall cause damage or injury to the adjoining Townhome, Party Wall, and/or Party Roof, the Association, after approval by a majority vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said Townhome Lot and to repair, maintain, and restore the Townhome Lot and the Townhome and any other improvements erected thereon. The cost of the same shall be added to and become part of the assessment to which such Townhome Lot is subject.

11.12 Right of Contribution Runs with the Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.



11.13 Easement for Encroachment. There shall be (a) reciprocal perpetual easements of encroachment between each adjacent Townhome Lot, and (b) perpetual easements of encroachment over and across any adjacent Common Area, for purposes of allowing for the unintentional placement, settling, or shifting of Party Walls constructed, reconstructed, or altered thereon to a distance of three feet (3') as measured from any part on the common boundary along a line perpendicular of such boundary at such point.

11.14 Easement for Lateral Support. There shall be reciprocal perpetual easements of lateral support between each adjacent Townhome Lot upon the structural components, including the Party Walls for lateral support of each Townhome. No Owner shall demolish, modify, or interfere with a Party Wall so as to diminish or in any way alter the lateral support which such Party Wall affords any Townhome.

11.15 Sprinkler Systems; Fire Rating. Every Townhome shall be (a) equipped with an automatic sprinkler system which meets all the standards of all applicable laws, or (b) constructed in such a manner as to not adversely affect the fire rating of any other Townhome. Each Owner of a Townhome Lot shall be responsible for the repair and maintenance of the sprinkler system, if any, within such Owner's Townhome. The purpose of this Section is to allow Townhomes to be fire rated as separate and distinct units without deficiency charge.

ARTICLE TWELVE **INSURANCE; CASUALTY**

12.01 Insurance on Common Area. The Association shall obtain and maintain the insurance coverage as set forth herein. The Board shall obtain casualty insurance for all insurable improvements located on the Common Area, which the Association is obligated to maintain. This insurance shall provide, at a minimum, fire and extended coverage and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board shall also obtain a public/general liability policy applicable to the Common Area and directors' and officers' liability insurance. Policies may contain a reasonable deductible and coverage limits as commercially and reasonably available in the determination of the Board. In addition to the other insurance required by this section, the Board shall obtain workers' compensation insurance, if and to the extent necessary to satisfy the requirements of applicable laws, and a fidelity bond or bonds on directors, officers, employees and other persons handling or responsible for the Association's funds, if reasonably available. If obtained, the amount of fidelity coverage shall cover the maximum funds that will be in the custody of the Association or its management agent at any time while the policy is in force. Fidelity coverage shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation. All such insurance coverage shall be written in the name of the Association. The expense of all insurance coverage obtained by the Association in accordance with this Section 12.01 shall be a Common Expense; provided, however, that the expense of all insurance coverage obtained by the Association in relation to the Access Easement shall be a Townhome Expense, as provided in Section 2.05 above.

12.02 Insurance on Townhomes. Each Owner of a Townhome and excepting Declarant and Builders, shall, at the Owner's sole expense, obtain insurance coverage, insuring all portions of the Townhome including but not limited to, the Party Roof, all interior and exterior walls and Party Walls, doors and windows, in an amount equal to the maximum insurable replacement value. Such coverage shall afford protection against (i) loss or damaged by fire, hurricane, tornado, wind-storm, or other hazards covered by a standard extended coverage endorsement, and (ii) such other risks as from time to time shall be customarily covered with respect to similar construction, location and use as a townhome, including but not limited to vandalism and malicious mischief. In addition to insurance coverage for the components of the Townhome, the Owner of each Townhome shall be responsible for, at the Owner's sole expense, any insurance coverage for loss of or damage to any fixtures, furniture, appliances, furnishings, decorations, personal effects, and other property belonging to such Owner and located within such Owner's Townhome or otherwise on such Owner's Lot. If the Townhome is located in an area identified by the Secretary of Housing and Urban Development as having special flood hazards, the Owner of the Townhome shall, to the extent obtainable, insure the Townhome and Townhome Lot against the perils of flood under the National Flood Insurance Act of 1968 and acts amendatory thereto. Such coverage shall name the Association as an additional insured party. In addition, any Owner owning or keeping a Pet on a Townhome Lot shall also obtain and maintain adequate homeowners' insurance to cover pet liability, naming the Association as an additional insured. The Owner shall furnish proof of the insurance required by this Section to the Association at the time of purchase of a Townhome Lot improved with a Townhome, which proof shall be in the form of a certificate of insurance, an additional insured endorsement, and/or such other evidence as may be reasonably requested by the Association. Each Owner shall furnish proof of renewal of the insurance required hereunder at least ten (10) days prior the expiration date thereof. If any Owner of a Townhome Lot fails to deliver to the Association evidence of renewal of the insurance required in this Section within five (5) days prior to the expiration thereof, the Association shall have the right, but not the obligation, to obtain such insurance, and the cost thereof shall be an individual Assessment against such Townhome Lot.

12.03 Damage and Destruction – Townhome Lots. The damage or destruction by fire, storm or other casualty to all or any portion of any improvement on a Townhome Lot shall be repaired by the Owner thereof within one hundred eighty (180) days after such damage or destruction or, where repairs cannot be completed within one hundred eighty (180) days for reasons beyond the control of the Owner, they shall be commenced within such period and shall be completed within a reasonable time thereafter. Insufficient insurance proceeds for necessary repairs or replacements shall not constitute a reason beyond the control of the Owner.

12.04 Damage and Destruction – Detached Home Lots. The damage or destruction by fire, storm or other casualty to all or any portion of any improvement on a Detached Home Lot shall be repaired by the Owner thereof within ninety (90) days after such damage or destruction or, where repairs cannot be completed within ninety (90) days, they shall be commenced within such period and shall be completed within a reasonable time thereafter. Alternatively, the Owner may elect to demolish all improvements on the Detached Home Lot and remove all debris therefrom within ninety (90) days after such damage or destruction.

12.05 Detached Home Lot Owner Insurance. Notwithstanding anything contained herein to the contrary, the terms of Section 12.02 shall NOT be applicable to any Detached Home, Detached Home Lot or any Owner of any Detached Home Lot. It shall be the sole and absolute responsibility of each Owner of any Detached Home Lot to obtain any and all insurance coverage for such Owner's (a) Detached Home Lot, (b) Detached Home constructed thereon (if any), and (c) fixtures, furniture, furnishings, appliances, decorations, personal effects, and other property belonging to such Owner and located within such Detached Home (if any). Each Owner of a Detached Home Lot acknowledges that the Association has no obligation to provide any insurance for any portion of the Detached Home Lots and each such Owner covenants and agrees with all other Owners and with the Association that each such Owner shall carry all-risk casualty insurance on the Detached Home Lot and all structures constructed thereon and a liability policy covering damage or injury occurring on said Lot. The casualty insurance shall cover loss or damage by fire and other hazards commonly insured under an all-risk policy, if reasonably available and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The policies required hereunder shall be in effect at all times.

ARTICLE THIRTEEN **MISCELLANEOUS**

13.01 Savings. If any provision or provisions of this Declaration, or any article, section, sentence, clause, phrase, or word herein, or the application thereof, is in any circumstances held invalid, the validity of the remainder of this Declaration and the application thereof shall not be affected thereby.

13.02 Captions. The captions in this Declaration are for convenience only and are not a part of this Declaration and do not in any way limit or amplify the terms and provisions of this Declaration.

13.03 Applicable Law. The laws of the State of Alabama shall govern this Declaration. All actions or proceedings in any way, manner or respect, arising out of or from or related to this Declaration shall be litigated only in courts having situs within the county in which the Subdivision is located. Each Owner hereby consents and submits to the jurisdiction of any local, state or federal court located within said county and state and hereby waives any rights it may have to transfer or change the venue of any such litigation. The prevailing party in any litigation in connection with this Declaration shall be entitled to recover from the other party all costs and expenses, including without limitation fees of attorneys and paralegals, incurred by such party in connection with any such litigation.

13.04 Effect of Waiver or Consent. A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations hereunder is not a consent or waiver to or of any breach or default in the performance by that Person of the same or any other obligations of that Person. Failure on the part of a Person to complain of any act or to declare any Person in default hereunder, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default.

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

13.06 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a subdivision in accordance with Alabama law. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

13.07 Notice. All notices required or desired under this Declaration to be sent to the Association shall be sent certified mail, return receipt requested, 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's Lot, or to such other address as he may have designated from time to time, in a writing duly received, to the Association.

13.08 Conflict Between Documents. In the event of any conflict or ambiguity between the HOA Act and the terms, provisions, definitions, covenants and conditions set forth in this Declaration, then the provisions of the HOA Act shall at all times control. If there is any conflict or inconsistency between the terms and conditions of this Declaration and the terms and conditions of the Certificate of Incorporation, the Bylaws or any rules and regulations promulgated hereunder, 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 Incorporation and the terms and conditions of the Bylaws or any rules and regulations promulgated hereunder, the terms and conditions of the Certificate of Incorporation shall control. If there is any conflict or inconsistency between the terms and conditions of the Bylaws and the terms and conditions of any rules and regulations promulgated hereunder, the terms and conditions of the Bylaws shall control.

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MORTGAGEE'S CONSENT AND SUBORDINATION

Central State Bank, an Alabama state bank ("Secured Lender"), the mortgagee under that certain mortgage, executed by Peavine Creek Development, LLC, an Alabama limited liability company, dated April 19, 2021 and recorded in Instrument Number 20210726000359860 of the Office of the Judge of Probate of Shelby County, Alabama (the "Mortgage"), does hereby consent to the recording of this Declaration. Furthermore, Secured Lender does hereby subordinate in all respects its interest in and to the mortgaged property described in the Mortgage to this Declaration; provided, however, that the lien of the Association for Assessments under this Declaration shall be subordinate to the lien of Secured Lender under the Mortgage, as provided in Section 4.11 of this Declaration. Secured Lender does hereby acknowledge and agree that this Declaration shall be given priority over the Mortgage, and shall be unaffected by any default, foreclosure or exercise of any other remedy under the Mortgage, the same as if this Declaration were executed, delivered and recorded prior to the execution and recording of the Mortgage.

IN WITNESS WHEREOF, Secured Lender has caused this Consent and Subordination to be executed by and through its duly authorized representative as of the 24th day of November, 2025.

Central State Bank

By: [Signature]
Name: Kenneth J. Coreno
As Its: Chief Credit Officer

STATE OF Alabama
COUNTY OF Shelby

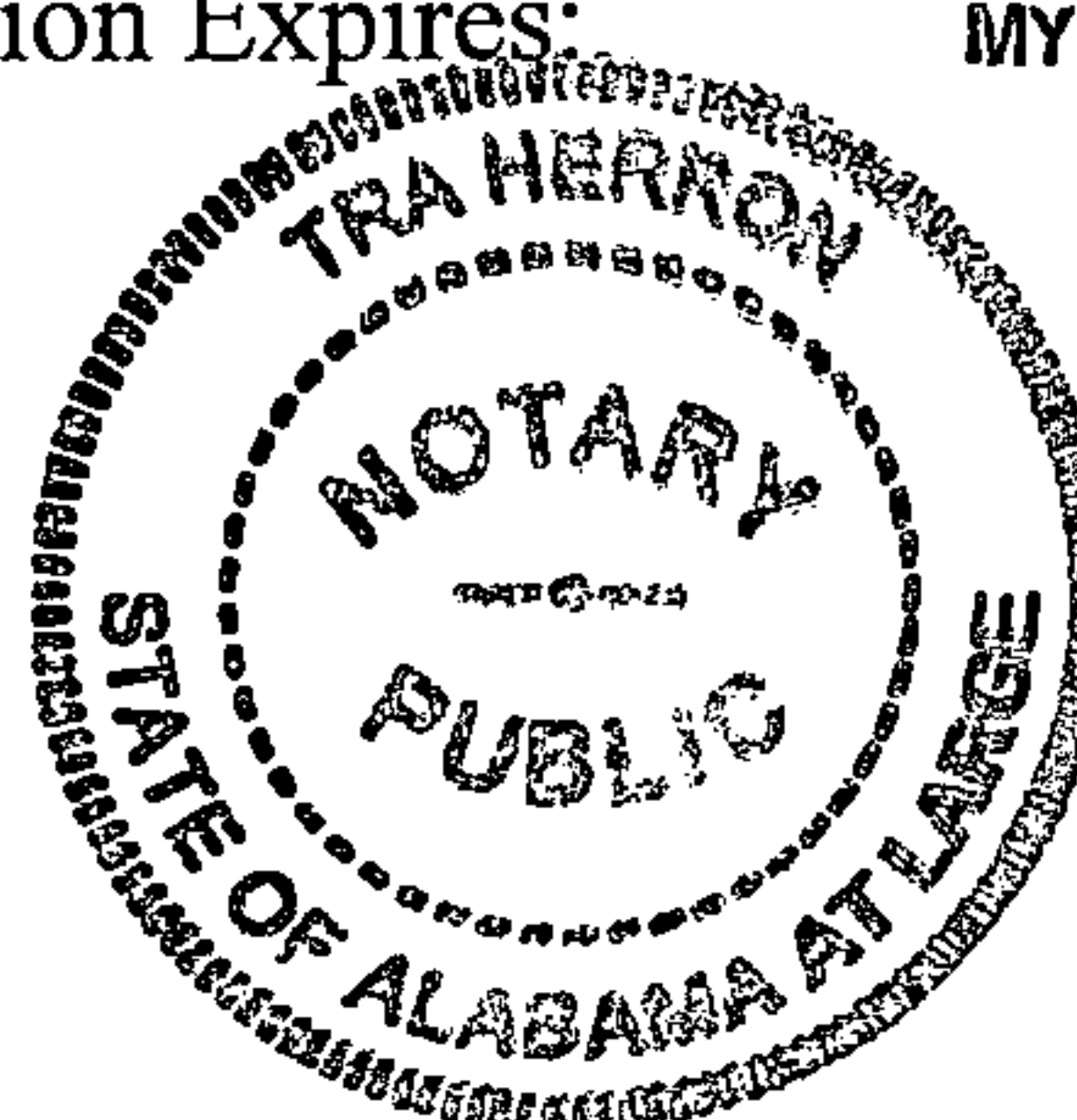
I, the undersigned authority, a Notary Public in and for said County and State, hereby certify that Kenneth J. Coreno as the Chief Credit Officer for Central State Bank, whose name is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day, that being informed of the contents of said conveyance, s/he has executed the same voluntarily for and as the act of said entity.

Given under my hand and seal this 24th day of November, 2025.

[Signature]
Notary Public

My Commission Expires:

MY COMMISSION EXPIRES MARCH 7, 2028



IN WITNESS WHEREOF, Declarant has executed this Declaration by and through its duly authorized representative as of the date first set forth above.

DECLARANT:

Peavine Creek Development, LLC, an Alabama
limited liability company

By: _____

Name: JASON E. SPINKS

As Its: Manager

STATE OF Alabama :
COUNTY OF Shelby :

I, the undersigned Notary Public, in and for said State and said County, hereby certify that JASON E. SPINKS, whose name as MANAGER of Peavine Creek Development, 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 said instrument, he/she, as such MANAGER and with full authority, executed the same voluntarily as and for the act of said corporation on the day the same bears date.

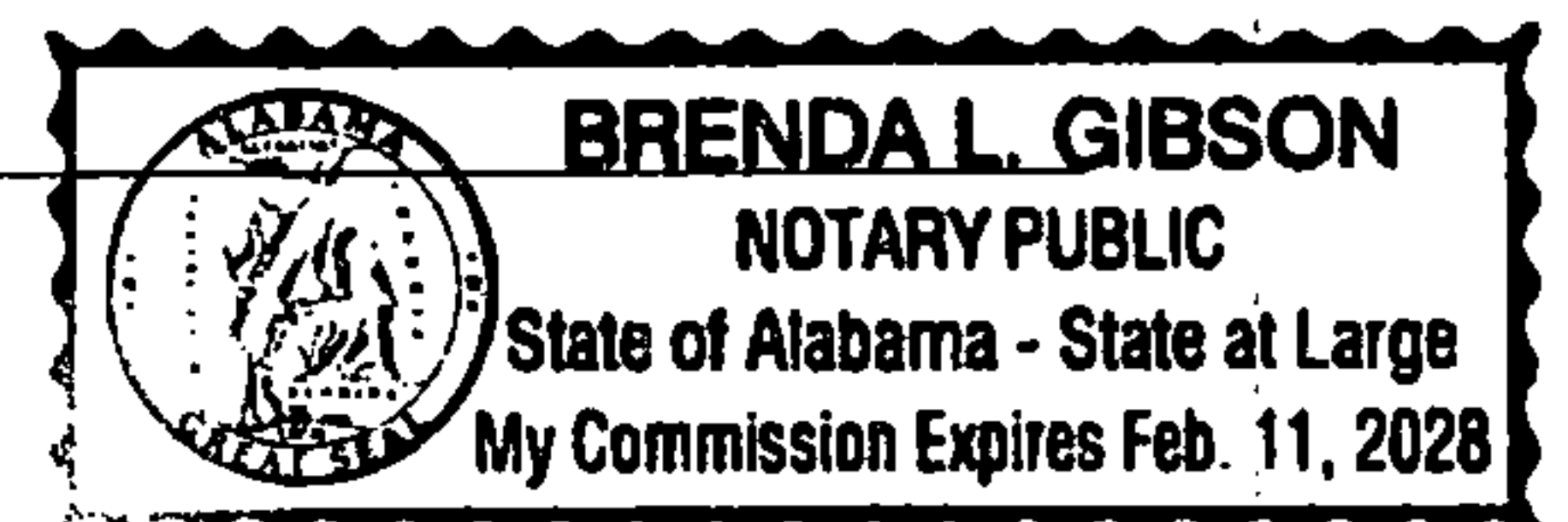
Given under my hand and official notarial seal this the 24th day of November, 2025.

{SEAL}

Brenda L. Gibson

NOTARY PUBLIC

My Commission Expires: _____





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Shelby Cnty Judge of Probate, AL
11/24/2025 02:49:13 PM FILED/CERT

MORTGAGEE'S CONSENT AND SUBORDINATION

D.R. Horton – Birmingham, Inc., an Alabama corporation (“Secured Lender”), the mortgagee under that certain Earnest Money Mortgage, executed by Peavine Creek Development, LLC, an Alabama limited liability company, dated April 14, 2025 and recorded in Instrument Number 20250414000111370 of the Office of the Judge of Probate of Shelby County, Alabama (the “Mortgage”), does hereby consent to the recording of this Declaration. Furthermore, Secured Lender does hereby subordinate in all respects its interest in and to the mortgaged property described in the Mortgage to this Declaration; provided, however, that the lien of the Association for Assessments under this Declaration shall be subordinate to the lien of Secured Lender under the Mortgage, as provided in Section 4.11 of this Declaration. Secured Lender does hereby acknowledge and agree that this Declaration shall be given priority over the Mortgage, and shall be unaffected by any default, foreclosure or exercise of any other remedy under the Mortgage, the same as if this Declaration were executed, delivered and recorded prior to the execution and recording of the Mortgage.

IN WITNESS WHEREOF, Secured Lender has caused this Consent and Subordination to be executed by and through its duly authorized representative as of the 24 day of November, 2025.

D.R. Horton – Birmingham, Inc., an Alabama corporation

By: [Signature]
Name: Steven French
As Its: Land Manager

STATE OF Alabama
COUNTY OF Shelby

I, the undersigned authority, a Notary Public in and for said County and State, hereby certify that Steven French as the Land Manager for D.R. Horton – Birmingham, Inc., an Alabama corporation, whose name is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day, that being informed of the contents of said conveyance, s/he has executed the same voluntarily for and as the act of said entity.

Given under my hand and seal this 24th day of November, 2025.

[Signature]
Notary Public
My Commission Expires:

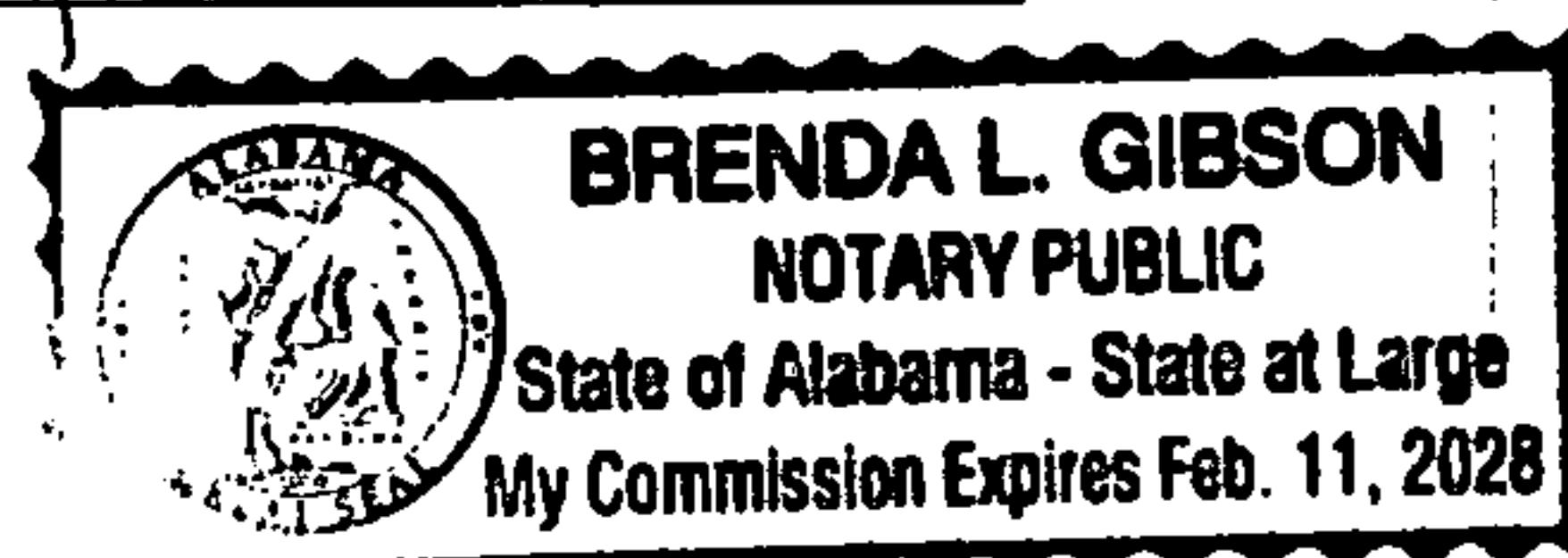


EXHIBIT "A"
DESCRIPTION OF THE SUBDIVISION PROPERTY

All property within the Peavine Crossing Subdivision as shown on the plat thereof recorded in Instrument No. 20251121000358200 of the Public Records.