

**DECLARATION OF CONDOMINIUM
OF
STONE CREEK LANDING,
A CONDOMINIUM**

Date: November 25th, 2008

This instrument prepared by:

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- Exhibit "A" Legal Description of Property
- Exhibit "B" Legal Description of Additional Property
- Exhibit "C" Bylaws of the Association
- Exhibit "D" Plat and Plan of the Condominium
- Exhibit "E" Allocated Interests and Votes
- Exhibit "F" Allocated Interests and Votes Upon Addition of Additional Units and Additional Property

**DECLARATION OF CONDOMINIUM
OF
STONE CREEK LANDING, A CONDOMINIUM**

THIS DECLARATION is made this 25th day of November, 2008, by **LIFESTYLE DOTHAN, LLC**, an Ohio limited liability company (the "Developer"), pursuant to the provisions of the Alabama Uniform Condominium Act of 1991, CODE OF ALABAMA 1975 §§ 35-8A-101 *et seq.* (the "Act"), for the purpose of forming a condominium and establishing certain easements, covenants and restrictions to run with the land:

W I T N E S S E T H:

WHEREAS, Developer is the owner of certain real property located in the City of Dothan, Houston County, Alabama, more particularly described on Exhibit "A" attached hereto. The Condominium shall initially consist of five (5) buildings containing twenty (20) residential Units and certain other improvements in accordance with the Plan of **STONE CREEK LANDING, A CONDOMINIUM** prepared by Northstar Engineering in October, 2008 and recorded in Map Book 12, page 69-70 in the Office of the Judge of Probate of Houston County, Alabama, a copy of which is included in Exhibit "D" attached to this Declaration (the "Property" or "Condominium Property");

WHEREAS, it is the desire and intent of the Developer, by recording this Declaration, to establish a Condominium (as defined in the Act) to be known as **STONE CREEK LANDING, A CONDOMINIUM** under the provisions of the Act and to impose upon the real property covered hereby mutually beneficial restrictions under a general plan for the benefit of all of the Condominium Units contained therein and the Owners thereof; and

WHEREAS, Developer reserves the right to add up to ninety-eight (98) Additional Units to the Condominium on the Condominium Property in the approximate locations indicated on the Plat and Plan attached hereto as Exhibit "D."

WHEREAS, Developer is the owner of or has a contract interest in certain additional real property (the "Additional Property") located in the proximity of the Condominium Property, which Developer may desire to submit to the condominium form of ownership to be a part of the Condominium in the future. The Additional Property, all or a portion of which may be added to the Condominium, may contain up to two hundred (200) Additional Units and Common Elements and is described on Exhibit "B" attached hereto.

NOW, THEREFORE, Developer, upon recording hereof, does submit that certain real property situated in the City of Dothan, Houston County, Alabama, more particularly described on Exhibit "A" attached to this Declaration, together with the improvements thereon, and owned by the Developer in fee simple absolute to the provisions of the Alabama Uniform Condominium Act of 1991 to be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, improved and in any other manner utilized subject to the provisions of said Act and subject to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Declaration, all of which are declared and agreed to be in furtherance of a plan for the improvement of said Property and the division thereof into condominium ownership and all of which shall run with the Land and shall be binding on all parties (including Owners and

Occupants as hereinafter defined) having or acquiring any right, title or interest in said Property or any part thereof, and shall be for the benefit of each Owner of any portion of said Property or any interest therein, and shall inure to the benefit of and be binding upon each successor in interest to the Owners thereof.

ARTICLE I

DEFINITIONS

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

(a) **"Act"** shall mean the Alabama Uniform Condominium Act of 1991, CODE OF ALABAMA §§ 35-8A-101 *et seq.*, as the same may be amended from time to time.

(b) **"Additional Property"** shall mean all or any portion of the real property described on Exhibit "B" attached hereto and the improvements now or hereafter constructed thereon, which property may be submitted in whole or in part in one or more phases to the Condominium.

(c) **"Additional Units"** shall mean any additional Units the Developer may add to the existing Condominium Property or any additional Units the Developer may build on the Additional Property described on Exhibit "B" attached hereto which may be submitted to the Condominium.

(d) **"Association"** shall mean Stone Creek Landing Association, Inc., a nonprofit corporation organized pursuant to the Alabama Nonprofit Corporation Act, CODE OF ALABAMA §§ 10-3A-1 *et seq.*, of which all Owners shall be Members and which corporation shall administer the operation, management, maintenance, control and administration of the Condominium Property.

(e) **"Board of Directors"** or **"Board"** shall mean the Board of Directors of the Association, elected pursuant to the Bylaws of the Association.

(f) **"Bylaws"** shall mean the set of Bylaws, a copy of which is attached hereto as Exhibit "C," recorded simultaneously with this Declaration, providing for the self-government of the Condominium Property by the Association in accordance with § 35-8A-301 of the Act, and such amendments thereto as may be recorded from time to time.

(g) **"Common Elements"** shall mean and include the following:

(i) The Land;

(ii) The roofs, foundations and footings, bearing walls, perimeter walls, structural slabs, columns, beams and supports;

(iii) The storage areas designated as Common Elements, and entrances and exits or communication ways;

(iv) The facilities or installations of services such as power, light, electricity, gas, fire protection, water, plumbing, reservoirs, water tanks and pumps, sewer lines, flues, and the like, and all similar devices and installations existing for common use, but excluding all facilities or installations of utilities and services which exist for use or service of one Unit;

(v) The premises and facilities, if any, used for the maintenance or repair of the Property;

(vi) The roadways, common parking areas, greens, landscaping, sidewalks, gardens, fitness center, club house, pool, storm water retention ponds, and buffer areas;

(vii) All easements, rights or appurtenances affecting or relating to the use of the Condominium Property; and

(viii) All other elements (other than the Units) of common use or necessary to the existence, upkeep and safety of the Condominium Property.

(h) **"Common Expenses"** shall mean the expenses arising out of the ownership and use of the Common Elements for which the Owners are liable to the Association and shall include, but not be limited to, expenses of administration of the Condominium Property; expenses of insurance; expenses of maintenance, operation, repair, replacement, rehabilitation, restoration, renovation and betterment of the Common Elements; any valid charge against the Condominium Property as a whole; and expenses declared to be Common Expenses by the provisions of the Condominium Documents, as the same may be amended, from time to time, in accordance with the provisions thereof.

(i) **"Common Surplus"** shall mean the excess of all the receipts of the Association including, but not limited to, assessments, rents, profits and revenues over the amount of the Common Expenses.

(j) **"Condominium Documents"** shall mean the Declaration of Condominium and all Exhibits hereto, the Bylaws, the Articles of Incorporation and the Rules and Regulations of the Association, as the same shall be amended from time to time.

(k) **"Declaration of Condominium"** or **"Declaration"** shall mean this instrument and all Exhibits hereto as it, from time to time, may be amended.

(l) **"Developer"** or **"Declarant"** shall mean Lifestyle Dothan, LLC, an Ohio limited liability company, its successors and assigns, other than an Owner, who shall receive by assignment from the said Developer all, or a portion of its rights hereunder as such Developer, by an instrument expressly assigning such rights as Developer to such assignee.

(m) **"Land"** shall mean the parcel or tract of real estate described in Exhibit "A" to this Declaration, submitted to the provisions of the Act and any real property added to the Condominium by future amendments to this Declaration.

(n) **"Limited Common Elements"** shall mean and include any area designated as Limited Common Elements on the Plan and any amendment to the Plan and any areas defined in the Act as Limited Common Elements. The Limited Common Elements shall include among any other property so designated the inside of the mail box and lock and key assigned to the Unit, the patios or terraces immediately accessible from any Unit, if any, the driveways, and the chutes, flues, wires, conduit, bearing walls, bearing columns or any other fixture serving or located within that Unit. Should any Limited Common Element ever be determined not to be a Limited Common Element under the Act, the same shall be part of the Common Elements with an exclusive easement of use appurtenant to the Unit to which it was originally assigned as a Limited Common Element.

(o) **"Limited Common Expenses"** shall mean the expenses arising from the maintenance or repair of the Limited Common Elements for which the Unit Owners to which the Limited Common Elements attach may be liable to the Association. Limited Common Expenses may include, but not be limited to, the expenses of maintenance, operation, repair, replacement, rehabilitation, restoration, renovation, and betterment of the Limited Common Elements; and expenses declared to be Limited Common Expenses by the Board of Directors and the provisions of the Condominium Documents, as the same may be amended, from time to time, in accordance with the provisions thereof.

(p) **"Managing Agent"** shall mean any company, corporation or individual when certain duties and obligations of the Association have been delegated and which is acting on behalf of the Association.

(q) **"Member" or "Members"** shall mean the Members of the Association and shall consist of all record Owners of the Units in the Condominium.

(r) **"Mortgage"** shall mean a first lien Mortgage on one or more Units.

(s) **"Mortgagee"** shall mean a holder of a Mortgage who has given notice to the Association that it is the holder of a Mortgage affecting all or any part of the Condominium Property as hereinafter provided.

(t) **"Occupant"** shall mean and include any Owner, the family members, guests, tenants, agents, servants, employees or invitees of any Owner and any other person who occupies or uses any Unit within the Condominium. All actions or omissions of any Occupant is and shall be deemed the action or omission of the Owner of such Unit, for which the Owner shall be liable.

(u) **"Owner" or "Unit Owner"** shall mean and refer to every person or entity who is a record owner of a Unit.

(v) **"Plan"** or **"Plat"** shall mean the Plat or Plan of the Land showing the location of the buildings on the Property and the Plan showing the Units, the Common Elements and the Limited Common Elements of the Condominium Property attached hereto as Exhibit "D," and made a part hereof for all purposes, as such Plan may from time to time be amended.

(w) **"Property"** or **"Condominium Property"** shall mean the Land and all improvements and structures erected, constructed or contained therein or thereon, including the buildings, the Units, and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of the Owners, submitted to the provisions of the Act under this Declaration, as amended from time to time.

(x) **"Rules and Regulations"** shall mean those Rules and Regulations adopted from time to time by the Board of Directors of the Association that are deemed necessary for the enjoyment of the Condominium Property, provided they are not in conflict with the Act or the Condominium Documents.

(y) **"Unit"** or **"Condominium Unit"** shall mean the parts of the Condominium Property as set forth in the Plan intended for the exclusive ownership and possession by a Unit Owner. The Unit is identified in a diagrammatic floor plan of the building in which the Unit is situated as shown on the Plan and shall consist of the volumes or cubicles of space which lie between the lower, upper and lateral or perimetrical boundaries described as follows:

(i) *Upper and Lower Boundaries:* The upper and lower boundaries extended to their planer intersections with the perimetrical boundaries as follows:

(A) The upper boundary shall be the plane of the upper surface of the material which constitutes the ceiling of each level of the Unit;

(B) The lower boundary shall be the plane of the upper surface of the subflooring material which serves as the Unit's floor. Any floor covering such as carpeting, vinyl, hardwood or ceramic tile is part of the Unit.

(ii) *Perimetrical Boundaries:* The perimetrical boundaries shall be the vertical planes of the exterior surfaces of the exterior windows and exterior doors, and the plane of the exterior surfaces of the material which forms the perimeter wall of the Unit. All sheetrock located on the exterior and interior walls and wall boards, including paint, wallpaper and light coverings, extended to their planer intersections with each other and with the upper and lower boundaries are part of the Unit.

Each Unit shall include all non-structural interior partition walls located within the boundaries of the Unit except such part as may comprise part of the Common Elements; the decorated surfaces of all boundary walls, ceilings and floors, including wallpaper, paint, interior brick surface, lathe, wallboard, plaster, carpeting, flooring and other finishing materials; all immediately visible

fixtures, appliances, cabinets, and water and sewer pipes located within the boundaries of the Unit and serving only the Unit; and the mechanical systems and installations providing electrical power, gas, water, heating and air conditioning service to the Unit, including the individual compressor or meter even though such equipment may be located outside the boundaries of the Unit, provided that no pipes, wires, conduits, ducts, flues, shafts and other facilities situated within such Unit and forming a part of any system serving one or more other Units or the Common Elements shall be deemed to be a part of such Unit; and provided further that no bearing wall providing structural support and located within the boundaries of the Unit shall be deemed part of the Unit.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 2.01 Description of Improvements and Identification of Units. The Condominium consists of the Land, the clubhouse, the fitness center, the pool, and five (5) residential buildings containing four (4) Units each for a total of twenty (20) Units. A Plat of the Land and improvements actually located thereon and a description of the improvements in which the Units are located, identifying each building by a number and each Unit by a letter so that no Unit bears the same designation as any other Unit, all in sufficient detail to identify the Common Elements, the Limited Common Elements and each Unit and their relative locations and approximate dimensions, are set forth in the Plan attached hereto as Exhibit "D." Also shown on Exhibit "D" are the approximate locations of the future buildings and Additional Units that may be added to the Condominium. Developer reserves the right to relocate or redesign any proposed building shown on the Plan of the Condominium Property that is attached hereto as Exhibit "D." The maximum number of Units that may be located on the Condominium Property described in Exhibit "A" is one hundred eighteen (118) Units.

Section 2.02 Amendment of Condominium Plan. As stated above, Developer reserves the right to add Additional Units to the Condominium Property, to change the location of the Additional Units from the locations shown on the Plan, to change the interior and exterior design and arrangement of any building or Unit, to alter the boundaries between Units, and to increase or decrease the number of Units so long as the Developer owns the Units so altered. The addition of Additional Units and changes in the location of and boundaries between the Units, as hereinbefore provided, shall be reflected by an amendment to the Plan and an amendment to this Declaration. An amendment to the Plan or the Declaration reflecting the addition of Additional Units, the relocation of Additional Units or an alteration of the boundaries between the Units owned by Developer need be signed and acknowledged only by the Developer and need not be approved by the Owners and Mortgagees, whether or not such approval may elsewhere be required herein; provided, however, that any change which shall result in a change in the undivided interest in Common Elements or Limited Common Elements or a change in the share of Common Expenses or Limited Common Expenses with respect to Owners of Units other than Developer at the time of such change, or which shall result in the alteration of boundaries of Units (other than the common walls separating the Units owned by the Developer) may not be made without an amendment of this Declaration approved by the Owners and Mortgagees in the manner elsewhere required herein, except for changes relating to the addition of Additional Units as described on Exhibit "F" attached hereto.

Section 2.03 Additional Units. Developer reserves the right to add as many as ninety-eight (98) Additional Units to the Condominium Property within seven (7) years from the conveyance of the first Unit in the Condominium in one or more additional phases. Any Additional Units shall blend aesthetically with the other improvements located on the Condominium Property, but said style and size of building shall be within Developer's sole discretion. Any Additional Units shall be of substantially the same quality as the existing improvements in the Condominium. The submission of the Additional Units may be accomplished in one or more phases within the seven (7) year period, by filing an amendment to the Declaration, which amendment only needs to be signed by the Developer. If all or any of the Additional Units are later submitted to the condominium form of ownership by amendment to this Declaration, the Additional Units may only be added if developed in conjunction with the allocation of percentage ownership of the Common Elements, the sharing of Common Expenses and the allocation of voting rights as set forth on Exhibit "F" attached hereto. Nothing contained herein shall obligate the Developer to build any or all of the Additional Units. Should the Developer elect not to build any Additional Units within seven (7) years, the locations of the proposed Additional Units as identified on the Plat shall become Common Elements of the Condominium.

Section 2.04 Additional Property. Developer further reserves the right to add all or any portion of the Additional Property described on Exhibit "B" attached hereto, together with any improvements constructed thereon, which may eventually consist of two hundred (200) Additional Units, to the Condominium Property within seven (7) years from the conveyance of the first Unit in the Condominium in one or more additional phases. The future phases of the Condominium may include additional Common Element and Limited Common Element improvements. Any additional phase shall blend aesthetically with the other Condominium Property, but said style and size of building shall be within Developer's sole discretion. Any additional improvements to be constructed on the real property described on Exhibit "B" shall be of substantially the same quality as the improvements in the Condominium. The submission of the Additional Property may be accomplished in one or more phases within the seven (7) year period, by filing an amendment to the Declaration, which amendment only needs to be signed by the Developer. If all or any portion of the real property described on Exhibit "B" is later submitted to the condominium form of ownership by amendment to this Declaration, the Additional Property may only be added if developed in conjunction with the allocation of percentage ownership of the Common Elements, the sharing of Common Expenses and the allocation of voting rights as set forth on Exhibit "F" attached hereto. Nothing contained herein shall obligate the Developer to submit any portion of the Additional Property to the Condominium described in Exhibit "B." Any part of the Additional Property described on Exhibit "B" not submitted to the Condominium Property may be developed or used by the Developer in any manner it deems proper, including the development of another condominium project.

Section 2.05 Patios and Driveways. Each Unit Owner shall be entitled to an exclusive easement for the use of any patio directly accessible from his Unit, but such right shall not entitle an Owner to construct anything thereon or to change any structural part thereof. The patio shall be deemed to be a Limited Common Element appurtenant to the Unit from which it is directly accessible, and costs and expenses related to the patios shall be assessed against the Unit Owner to whose Unit the patio attaches as a Limited Common Element. The Board of Directors

shall have the right to limit and to remove any item of furniture, personalty, plant or decorative item from the patio that is not in keeping with the Rules and Regulations of the Association, it being recognized that the patios are visible from surrounding Units and properties and that there is a need for subtlety and uniformity of items placed on the patios.

Each Unit Owner shall be entitled to an easement for the use of any driveway directly accessible from his Unit along with the other Unit which is directly accessible from the driveway, but such right shall not entitle an Owner to construct anything thereon. The driveway shall be deemed to be a Limited Common Element appurtenant to the Unit(s) from which it is directly accessible, and costs and expenses related to the driveways shall be assessed against the Unit Owner(s) to whose Unit(s) the driveway attaches as a Limited Common Element. Only passenger automobiles may be parked in the driveways. There shall be no business vehicles, recreational vehicles, motor homes, or trailers of any type parked in the driveways.

Section 2.06 Easements and Restrictions. The Units, Common Elements and Limited Common Elements shall be, and the same are hereby declared to be subject to the restrictions, easements, conditions and covenants prescribed and established in the Condominium Documents governing the use of said Units, Common Elements and Limited Common Elements in setting forth the obligations and responsibilities incident to ownership of each Unit and its appurtenant undivided interest in the Common Elements. Easements established hereunder include the following:

(a) Utility Easements. Utility easements are reserved throughout the whole of the Property, including Units, as may be required for utility services (including, without limitation, water, sewer, gas, electricity, telephone and cable television) in order to adequately serve the Condominium Property. The Association shall have authority to grant utility easements as are necessary for the use and enjoyment of the Property.

(b) Utility Equipment. There may be utility equipment which is appurtenant to the Units, but which is located on the Common Elements. An easement is hereby reserved in favor of each Unit for the purpose of placement, maintenance, repair and replacement of said utility equipment by Developer and the Owners of the Unit; provided that no utility equipment shall be placed on any part of the Common Elements or Limited Common Elements other than the present location unless the written approval of the Association shall have been first obtained.

(c) Easements for Ingress and Egress. The Common Elements shall be, and the same are hereby declared to be subject to a perpetual nonexclusive easement of way over all walkways, yards, roadways and other common areas in favor of all Owners for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended for the enjoyment of said Owners, subject to all restrictions in the Condominium Documents.

(d) Easement for Use of Leased or Acquired Property. Each Unit Owner shall have a nonexclusive easement for use of any property hereafter acquired by the Association for the common benefit of the Owners by purchase, lease or otherwise for all normal and proper purposes for which the same are reasonably intended, subject to all restrictions in the Condominium Documents and the Rules and Regulations.

(e) Easements for Encroachments. To the extent that any Unit, Common Element or Limited Common Element encroaches on any other Unit, Common Element, or Limited Common Element, whether by reason of any deviation from the Plan in the original construction, repair, renovation, restoration or replacement of any improvement, or by reason of the settling or shifting of any land or improvement, a valid easement shall exist for the encroachment and/or the maintenance of the same, so long as the encroaching Unit, Common Element or Limited Common Element stands. This easement, however, shall not relieve an Owner of liability for his or his agent's negligence, intentional acts or willful and intentional misconduct in causing the encroachment. In the event any Unit, any adjoining Unit, or any adjoining Common Elements or Limited Common Elements shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then constructed, reconstructed or repaired, encroachment of parts of the Common Elements or Limited Common Elements upon any Unit, or encroachment of any Unit upon any other Units, Common Elements or Limited Common Elements resulting from such construction, reconstruction or repair shall be permitted, and valid easements for such encroachment and the maintenance thereof shall exist so long as the encroaching improvements shall stand.

(f) Easements in Favor of Developer to Build Additional Units. There shall be a perpetual non-exclusive easement for construction, sales and vehicular and pedestrian ingress and egress over the Common Elements of the Property for the benefit of the Developer for all purposes incident to the development and future use of the Additional Units on the Condominium Property. Further, Developer shall be entitled to an easement to maintain a sales office or construction trailer on the Property so long as the Development Right to add Additional Units exists and until Developer has sold all of its Units.

(g) Easements in Favor of Developer to Add Additional Property. There shall be a perpetual non-exclusive easement for construction, sales office and vehicular and pedestrian ingress and egress over the Common Elements of the Property for the benefit of the Developer and the owners of the Additional Property for all purposes incident to the development and future use of the Additional Property whether developed as part of the Condominium or otherwise.

(h) Easement for Services and Emergencies. There shall be non-exclusive easements for all police, firemen, ambulance operators, mailmen, delivery men, garbage men, and all similar persons, and to the local governmental authorities and the Association, but not the public in general, to enter upon the Common Elements in the performance of their duties, subject to reasonable Rules and Regulations as the Board may establish from time to time.

(i) Easement of Support. Each Unit and the Common Elements and Limited Common Elements shall have an easement of support from every other Unit, Common Element or Limited Common Element which provide such support.

(j) Easement for Use of Limited Common Elements. Each Owner of the Units to which the Limited Common Elements attach shall have an easement for the

repair, maintenance and upkeep of the Limited Common Elements and for ingress and egress to and from the Limited Common Elements for so long as the Limited Common Elements exist. The aforesaid easement shall be for the benefit of each Unit Owner to which the Limited Common Element is appurtenant.

(k) **Easements Appurtenant to Units.** The easements and other rights created herein for the Unit Owners shall be appurtenant to the Unit of that Owner and all conveyances of title to the Unit shall include a conveyance of the easements and rights as are herein provided even though no specific reference to such easements and rights appear in such instrument. The Owners do hereby designate the Developer and/or the Association as their lawful attorney-in-fact to execute any and all instruments on their behalf for the purpose of creating all such easements as are contemplated by the provisions hereof.

Section 2.07 Ownership of Common Elements. Each Owner shall own an undivided interest in the Common Elements with all other Owners, and, except as otherwise limited in this Declaration, shall have the right to use the Common Elements for all purposes incident to the use and occupancy of the Unit as herein provided, without hindering or encroaching upon the lawful rights of the other Owners, which rights shall be appurtenant to and run along with the Units. The extent or amount of such ownership shall be expressed by a percentage relating to each Unit and shall remain constant, unless changed in accordance with the provisions of Section 2.02, 2.03, or Article III hereof or by the unanimous approval of all Owners and Mortgagees affected thereby. The percentage ownership in the Common Elements relating to each Unit is set forth on Exhibit "E" attached hereto.

Section 2.08 Rights in or to Limited Common Elements. The Limited Common Elements appurtenant to the Unit shall be as described by the Act, as described herein and as shown on the Plan. The description shall be expressed by identifying the type of Limited Common Elements which are appurtenant to the Unit, if any, and the Owners of such Units shall have the exclusive right to use such Limited Common Elements so designated or described unless changed by the Developer as permitted in Section 2.02, 2.03, or Article III hereof or by the unanimous approval of the Owners of the Units to which Limited Common Elements are appurtenant and their respective Mortgagees. Each Owner of a Unit to which the Limited Common Element is appurtenant shall have the right to use the Limited Common Elements for all purposes incident to the use and occupancy of his Unit as herein provided without hindering or encroaching upon the lawful rights of the other Owners, which rights shall be appurtenant to and run along with the Units to which the Limited Common Elements are attached.

ARTICLE III

DEVELOPMENT RIGHTS TO ADD ADDITIONAL UNITS AND ADDITIONAL PROPERTY TO THE CONDOMINIUM

Section 3.01 Reservation of Development Rights. Developer hereby expressly retains and reserves the right, but has no obligation, except as expressly provided herein, to submit additional Common Element and Limited Common Element improvements and/or Additional Units to the Condominium in the approximate locations shown on the Plat attached hereto as Exhibit "D" to the provisions of this Declaration or to submit all or any portion of the

Additional Property, a description of which is attached hereto as Exhibit "B," to the provisions of this Declaration. Prior to being added to the Condominium, if so added, no portion of the Additional Property shall be subject to this Declaration. If any portion of the Additional Property is added to the Condominium, only such portion added shall be subject to this Declaration. Further, Developer reserves the right to add additional Common Element and Limited Common Element improvements to the Condominium Property.

Section 3.02 Exercise of Development Rights. Except as otherwise specifically set forth in this Declaration, there shall be no limitations on the development right to add Units, Property and/or Common Element improvements to the Condominium or the exercise thereof. The right may be exercised to add Additional Units to the Condominium Property, to add all or any portion of the Additional Property and/or Common Element improvements to the Condominium at one time or at different times, or the right may not be exercised at all, in Developer's sole discretion. There shall be no limitations to the boundaries of any portion of the Additional Property added to the Condominium. The exercise of the right as to a portion of the Additional Property shall not prohibit Developer from, or obligate Developer to, further exercise of the right as to any other portion of the Additional Property.

Section 3.03 Expiration of Development Rights. The development rights set forth herein, specifically including the right to submit all or any portion of the Additional Property to the Condominium, may be exercised by Developer at any time and from time to time for a period of seven (7) years from the date of conveyance of the first Unit in the Condominium. Upon the expiration of said seven (7) year period, to the extent not exercised or previously terminated by Developer by express amendment to this Declaration, the right shall expire and terminate; provided, however, that Developer may extend said period for the exercise of the development right with the consent of the Unit Owners of Units to which two-thirds (2/3) of the votes in the Association appertain, exclusive of any vote or votes appurtenant to any Unit or Units then owned by Developer, within one (1) year prior to the date upon which the development right would otherwise have expired.

Section 3.04 Improvements on the Condominium Property or the Additional Property. Any and all structures containing Additional Units erected on the Condominium Property, on any portion of the Additional Property or Common Element improvements added to the Condominium will be compatible with the structures currently existing on the Property in terms of physical appearance, structure, type, quality of construction, the principal materials to be used and architectural style. The maximum number of Units that ever may be in the Condominium is three hundred eighteen (318) Units. There are no limitations as to the particular location of any improvements that may be made on any portion of the Additional Property added to the Condominium. Developer shall have the right, but not the obligation, to construct such improvements on the Additional Property, or any portion thereof added to the Condominium as Developer shall deem advisable for the common use and enjoyment of the Unit Owners. No limitations are placed on the right of Developer reserved hereby to create Limited Common Elements within any portion of the Property identified on Exhibit "D" as the location of proposed Additional Units or Additional Property or to designate Common Elements therein which may subsequently be assigned as Limited Common Elements. Except as expressly provided in this Section, there are no assurances that any of the Additional Units or Additional Property added to the Condominium will be substantially identical to the Units submitted with this Declaration and there are no assurances as to what types of Units will

be added as Additional Units or created on the Additional Property. All Additional Units to be added or improvements on any portion of the Additional Property will be substantially completed prior to being added to the Condominium.

Section 3.05 Reallocations and Amendment. Upon the addition of Additional Units to the Condominium, the share of undivided interest in the Common Elements and the share of liability for Common Expenses allocable to all Units then included in the Condominium shall be reallocated so that the undivided interest of each Unit shall be as set forth on Exhibit "F," subject to the right of Developer to make adjustments based upon the number of Additional Units added, so that the total of all interests equals as close to one hundred percent (100%) as possible. Each Additional Unit added to the Condominium or located upon any portion of the Additional Property added to the Condominium shall be allocated one (1) vote in the Association. To add Common Element improvements, Additional Units and/or Additional Property to the Condominium, Developer alone shall execute and record an amendment to this Declaration and the Plan, submitting such Additional Units, Additional Property and/or Common Element improvements to the Act and this Declaration and reallocating the undivided interests in the Common Elements, the liabilities for Common Expenses and the votes in the Association.

ARTICLE IV

ORGANIZATION AND MANAGEMENT

Section 4.01 Management of the Condominium Property. Operation and administration of the Condominium Property shall be performed by STONE CREEK LANDING ASSOCIATION, INC., an Alabama nonprofit corporation. The powers and duties of the Association shall include those set forth in the Act, the Alabama Nonprofit Corporations Act, CODE OF ALABAMA 1975 §§ 10-3A-1 *et seq.*, this Declaration, the Articles of Incorporation and the Bylaws of the Association.

Section 4.02 Members. The Members of the Association shall consist of all record Unit Owners. Change of membership in the Association shall be established by recording in the public records of Houston County, Alabama, the deed or other instrument establishing record title to a Unit in the Condominium Property, the Owner designated by such instrument thereby becoming a record Owner and a Member of the Association. Membership of the prior Owner shall thereby be terminated. Each Unit Owner shall be obligated to deliver to the Association a copy of any instrument conveying title to the Unit. All present and future Owners and Occupants of the Units shall be subject to and shall comply with the provisions of the Declaration, the Bylaws, the Articles and the Rules and Regulations, as the same may be amended from time to time. The votes for a Unit shall be cast by the record Owner thereof or the duly authorized proxy of the record Owner in the manner provided in the Bylaws. Each Unit Owner is entitled to the number of votes for each Unit owned by him as set forth in Exhibit "E" attached hereto.

Section 4.03 Bylaws. The Bylaws of the Association shall be in the form attached as Exhibit "C" to this Declaration, and may be amended from time to time as set forth therein and in the Act.

ARTICLE V

ASSESSMENTS

Section 5.01 Liability, Lien and Enforcement. The Association is given the authority to administer the operation and the management of the Condominium Property, it being recognized that the delegation of such duties to one entity is in the best interest of the Owners of all Units. To provide the funds necessary for such proper operation, the Association is hereby granted the right to make, levy, and collect annual assessments against the Owners of all Units to pay Common Expenses and such other expenses which the Association is authorized to incur under the terms and conditions of this Declaration. The Association is also authorized to make, collect and levy assessments against Unit Owners for reimbursement of expenses the Association is caused to incur by reason of any act of the Unit Owner or Occupant, his family members, guests, invitees or tenants for damages of any nature and for penalties for Rules violations. In furtherance of said grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation and management of the Condominium Property, the following provisions shall be effective and binding upon the Owners of all Units.

Section 5.02 Assessments.

(a) All assessments for the payment of Common Expenses shall be levied annually against the Owners of all Units, and unless specifically otherwise provided for in this Declaration, each Owner of a Unit and his Unit shall bear the same percentage share of such assessment as the percentage share of ownership for the undivided interest in the Common Elements appurtenant to said Unit. The assessments for Common Expenses shall be payable over the course of the year in advance monthly installments commencing on the date of purchase of a Unit or in such other installments and at such times as may be determined by the Board of Directors of the Association.

(b) Assessments for the payment of Limited Common Expenses may be levied against the Owners of those Units to which the Limited Common Elements are appurtenant if the Board of Directors determines that it is the most equitable method of assessment for Limited Common Expenses. The Limited Common Expenses may also be included in Common Expenses and assessed in the same proportion as Common Expenses if the Board of Directors chooses this method of assessment. The assessments for Limited Common Expenses, if any, shall be payable in such installments and at such times as may be determined by the Board of Directors of the Association.

(c) The Association may assess the Owners of Units for the repair and maintenance of various components of the Common Elements or Limited Common Elements based on the usage of any component of the Common Elements or Limited Common Elements. Such assessments shall not be included in the assessment for Common Expenses, but shall be payable in such manner and at such times as may be determined by the Board of Directors of the Association.

Section 5.03 Required Reserve Funds and Working Capital Fund.

Assessments levied by the Board of Directors of the Association shall include an adequate reserve fund for maintenance, repair and replacement of those Common Elements and Limited

Common Elements that must be replaced or repaired on a periodic basis, and shall be payable in regular monthly installments. Special assessments may be levied by the Board in the event that there is insufficient money in the reserve fund for the maintenance, repair or replacement of any portion of the Common Elements or Limited Common Elements subject to the provisions of Section 6.03 below.

A working capital fund shall be established by the Association and each Unit Owner purchasing a Unit from the Developer shall pay a one-time assessment equal to two (2) months' assessment at the time of closing of the purchase of the Unit to be used by the Association as working capital to pay for such start up costs of the Association as the Board of Directors sees fit including prepaid insurance, deposits and similar items.

Section 5.04 Annual Budget. Within sixty (60) days prior to the beginning of each calendar year, the Board of Directors of the Association shall adopt a proposed annual budget for such calendar year, and such budget shall project the amount of funds for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Property, including reasonable allowances for contingencies and reserves therefore, in accordance with the Act and this Declaration. Said budget shall take into account any projected anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. Within thirty (30) days after adoption of such annual budget by the Board of Directors of the Association, copies of said budget shall be made available to each Unit Owner and the Board shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after delivery of the budget to the Unit Owners. Unless at the meeting a majority of the Unit Owners present in person or by proxy reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected the budget for the last year shall continue in effect until such time as a new budget is ratified. If the budget is ratified the assessment for said year shall be established based upon such budget.

Should the Board of Directors at any time determine in the sole discretion of said Board of Directors that the assessments levied are or may prove to be insufficient for any reason including emergencies and non-payment of any Owner's assessment, the Board of Directors shall have authority to levy such additional assessments as it shall deem necessary in accordance with the applicable provisions of the Condominium Documents and the Act.

Section 5.05 Omission of Assessment. The omission by the Association, before the expiration of any year, to fix the assessments for that or the next year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay assessments or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed.

Section 5.06 Detailed Records. The Association shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements, Limited Common Elements and any other expenses incurred. Records and vouchers authorizing the payments involved and any audited financial statement of the Association shall be available for

examination by any Mortgagee, Owner or his representative at convenient hours of weekdays in Houston County, Alabama.

Section 5.07 Payment of Common Expenses and Limited Common Expenses by Unit Owners. All Unit Owners shall be obligated to pay any assessment for Common Expenses and Limited Common Expenses adopted by the Board of Directors pursuant to the terms of this Article V. No Unit Owner may exempt himself from liability for his contribution toward Common Expenses or Limited Common Expenses by waiver of the use or enjoyment of any of the Common Elements, Limited Common Elements or by abandonment of his Unit. No Unit Owner shall be liable for the payment of any part of the Common Expenses or Limited Common Expenses assessed against his Unit subsequent to a sale or other conveyance by him of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the latter up to the time of conveyance without prejudice to the purchaser's right to recover from the selling Unit Owner the amounts paid by the purchaser therefore. Whenever any Unit may be sold or mortgaged by the Owner thereof, which sale shall be concluded only upon compliance with the other provisions of this Declaration, the Association, upon written request of the Owner of such Unit, shall furnish to the Owner (within the time period prescribed by the Act) a statement verifying the status of the payment of any assessment which shall be due and payable to the Association by the Owner of such Unit and the other information required by the Act. Any purchaser or proposed Mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction and the Association shall be bound by such statement. In the event that a Unit is to be sold or mortgaged when any assessment is outstanding against the Owner of such Unit and such assessment due the Association is in default, the purchase or mortgage proceeds shall first be paid by purchaser or Mortgagee to the payment of any delinquent assessment or installment due the Association before the payment of the proceeds to or on behalf of the selling Unit Owner.

Section 5.08 Default in Payment of Assessments.

(a) The payment of any assessment or installment thereof due the Association shall be in default if such assessment or any installment thereof is not paid to the Association on or before the due date for such payment. When in default, the delinquent assessment or delinquent installment due the Association shall bear interest at the maximum legal rate on judgments or eighteen percent (18%), whichever is greater, until such delinquent assessment or installment and all interest due thereon has been paid in full. The Association shall have a lien against Units for delinquent assessments. Said lien shall secure and does secure the monies due for all assessments then or thereafter levied against the Unit, and such lien shall also secure interest, if any, which may be due on the amount of any delinquent assessment owing the Association. Said lien shall also secure all costs and expenses, including late penalties and reasonable attorneys' fees incurred by the Association in collecting delinquent assessments and enforcing the lien upon said Unit and its appurtenant undivided interest in the Common Elements or Limited Common Elements. The lien granted to the Association may be foreclosed in the same manner as real estate mortgages in the State of Alabama but the Association shall give reasonable advance notice of its proposed action to the Unit Owner, the Mortgagee and all other lienholders of record of the Unit. The lien granted to the Association shall further secure such advances for taxes and payment on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order

to protect and preserve its lien, and the Association shall further be entitled to interest at the maximum legal rate on judgments or eighteen percent (18%), whichever is greater, on any such advance made for such purpose. All persons, firms or corporations who shall acquire, by whatever means, any interest in the ownership of any Unit or who may be given or acquire a mortgage, lien or other encumbrance thereon are hereby placed on notice of the lien rights granted to the Association and shall acquire such interest in any Unit expressly subject to the lien.

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

Section 5.09 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.

ARTICLE VI

MAINTENANCE AND OPERATION OF THE CONDOMINIUM PROPERTY

Section 6.01 The Association's Obligation to Repair. The Association acting through the Board of Directors shall be responsible for the maintenance, repair and replacement of the following, the cost of which shall be charged to all Unit Owners as a Common Expense:

- (i) The Common Elements, which by definition excludes all walls, floors, ceilings, entrance doors, and windows of a Unit;
- (ii) Incidental damage caused to a Unit by any work done by the Association; and
- (iii) Portions of Common or Limited Common Elements contained in the Units contributing to the support of the building, including outside walls and load bearing columns, excluding, however, interior walls, and ceiling material and floor surfaces.

The Association shall be responsible for the maintenance, repair and replacement of the exterior doors and windows of the Units, the cost of which may be assessed against the Unit Owner as a special assessment.