

STATE OF ALABAMA

COUNTY OF BALDWIN

DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS

WHEREAS, MORGANTOWN INC. (hereinafter referred to the "Developer"), is the owner of certain real property located in Baldwin County, Alabama, particularly described on Exhibit "A" attached hereto; and,

WHEREAS, Developer is in the process of causing the property described on Exhibit "A" to be subdivided into a subdivision to be known as "Morgantown Phase I" (hereinafter "Morgantown") which shall include the property described on Exhibit "A"; and,

WHEREAS, the Developer, for itself, its successors and assigns, desires to and hereby does restrict the use of the property described on Exhibit "A" in the manner hereinafter set forth, for the purpose of preserving its character and value.

NOW THEREFORE, the Developer, for itself and its successors and assigns, does hereby declare that all of the property described on Exhibit "A" shall be held, sold, and conveyed, subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all the parties having any right, title, or interest in the described property or any part thereof, their heirs, successors, assigns, and personal representatives, and shall inure to the benefit of each owner of any of the lands described therein as follows:

1. Usage: The lands described on Exhibit "A" shall be used only for free standing, single family residences. There shall be only one such residence per lot. No trade or business use will be permitted off or on the lots therein.

2. Aesthetics: It is the intent of the Developer to provide a standard of architectural style which will insure that each residence placed on the lands described on Exhibit "A," as well as the adjacent property thereto, to the extent that the Developer can legally do so, will be of such architectural style which will ensure that all homes will be compatible with its neighbors and with the design theme in the area.

3. Architectural Review Committee: In order to preserve the natural beauty of the lands described on Exhibit "A" and the adjacent property, to maintain such property as a pleasant and desirable environment, to establish and preserve a harmonious design for the community, and to protect and promote the value of the property; no building, gazebo, fence, swimming pool, garage, or any other structure or improvement of any nature or addition shall be erected, placed, attached to or altered until the proposed plans, specifications, exterior color and finish, plot plan (showing proposed location of such building or

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structure, drives and parking area), building height and landscape plan shall have been approved in writing by the architectural review committee prior to commencement of construction.

(a) The architectural and design review shall be directed toward obtaining the following objectives:

- (1) Preventing excessive or unsightly grading, indiscriminate earth moving or clearing of property, removal of trees and vegetation which could cause disruptions of natural water courses or sear natural land forms.
- (2) Insuring that the location and configuration of structures do not block scenic views from existing structures or tend to dominate any general development or natural landscape.
- (3) Insuring that the architectural design of structures and their materials and colors are visually harmonious with the overall appearance of lands owned by the Developer in the area, with natural land forms and native vegetation and with development plans, officially approved by the Developer for the areas in which the structures are proposed to be located.
- (4) Insuring that the plans for landscaping provide visually pleasing settings for structures on the same lot and on adjoining lots and blend harmoniously with the natural landscape.
- (5) Insuring that any development, structure or landscaping complies with the provisions of these covenants.
- (6) Promoting building design and construction technique that respond to energy consumption and environmental quality consideration such as heat loss, air emission, and run-off water quality.

(b) Submission, approval and refusal of architecture, siting, landscaping and other building plans. Two copies of all plans and related data shall be submitted to the Architectural Review Committee. The Architectural Review Committee shall establish a fee sufficient to cover the expense of reviewing plans and related data at the time they are submitted for review and to compensate any consulting architects or attorney's retainer. The fee initially established by the declaration shall be \$125.00 for each submission. The Architectural Review Committee shall have the right to increase or decrease this amount. Approvals shall be dated and shall not be effective for construction commenced more than twelve (12) months after such approval. Disapproved plans and related data shall be accompanied by a reasonable statement of items found unacceptable. In the event approval of such plans is neither granted or denied within 30 days following receipt by the Architectural Review

Committee of the written request for approval, the provisions of this section shall be thereby waived. Refusal or approval of plans, site location, building height, or specifications may be based by the Architectural Review Committee upon any ground which is consistent with the objectives of these covenants, including purely aesthetic considerations, so long as such ground is not arbitrary or capricious.

(c) Structure Size - The minimum square footage shall be 1400 square feet for a one-story dwelling. If a two-story structure, the first floor will have a minimum of 1,000 square feet. All residences will be constructed on pilings. The first finished floor level shall be at a minimum of 14 feet above sea level for uniform design purposes. Maximum height for any residence is 35' above the first finished floor level. Eaves steps are not considered as part of a building and may encroach into building setback. Decks and porches are considered part of a building.

BUILDING SETBACK:

| | | |
|-------|---|---|
| Front | - | 20' |
| Rear | - | Lots 1 - 12 = ADEM Coastal Setback line |
| | | Lots 13 - 35 = 10' |
| Side | - | Lots 1 - 12 = 12.5' |
| | | Lots 13 - 35 = 10' |

All lots are subject to a 15' easement along the front of lot located within front setback.

NOTE: Reference to lot numbers are to the plat of Morgantown, a copy thereof having been presented to all owners of lands within the said proposed subdivision.

4. Residential Building Design Criteria:

(a) Roof pitch above the main body shall be a minimum of 6in12. Pitch of roofs above porches shall be a minimum of 3in12 unless abuts vertical wall. Mono pitches shall not be permitted unless abutting vertical walls.

(b) Flat roofs will be permitted only when accessible from an adjacent enclosed space or covering porches or decks. No roof pitches in excess of 12in12 will be permitted. Roof overhang shall be a minimum of 1'4" on main roof dormers, porches and secondary roofs may have less overhang. Exposed rafters are recommended with no soffits or facias on main body of roof. If facias are used, they must be a minimum of 1" x 8".

(c) No mansard roofs will be permitted. All stack pipes, exhaust fans and other roof projections shall be located on the roofs in such a manner as to be as unobtrusive as possible and must be painted to match the roof.

i) Exterior Materials: The exterior siding materials which are acceptable shall include wood, cedar, redwood, cypress, pine.

ii). Pattern: Wood lap siding, wood shingles.

iii) Dropsiding: Preferably #106 or #117 pine. Vertical board and batten and clapboard. Stucco, dryvit or equivalent. No vinyl siding will be permitted. Painted hardboard or masonite siding is acceptable.

iv) Corners and openings: All corners and openings must be cased with a minimum of 1 x 6.

v) Exterior doors: Wood or metal doors are acceptable in ladderback design, recessed two, four or six panel, french door or glass store front door. Sliding doors are not recommended, but may be used in wood or white minimum finish on south side of residence only.

vi) Windows: Material, wood, metal or clad.
Types - Casement, awning, fixed glass or double hung are all acceptable. For windows, circle window, stained glass or other windows must be submitted for approval to the Architectural Review Committee.

vii) Screens: Screens shall be gray fiberglass or aluminum with painted wood or white aluminum frames.

viii) Exterior stairs and deck railing: Railings shall have a top and bottom rail and pickets shall die into the bottom rail.

ix) Privacy screening shall be of lattice, louvers, canvas or vertical patterns. Any other must be approved by the Architectural Review Committee.

x) Roof materials: Metal roofs are preferable on all homes. Galvalume or mill finish is preferred, but some colors as in the surrounding natural environment will be permitted. Patterns include standing seam, V-crimp, corrugated metal sheet and metal shingles. Wood shake or masonite wood shake are acceptable. Thatching is acceptable. Tile or concrete tiles are acceptable in neutral colors only. Composition (asphalt or fiberglass) shingles will be permitted.

xi) Exterior finishes: Exterior colors will be in tones which will be compatible and will aesthetically blend with other colors used throughout the property. Neutral colors are recommended on all siding. All corners, window casing, handrails, facias, eaves, and exposed rafters, lattice, louvers



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Side boards
around
Car
ports

and screening material must be painted white. No unstained or unpainted siding or trim will be permitted.

0 xii) Screening: All areas between the ground and the first living level must be screened, except garage openings and normal access openings. Lattice, louvers, vertical or horizontal screening is recommended. Any others must be approved by the Architectural Review Committee.



xiii) Each property owner shall provide a visually screened area to serve as a service yard for garbage receptacles, electric meters, and air conditioning equipment. Other unsightly objects must be placed or stored in order to conceal them from view from the road and adjacent properties. No window air conditioning units may be installed or used on any lots. No clothes lines will be permitted.

xiv) Parking: Each owner shall provide at least 2 vehicle parking spaces under house. No attached or detached garages shall be permitted.

xv) Exterior lighting: All exterior lighting of houses or landscape shall be in character in keeping with the general subdivision. Yard lighting shall be directed downward and away from neighbor's yard.

xvi) Fencing: Fencing must be approved by the Architectural Review Committee. Maximum fence height is a maximum of 42" from the ground. All fencing must be of wood construction and must be painted white. No chain link fencing will be permitted. Fencing around swimming pools will be approved on a case-by-case review.

xvii) Other structures: No mobile home, trailer, tent, shack, barn shall be moved onto any lot as permanent, or temporary, except that this restriction will not apply to any free standing guest house or servants quarters located on the lot, which has been approved by the Architectural Review Committee. No recreational vehicle or boat shall be allowed on a lot for longer than a 14-day period, unless stored under the dwelling structure.

xviii) Mailboxes and lamp post must be constructed and painted according to the Developer's specifications or as approved by the committee.

xix) No facilities, including poles or wires for the transmission of electricity, television or telephone shall be placed or maintained on any lot. No external or outside antennas, including satellite dishes of any kind shall be allowed.

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xx) All lot owners agree to connect utility service lines including water, sewer, cable television and electricity at points designated by the Developer. All utilities from the right-of-way to residences shall be underground. All connection fees for utility service shall be the responsibility of lot owner.

xxi) Signs: No sign of any kind shall be displayed to the public view except signs of not more than 5 square feet to advertise a home for sale, rent or builders sign during the construction period.

xxii) Animals: No animals, birds, livestock or insects shall be kept or maintained on any property except domestic pets, provided that such domestic pets are confined to the lot of the owner and do not constitute a disturbance and nuisance to the surrounding lot owners.

xxiii) Garbage and refuse: No lumber, metals, or bulk materials shall be kept, stored or allowed to accumulate on any lot within the property, except building materials during the course of construction. No refuse or trash shall be kept, stored or allowed to accumulate except between scheduled pickups.

xxiv) Pipes: No pipe shall be installed or maintained above ground of any lot within the property except for temporary water hoses used for irrigation purposes.

xxv) Nuisance: No obnoxious, offensive or illegal activity shall be carried on upon any lot within the property nor shall anything be done on any lot within the property which may become an annoyance or nuisance to other lot owners.

xxvi) Repairs and hazards: Any building or other improvement on any lot that is destroyed partially or totally by fire, storm or any other means shall be repaired or demolished within a reasonable period of time and the land on which it was located restored to an orderly and attractive condition.

5. Architectural Review Committee. The committee shall be composed of three individuals designated by the Developer during the period of developer control and by a majority of lot owners or the association board after the period of developer control terminates. The affirmative vote of a majority of the members of the committee shall be required in order to issue any permit. The Developer shall retain control of the Architectural Review Committee until the Developer has sold and conveyed 3/4 of all the lots subject to this declaration. Developer has the right to relinquish control to the property owners association at any time he wishes for the purpose of the property owners to control the committee.

6. Building Construction in General: All construction on the lot shall be accomplished in strict accordance with the following:

(a) All construction on the lot shall be in strict accordance with the provisions of that version of the Standard Building Code which is in force and effect for the type of construction proposed at the time of such construction in the local governmental entity having jurisdiction over the lands described on Exhibit "A" at the time of the issuance of the building permit for such construction.

(b) All construction on the lot shall be conducted in a manner which minimizes the impact of the construction on the primary dune system.

(c) No construction whatever shall be permitted seaward of the Coastal Construction Setback Line, except for dune walk-overs and dune bridges, authorized below.

(d) In the event any lot owner owning a lot essentially fronting on the Gulf of Mexico desires to construct a dune walk-over or dune bridge to facilitate access by the persons using that lot to obtain access to the beach, the design and construction of such dune walk-overs and dune bridges shall be subject to approval by the Baldwin County Coastal Area Program, or by any duly qualified successor to that program, but shall, at a minimum, extend from the coastal construction setback line to a point fifteen feet seaward of the most seaward beach and dune vegetation at an elevation of a minimum of six feet above the maximum elevation of the beach and dune system. In the event the owners of lots in the Morgantown subdivision form a property owners association and, in the event, common facilities are constructed by them or it, said association shall have also the optional right to construct dune walk-overs or dune bridges subject to the same requirements set forth herein, such dune walk-overs or dune bridges to be constructed from common areas in the subdivision.

(e) No red clay or similar material shall be brought within the subdivision and used for any construction purpose. Any and all fill material used for construction purposes shall be sand which is similar to that already existing on the site both in coloration and grain size. All such fill material shall be free of construction debris, rocks or other foreign matter.

(f) No sand materials shall be removed from the subdivision. Any excess sands from any construction site shall be placed in areas to be designated by the Baldwin County Coastal Area Program, or by any successor to that program.

(g) No materials, of any nature, shall be stored forward of the coastal construction setback line as established by the Baldwin County Coastal Area Program or the Alabama Department of Environmental Management. Prior to the commencement of any construction on

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any lot essentially fronting on the Gulf of Mexico, a fence shall be erected the width of the lot approximately five feet seaward of the coastal construction setback line for the purpose of limiting access to the beach and dune system during construction. No other construction may take place until such fence has been erected and has been inspected and approved by the Baldwin County Coastal Area Program, or by any duly qualified successor to that program.

(h) No equipment shall be operated within the subdivision forward of the coastal construction setback line at any time, with the exception of that required for the construction of the fence required by paragraph 6(g) above, for the construction of dune walkovers or dune bridges, or for water pumping. All such activities shall be conducted in such a manner as to minimize the impact of such activities on the primary dune system, and on the beach. Any areas seaward of the coastal construction setback line which are disturbed by such activities shall be required to be restored by the persons or person so disturbing them or, if such person or persons cannot be located, then by the owner or owner(s) of the lot or lots involved.

(i) All topographic restoration and revegetation work shall be accomplished in accordance with the following: Vegetation shall only be replaced with plants of the same species or with other salt resistant vegetation suitable for beach and dune stabilization. All replacement plants used for revegetation shall be of low profile species indigenous to Alabama beaches and dunes, such as sea oats and dune panic grass. Substitutions of plants not specifically authorized by this sub-paragraph may be undertaken only with the express written permission and approval of the Alabama Department of Environmental Management or its authorized representative or sub-agency.

(j) All work in or near wetlands shall be undertaken either only with any and all governmental permits necessary for such work or upon the written statement of the governmental agency having jurisdiction over the matter that the work proposed is not of a nature which requires a permit.

(k) No construction whatever shall be commenced until the party proposing to undertake such construction shall have obtained all construction and work permits necessary from all governmental agencies having jurisdiction over any aspect of such construction.

7. Dune Buggies Prohibited. No "beach buggies," "dune buggies," "ATVs" or any similar vehicle shall be kept within, or allowed to come within the lot at any time. No vehicles, of any nature whatever, shall be operated on the beach or on the primary dune system, at any time, except for official emergency vehicles operated for life-saving or life-protecting purposes.

8. Protection of Beach and Primary Dunes. No owner, and no tenant, guest, employee, contractor, agent or invitee of any owner, shall alter the primary dune system through the removal of any dune sands or dune grasses or other vegetation, through the operation of vehicles on the beach or on the primary dune system, or through any other activity which could or might result in the destruction of or damage to the primary dune system, or the beach; nor shall any such person contest or take any affirmative action to obstruct Baldwin County or its citizens from making use of the "beach" area lying south of a point which is 40 feet south of the north line of the old right-of-way for "Gulfside Avenue" as shown on the original plat of Fort Morgan Heights Subdivision; provided, however, that such restriction shall not be construed to allow access across any privately owned property to such beach.

9. Miscellaneous:

(a) Violation of these restrictive covenants shall not work a reversion or a forfeiture of estate, but they may be enforced in law or equity by any person owning an interest in property within any declared unit of the subdivision, or by the Alabama Department of Environmental Management. In any litigation involving these restrictive covenants the court may, in its discretion, require the non-prevailing party to pay the reasonable attorneys fees of the prevailing party.

(b) These restrictive covenants shall run with the lot and shall be binding upon any persons acquiring an interest therein.

(c) These restrictive covenants may be amended, altered or annulled at any time by the written consent of the owners of at least seventy five percent (75%) interest in the residential subdivision lots to which they apply, except as to Paragraph 8 above. Such consent shall be in the form necessary for recordation in the Probate Office of Baldwin County, Alabama, and shall be effective upon recordation of the same in that office.

(d) Morgantown Inc., its successors and assigns, shall have the sole and exclusive right and option to cause other more or less contiguous property to be added to the Morgantown Subdivision at a later date.

(e) Should any provision, clause, restriction, limitation or condition of these restrictive covenants be declared to be unenforceable, against public policy, illegal or inconsistent with or contrary to the Constitution or laws of the United States, or the Constitution or laws of the State of Alabama, by any court of competent jurisdiction or by a legislative declaration by the United States Congress or the legislature of the State of Alabama, the other provisions, clauses, restrictions, limitations and conditions shall in no way be affected, altered or invalidated. These restrictive covenants shall not be altered, affected or in any way

diminished by the annexation of the lands to which they apply by any Alabama municipality.

(f) No approval of plans, location or specification shall ever be construed as representing or implying that such plans, specification or standards will, if followed, result in a properly designed residence or that it will comply with applicable federal, state or local governmental laws, regulations and ordinances (and each owner shall be responsible for ensuring that his plans, specifications, etc., and construction pursuant thereto as well as the use of his lot comply in all respects with all federal, state or local governmental laws, regulations and ordinances). Such approvals and standards shall in no event be construed as representing or guaranteeing that any residence or improvement thereto will be built in a good and workmanlike manner. The Architectural Review Committee shall not be responsible or liable for any defects in any plans or specifications submitted, revised, or approved, under these covenants nor for any defects and construction pursuant to such plans and specifications. The lot owner shall have sole responsibility for compliance with approved plans and does hereby hold the Architectural Review Committee and the Developer harmless for any failures thereof caused by the lot owner, architect, or builder.

(g) No dwelling structure or other portion of the lot shall be used for or subject to any type of vacation time-sharing plan, as defined by Title 35-27-50, et seq., Code of Alabama (1975), as amended, or any similar "plan." No dwelling structure or any part thereof shall be leased by an owner for a lease term of less than one (1) week which shall be defined as seven (7) calendar days.

(h) The Developer specifically reserves the right to amend this declaration on its own motion from time to time for a period of two (2) years from the date hereof, so long as such amendment(s) does not materially affect lot or lots subject hereto which is no longer owned by the Developer. The Developer shall have the sole and exclusive right and option to cause other more or less contiguous property to be added to or to be made subject to the restrictive covenants herein contained at a later date. Such additions shall not be subject to any restrictive covenants which restrict the use of such added property to a standard lesser than the standards herein created except that such use may include single family, multi-family, or duplex use compatible with the standards set forth herein.

(i) This declaration shall be enforceable by the Developer, the Architectural Review Committee, or the owner by a proceeding at law or in equity against any person or persons violating or attempting to violate or circumvent any covenant or restriction, either to restrain violation or to recover damages; a failure by any party to enforce any covenant or restriction herein contained for any period

of time shall in no event be deemed a waiver or estoppel of the right of any of the foregoing to enforce same thereafter.

(j) All covenants, restrictions, and affirmative obligations set forth in this declaration shall run with the lot.

10. Creation of Property Owners Association.

(a) Definitions:

i) "Association" shall mean and refer to Morgantown Property Owners Association Inc., its successors and assigns.

ii) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot that is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

iii) "Properties" shall mean and refer to that certain real property hereinbefore described and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

iv) "Common Area" shall mean all real property (including the improvements) owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

See Exhibit "B" attached hereto.

v) "Lot" shall mean and refer to any plot of land or parcel shown upon any recorded subdivision map of the Properties with the exception of the Common Area. For the purpose of computing assessments and charges, such shall be based upon the square footage of each Lot as the same bears to the total square footage of all Lots, subject to these covenants or any other property which acquires any right to use any common area.

vi) "Developer" shall mean and refer to Morgantown Inc., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Developer for the purpose of development.

(b) Property Rights.

i) Every Owner shall have a right and easement of enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area.

b) The right of the Association to suspend the voting rights and the right to use of the recreational facilities by an Owner for any period during which any assessment against the Owner's Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations after a hearing by the Board of Directors of the Association; of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded.

ii) Any Owner may delegate, in accordance with the bylaws, the right of enjoyment to the Common Area and facilities to the members of the Owner's family, the owner's tenants, or contract purchasers who reside on the property.

(c) Membership and Voting Rights.

i) Every Owner of a Lot that is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment.

ii) The Association shall have two classes of voting membership:

a) Class A members shall be all Owners with the exception of the Developer and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they month themselves determine, but in no event shall more than one vote be cast with respect to any one Lot.

b) The Class B member(s) shall be the Developer and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to

Class A membership on the happening of any of the following events, whichever occurs earliest:

(1) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(2) On January 1, 2007.

(d) Covenant for Maintenance Assessments.

i) The Developer, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed, whether or not it shall be so expressed in the deed, is deemed to covenant and agree to pay to the Association: annual assessments or charges and special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to successors in title unless expressly assumed by them.

ii) The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.

iii) Until January 1, 1993, the maximum annual assessment shall be \$1,000.00 per Lot.

a) From and after January 1, 1994, the maximum annual assessment may be increased each year by not more than 5% above the maximum assessment for the previous year without a vote of the membership.

b) From and after January 1, 1994, the maximum annual assessment may be increased above 5% by the vote or written assent of two-thirds (2/3) of each class of members.

c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

iv) In addition to the annual assessments authorized above, the Association 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, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

v) Written notice of any meeting called for the purpose of taking any action authorized under Section 10.d.(iii) or 10.d.(iv) shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

vi) Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

vii) The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the common area. 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 due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

viii) Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of the highest legal rate permitted under law. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property, in accordance with the laws of the State of Alabama. No Owner may waive or otherwise escape liability for the

assessments by nonuse of the Common Area or abandonment of the Lot.

ix) The lien of the assessments shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of assessment as to payments that became due prior to the sale or transfer. No sale or transfer shall relieve the Lot from liability for any assessments thereafter becoming due.

(e) Additional residential property and common area property may be annexed to Morgantown by the Developer pursuant to Paragraph 9(d) of these restrictive covenants and conditions.

IN WITNESS WHEREOF, the Developer has hereunto set its hand and seal this the 3rd day of JUNE, 1992.

MORGANTOWN INC.

Charles E. Pearson (SEAL)
By: Charles E. Pearson
His President

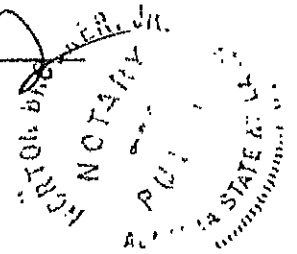
STATE OF ALABAMA

COUNTY OF MOBILE

I, a Notary Public, in and for said County and State, do hereby certify that CHARLES E. PEARSON whose name as PRESIDENT of Morgantown Inc., a Corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal on this the 3rd day of JUNE, 1992.

[Signature]
NOTARY PUBLIC
My Commission Expires:



This Instrument Prepared By:

Norton Brooker Jr.
LYONS, PIPES & COOK, P. C.
Post Office Box 2727
Mobile, Alabama 36652
(205) 432-4481

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EXHIBIT "A"

DESCRIPTION FOR MORGANTOWN PHASE 1

COMMENCE AT THE NORTHWEST CORNER OF GOVERNMENT LOT 6 OF SECTION 30, TOWNSHIP 9 SOUTH, RANGE 2 EAST, BALDWIN COUNTY, ALABAMA; RUN THENCE NORTH 00 DEGREES 15 MINUTES 02 SECONDS EAST FOR 475.03 FEET; RUN THENCE SOUTH 81 DEGREES 30 MINUTES 38 SECONDS WEST FOR 367.64 FEET TO THE POINT OF BEGINNING; CONTINUE THENCE SOUTH 81 DEGREES 30 MINUTES 38 SECONDS WEST FOR 61.54 FEET; RUN THENCE SOUTH 04 DEGREES 21 MINUTES 38 SECONDS WEST FOR 114.99 FEET; RUN THENCE IN A SOUTHWESTERLY DIRECTION ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 1756.65 FEET FOR AN ARC DISTANCE OF 245.41 FEET, A CHORD OF SOUTH 06 DEGREES 23 MINUTES 49 SECONDS WEST FOR 245.21 FEET; RUN THENCE IN A SOUTHEASTERLY DIRECTION ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 325.35 FEET FOR AN ARC DISTANCE OF 192.47 FEET, A CHORD OF SOUTH 04 DEGREES 34 MINUTES 55 SECONDS EAST FOR 189.67 FEET; RUN THENCE SOUTH 21 DEGREES 31 MINUTES 44 SECONDS EAST FOR 390.0 FEET; RUN THENCE IN A SOUTHEASTERLY DIRECTION ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 756.06 FEET FOR AN ARC DISTANCE OF 191.34 FEET, A CHORD OF SOUTH 14 DEGREES 16 MINUTES 44 SECONDS EAST FOR 190.83 FEET; RUN THENCE SOUTH 07 DEGREES 01 MINUTES 44 SECONDS EAST FOR 92.58 FEET; RUN THENCE IN A SOUTHWESTERLY DIRECTION ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 25.0 FEET FOR AN ARC DISTANCE OF 42.42 FEET, A CHORD SOUTH 41 DEGREES 35 MINUTES 11 SECONDS WEST FOR 37.51 FEET; RUN THENCE NORTH 89 DEGREES 47 MINUTES 53 SECONDS WEST FOR 567.60 FEET; RUN THENCE IN A NORTHWESTERLY DIRECTION ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 466.63 FEET FOR AN ARC DISTANCE OF 185.53 FEET, A CHORD OF NORTH 78 DEGREES 24 MINUTES 29 SECONDS WEST FOR 184.31 FEET; RUN THENCE NORTH 67 DEGREES 01 MINUTES 05 SECONDS WEST FOR 121.67 FEET; RUN THENCE IN A NORTHWESTERLY DIRECTION ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 30.0 FEET FOR AN ARC DISTANCE OF 48.19 FEET, A CHORD OF NORTH 21 DEGREES 00 MINUTES 12 SECONDS WEST FOR 43.17 FEET; RUN THENCE NORTH 60 DEGREES 16 MINUTES 52 SECONDS WEST FOR 60.11 FEET; RUN THENCE IN A SOUTHWESTERLY DIRECTION ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 30.0 FEET FOR AN ARC DISTANCE OF 39.14 FEET, A CHORD OF SOUTH 64 DEGREES 33 MINUTES 55 SECONDS WEST FOR 36.43 FEET; RUN THENCE IN A NORTHWESTERLY DIRECTION ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 50.0 FEET FOR AN ARC DISTANCE OF 10.0 FEET, A CHORD OF NORTH 83 DEGREES 47 MINUTES 15 SECONDS WEST FOR 9.99 FEET; RUN THENCE SOUTH 00 DEGREES 28 MINUTES 51 SECONDS WEST FOR 10.0 FEET; RUN THENCE IN A SOUTHEASTERLY DIRECTION ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 40.0 FEET FOR AN ARC DISTANCE OF 128.88 FEET, A CHORD OF SOUTH 01 DEGREES 49 MINUTES 14 SECONDS EAST FOR 79.94 FEET; RUN THENCE SOUTH 00 DEGREES 28 MINUTES 51 SECONDS WEST FOR 302.52 FEET; RUN THENCE NORTH 89 DEGREES 57 MINUTES 43 SECONDS WEST FOR 55.0 FEET; RUN THENCE SOUTH 00 DEGREES 28 MINUTES 51 SECONDS WEST FOR 255.26 FEET; RUN THENCE SOUTH 89 DEGREES 54 MINUTES 15 SECONDS EAST FOR 1045.02 FEET; RUN THENCE NORTH 00 DEGREES 25 MINUTES 48 SECONDS EAST FOR 437.20 FEET; RUN

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THENCE SOUTH 89 DEGREES 47 MINUTES 53 SECONDS EAST 90.17 FEET;
RUN THENCE NORTH 00 DEGREES 12 MINUTES 07 SECONDS EAST FOR 60.0
FEET; RUN THENCE IN A NORTHWESTERLY DIRECTION ALONG A CURVE TO
THE RIGHT HAVING A RADIUS OF 25.0 FEET FOR AN ARC DISTANCE OF
36.11 FEET, A CHORD NORTH 48 DEGREES 24 MINUTES 49 SECONDS WEST
FOR 33.06 FEET; RUN THENCE NORTH 07 DEGREES 01 MINUTES 44 SECONDS
WEST FOR 106.54 FEET; RUN THENCE IN A NORTHWESTERLY DIRECTION
ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 816.06 FEET FOR AN
ARC DISTANCE OF 206.52 FEET FOR A CHORD OF NORTH 14 DEGREES 16
MINUTES 44 SECONDS WEST FOR 205.97 FEET; RUN THENCE NORTH 21
DEGREES 31 MINUTES 44 SECONDS WEST FOR 390.0 FEET; RUN THENCE IN
A NORTHWESTERLY DIRECTION ALONG A CURVE TO THE RIGHT HAVING A
RADIUS OF 265.35 FEET FOR AN ARC DISTANCE OF 156.97 FEET, A CHORD
OF NORTH 04 DEGREES 34 MINUTES 55 SECONDS WEST FOR 154.69 FEET;
RUN THENCE IN A NORTHEASTERLY DIRECTION ALONG A CURVE TO THE
LEFT HAVING A RADIUS OF 1816.65 FEET FOR AN ARC DISTANCE OF
253.79 FEET, A CHORD OF NORTH 08 DEGREES 23 MINUTES 49 SECONDS
EAST FOR 253.59 FEET; RUN THENCE NORTH 04 DEGREES 21 MINUTES 38
SECONDS EAST FOR 128.68 FEET TO THE POINT OF BEGINNING.

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EXHIBIT "B"

DESCRIPTION OF COMMON AREA IN MORGANTOWN - PHASE I
A PLANNED UNIT DEVELOPMENT

COMMENCE AT THE NORTHWEST CORNER OF GOVERNMENT LOT 6 OF SECTION 30, TOWNSHIP 9 SOUTH, RANGE 2 EAST, BALDWIN COUNTY, ALABAMA; RUN THENCE NORTH 00 DEGREES 15 MINUTES 02 SECONDS EAST FOR 475.03 FEET; RUN THENCE SOUTH 81 DEGREES 30 MINUTES 38 SECONDS WEST FOR 429.18 FEET; RUN THENCE SOUTH 04 DEGREES 21 MINUTES 38 SECONDS WEST FOR 114.99 FEET; RUN THENCE IN A SOUTHWESTERLY DIRECTION ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 1756.65 FEET FOR AN ARC DISTANCE OF 245.41 FEET, A CHORD OF SOUTH 08 DEGREES 23 MINUTES 49 SECONDS WEST FOR 245.21 FEET; RUN THENCE IN A SOUTHEASTERLY DIRECTION ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 325.35 FEET FOR AN ARC DISTANCE OF 192.47 FEET, A CHORD OF SOUTH 04 DEGREES 34 MINUTES 55 SECONDS EAST FOR 189.67 FEET; RUN THENCE SOUTH 21 DEGREES 31 MINUTES 44 SECONDS EAST FOR 390.0 FEET; RUN THENCE IN A SOUTHEASTERLY DIRECTION ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 756.06 FEET FOR AN ARC DISTANCE OF 191.34 FEET, A CHORD OF SOUTH 14 DEGREES 16 MINUTES 44 SECONDS EAST FOR 190.83 FEET; RUN THENCE SOUTH 07 DEGREES 01 MINUTES 44 SECONDS EAST FOR 92.58 FEET; RUN THENCE IN A SOUTHWESTERLY DIRECTION ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 25.0 FEET FOR AN ARC DISTANCE OF 42.42 FEET, A CHORD OF SOUTH 41 DEGREES 35 MINUTES 11 SECONDS WEST FOR 37.51 FEET; RUN THENCE SOUTH 18 DEGREES 50 MINUTES 18 SECONDS EAST FOR 63.47 FEET; RUN THENCE SOUTH 00 DEGREES 25 MINUTES 48 SECONDS WEST FOR 437.20 FEET; RUN THENCE NORTH 89 DEGREES 54 MINUTES 15 SECONDS WEST FOR 962.78 FEET TO THE POINT OF BEGINNING; CONTINUE THENCE NORTH 89 DEGREES 54 MINUTES 15 SECONDS WEST FOR 82.22 FEET; RUN THENCE NORTH 00 DEGREES 28 MINUTES 51 SECONDS EAST FOR 255.26 FEET; RUN THENCE SOUTH 89 DEGREES 57 MINUTES 43 SECONDS EAST FOR 55.0 FEET; RUN THENCE NORTH 00 DEGREES 28 MINUTES 51 SECONDS EAST FOR 151.21 FEET; RUN THENCE SOUTH 81 DEGREES 26 MINUTES 49 SECONDS EAST FOR 70.70 FEET; RUN THENCE SOUTH 00 DEGREES 28 MINUTES 51 SECONDS WEST FOR 100.96 FEET; RUN THENCE IN A SOUTHWESTERLY DIRECTION ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 50.0 FEET FOR AN ARC DISTANCE OF 117.05 FEET, A CHORD OF SOUTH 28 DEGREES 10 MINUTES 48 SECONDS WEST FOR 92.09 FEET; RUN THENCE SOUTH 00 DEGREES 28 MINUTES 25 SECONDS WEST FOR 213.92 FEET TO THE POINT OF BEGINNING. SAID PARCEL BEING DEPICTED AS COMMON AREA ON THE MAP OF MORGANTOWN - PHASE I, A PLANNED UNIT DEVELOPMENT.

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