

STATE OF ALABAMA)
)
COUNTY OF LAWRENCE)

PROTECTIVE COVENANTS

K & D Stables, L.L.C., an Alabama Limited Liability Company, and G. Douglas Ripley, a married man, hereinafter collectively referred to as "Owner" and/or "Developer," being the owner of the hereinafter described real estate, and **First Southern Farm Credit,** Moulton, Alabama, being the holder of a mortgage on said property, desiring to place certain protective covenants on the property described hereinafter, do hereby place upon said property the protective covenants hereinafter set out, and to the extent hereinafter set forth, do hereby restrict the use of the following described property situated in **Lawrence** County, Alabama, to-wit:

All lots contained in K & D Paradise Subdivision, a map or plat of said subdivision being on file and of record in Map Book _____ at Page ____ of the Probate Records of Lawrence County, Alabama.

1. Residential Use. All lots in said subdivision shall be known and described as residential lots and shall be used only for residential purposes. No commercial activity of any kind shall be conducted on any lot or in any living unit contained on any lot.
2. Dwelling Quality and Size. No dwelling shall be permitted on any lot, with a ground floor area of the main structure, exclusive of open porches, carports and garages, and unheated storage areas, of less than 576 square feet.
3. Building location. No building or structure shall be placed or located on any lot nearer to the street line than is permissible under the applicable provisions of the subdivision regulations of Lawrence County, Alabama, in effect at the time that the building or structure is erected. In no event, however, shall any building or structure be located on any lot nearer than five (5') feet to either side lot line or rear lot line.
4. Nuisances. No noxious or offensive activity shall be carried on or allowed upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.
5. Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn, or other out building, shall be used on any lot at any time as a residence, either temporarily or permanently.
6. Signs. No sign of any kind shall be displayed to the public view on any lot except one professional sign of not more than five square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period. During the construction and sales period of the lots hereinabove described, Owner expressly reserves the right to place, erect and maintain signs, billboards, or other structures for information, advertising, and sales purposes until such time as the last lot in the subdivision is sold by Owner.
7. Drilling and Quarrying. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or on any lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or on any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot.
8. Livestock. Horses shall be permitted on all lots; however, no other animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept provided that they are not bred or maintained for commercial purposes and provided that they are kept and maintained within the boundaries of each lot. Dogs, cats, or other household pets **shall not** be allowed to roam freely outside the boundaries of the owner's lot.
With respect to manure created by horses, no manure piles in excess of three (3')

feet high and ten (10') feet in diameter shall be allowed. Due to health hazards and pest issues caused by manure piles each owner shall be required to spread all manure refuse so as to eliminate excessive piling.

9. Dumping of Rubbish. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. Such containers or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition and shall be placed on the curb or other designated area for collection only on the days designated for pickup of such material.
10. Sewage Disposal. No individual sewage disposal system shall be permitted on any lot. An on-site septic/sewage disposal system/plant servicing the entire subdivision shall be constructed and operated to remove and dispose of all sewage in the subdivision, as referred to hereinafter.
11. Water Supply System. No individual water supply system shall be permitted on any lot unless such system is designed, located and constructed in accordance with the requirements, standards and recommendations of both state and local public health authorities. Approval of such system as installed shall be obtained from such authorities.
12. Subdividing of Lots. No lot shown on the subdivision plat shall be further subdivided, except that any lot or portion thereof may be combined or consolidated with any adjoining lot(s) for the purpose of enlarging or improving the adjacent lot(s). The said lot(s) resulting from such consolidation or combination shall be subject to all the restrictions herein set forth.
13. Easements. Easements for installation and maintenance of utilities and drainage facilities are dedicated to the public utilities and public authorities on the recorded plat of the subdivision. Additionally, there is an "Easement Area Provided For Subdivision Septic System," a "100% Expansion Area Septic System "Easement," and a "Non-exclusive Ingress/Egress Easement Area," which shall be used for the installation of, construction of, and operation of a private on-site septic/sewage disposal system/plant. Such easements shall include the right of ingress and egress for construction and maintenance purposes, including but not limited to the perpetual right to enter upon, under, and across the said "easement" areas to construct, erect, set, install, renew, repair, maintain, change or relocate, within the limits of said easements, any septic/sewage lines, pipes, or mains, together with all rights and privileges necessary or convenient for said purposes and with the right of ingress and egress over, under, and across said easements for said purposes, with said easements to further vest in any utility provider providing utilities and telecommunications services to the owner(s) of any and all lots situated in the subdivision. Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage any facility installed in accordance with the purposes of said easement, or interfere with the installation and maintenance of utilities, or which may change the direction of the flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each lot and all improvements in them shall be maintained continuously by the owner of the lot except for those improvements for which the entity operating the septic/sewage disposal system/plat is responsible and/or any improvements for which a public authority or utility company is responsible. Additionally, there shall be an easement across that portion of Lots 6, 7, and 8 necessary and required for any and all utility providers to provide utilities and telecommunications services to Lots 5, 6, and 7, should said utilities primary lines or pipes run through the easement situated on Lot 8, as reflected on the plat for said subdivision, or other utility and/or telecommunications easements reflected on said plat.
14. Fences, Walls or Hedges. No fence, wall, hedge or mass planting shall be permitted to extend nearer than the front lot line, and nothing shall prevent the erection of a necessary retaining wall, the top of which should not extend more than twelve (12)

inches above the finished grade at the back of said retaining wall. However, no fence, wall, hedge, or mass planting shall be located so as to block the view of any private or public roadway, so as to be dangerous to persons entering said roadway(s) or persons traveling on said roadway(s). No barbed wire or hogwire type fences shall be allowed or permitted on any lot; however, plank, PVC, and High Tensil fences shall be permitted for the safety of all animals.

15. Garages, Carports, and Barns. All garages and carports shall enter from the side or rear of the main dwelling unit on the lot. All storage areas in a carport must be equipped with doors, and all garages must be equipped with doors which shall be kept closed as much as practical to preserve the appearance of the subdivision. Any garage, carport, or barn, which is detached from the main dwelling unit located on the lot, shall be constructed out of the same exterior materials as that of the main dwelling unit and the design and style of any such detached garage, carport, or barn shall be in harmony with the design and style of the main dwelling unit located on the lot.
16. Miscellaneous.
 - (a) The structures on each lot and the grounds of each lot shall be maintained in a neat and attractive manner.
 - (b) One satellite television signal receiving dish or system shall be allowed on each lot; however, said dish or system shall be behind any residence constructed on said lot so as to conceal said dish or system as much as practicable. No outside television, radio, or other antennas shall be allowed on any lot without the prior approval of a majority of the owners of lots in said subdivision, with each lot having one vote, irrespective of the number of owners of each lot.
 - (c) Any fuel tank or containers for propane or butane gas placed, erected, installed, or constructed on any lot shall be placed, erected, installed, or constructed in the rear of the dwelling and concealed from view from beyond the boundaries of the lot by a fence or hedge approved by the architectural control committee.
 - (d) No portable storage buildings shall be placed or permitted on any lot.
 - (e) No eighteen-wheel tractor trailer type vehicles, heavy equipment or other similar type commercial machinery shall be located or parked on or in front of any lot except where necessary for construction purposes on said lot.
 - (f) No junk or disabled vehicles shall be permitted to be parked, stored or repaired on any lot unless completely concealed from view from beyond the boundaries of the lot.
 - (g) All air conditioning and heating units, whether located on building sides and roofs or on the ground, shall be screened by a wood fence, shrub planting, or material consistent with the exterior material used in the construction of the main dwelling unit on the lot.
 - (h) All main dwelling units and any exterior detached structures, including but not limited to garages, carports, and barns, shall be constructed with either logs, log or rough cut wood lap siding, or some other wood material approved by Owner. All carports, garages, barns, or other outbuildings must be constructed out of the same exterior materials as that of the main dwelling unit, and the design and style of any detached structure shall be in harmony with the design and style of the main dwelling unit. Roofs may be constructed from metal or architectural grade shingles giving the appearance of cedar shanks. Although stone may be used as an exterior construction material, no more than 20% of the exterior finish may be of stone, and, therefore, 80% of the exterior finish must be constructed with wood materials

as noted above.

- (l) Prior to construction of the main dwelling unit, lot owners may construct a concrete pad, install electrical service, and construct a barn to use for temporary recreational purposes and to store their Recreational Vehicles (RV), camper, and/or horse trailers on the lot, until such time as a permanent dwelling unit is constructed on the lot. No RV, camper, trailer, horse trailer equipped with living quarters, barn, or other structure may be used either permanently or temporarily as a residence. The intent of this provision is to allow lot owners to enjoy lots for recreational purposes until such time as a permanent dwelling unit is constructed, and, therefore, lot owners may “camp” on the lot in an RV, camper, or horse trailer equipped with living quarters. Lot owners who are “camping” may not spend more than 30 consecutive days/nights in an RV, camper, or horse trailer equipped with living quarters situated on the lot. However, if any lot owner is owner-constructing a primary residence on the lot, the lot owner may “camp” for a period not to exceed 180 consecutive days/nights.
- (j) There shall be a permanent and perpetual ingress and egress easement for a **joint driveway to be known as “Paradise Lane**, established herein for the use and benefit of the owners of **Lots 4-12**, inclusive, as follows:
- The owners of Lots 4-12, inclusive, his/her/their heirs, successors in title and assigns, shall have a permanent and perpetual, non-exclusive easement for ingress and egress and a joint driveway, which shall run with the land, to and from their lots and the public road known as Lawrence County Road 84, upon and across the following described property, to wit:

That portion of Lot 8, K & D Paradise Subdivision, as shown by map or plat of said subdivision on file and of record in the Office of the Judge of Probate of Lawrence County, Alabama in Map Book _____ at Page _____, identified on said plat as a “Non-Exclusive Ingress/Egress Easement Area.”
 - The aforesaid easement and joint driveway shall be kept open for the joint use and benefit of said property owners, his/her/their respective heirs, assigns, and successors in title, and no building, structure, fence, or other obstruction of any kind shall be erected, placed, or allowed to remain by any of the said property owners, their respective heirs, assigns, and successors in title so as to interfere with the use and benefit of said joint driveway and ingress and egress easement.
 - The owners of said lots, who are using said joint driveway and ingress and egress easement, shall share equally in the cost and expense of keeping, improving, and maintaining said driveway in good repair and condition at all times.
 - The owners of Lots 5, 6, and 7 shall have an additional easement for ingress and egress across adjoining lots sufficient to access said “non-exclusive ingress/egress easement area.” In particular, the owner of Lot 5 shall have a 30 foot wide easement for ingress and egress across that portion of Lots 6 and 7 necessary to access said joint driveway and “non-exclusive ingress/egress easement area,” and the owner of Lot 6 shall have a 30 foot wide easement for ingress and egress across that portion of Lot 7 necessary to access said joint driveway and “non -exclusive ingress/egress easement area.”
- (k) Each lot shall have at least 30 feet of access to Lawrence County Road 84

and all utility, telecommunications, and water lines servicing each lot shall be installed within the limits of this 30-foot access. However, the 30 foot access dedicated for Lot 8 shall be used as an ingress/egress easement and joint driveway to be known as "Paradise Lane;" therefore, there shall be a utility, telecommunication, and water easement across that portion of Lot 8 identified on the plat of said subdivision as "Non-Exclusive Ingress/Egress Easement Area" for the benefit of Lots 4-12, inclusive. Irrespective of whether or not said easement is specifically reflected on the recorded plat as a "utility and telecommunication easement," said easement shall also be used for this purpose; however, any utility and telecommunication services installed in this easement shall be installed along the outer edges of said easement so as not to interfere with the installation, improvement, and maintenance of "Paradise Lane."

- (l) Because Lots 4-12, inclusive, use "Paradise Lane" as a means of ingress and egress and as a joint driveway, the owners of these lots shall not construct and install their own driveways. There shall be an **easement for a "yard"** upon and across the eastern most portions of Lots 6 and 7 for the benefit of Lot 5 and 6. In particular, the owner of Lot 5 shall have a "yard" easement over that portion of Lots 6 and 7 immediately to the east of Lot 5 and extending from the easternmost boundary of Lot 5 to the westernmost boundary line of the "non-exclusive ingress/egress easement area," and the owner of Lot 6 shall have a "yard" easement over that portion of Lot 7 immediately to the east of Lot 6 and extending from the easternmost boundary of Lot 6 to the westernmost boundary line of the "non-exclusive ingress/egress easement area." It shall be the responsibility of the user of the "yard" to keep and maintain said "yard" easement in the same manner as if said "yard" easement were a part of his/her/their lot. No permanent structures shall be constructed, installed, placed or erected in the "yard" easement area.
 - (m) The structures on and grounds of each lot will be maintained in a neat and attractive manner at all times, including all times prior to and during construction. Such maintenance shall include, but is not necessarily limited to, cutting grass, trimming trees and shrubbery, removing unsightly weeds, and appropriately "spreading" manure from horses.
17. Amendment. These protective covenants may be amended, altered, modified or revised, in whole or in part, by an instrument in writing duly acknowledged as required by law for conveyances in the State of Alabama, signed by the owners of the majority of the lots in the subdivision, and filed for record in the Office of the Judge of Probate of Morgan County, Alabama.
 18. Term of Covenants. These covenants shall run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-five years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten years unless an instrument signed by a majority of the then owners of the lots, exclusive of any mortgages, is recorded in the Office of the Judge of Probate of Morgan County, Alabama, agreeing to change or to extinguish said covenants in whole or in part.
 19. Enforcement. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damages, or both.
 20. Severability. Invalidation of any one of these covenants or any portion of any covenants, by judgment or court order shall in no wise affect any of the other provisions, which remain in full force and effect.
 21. Not Homestead. The property made a basis of this instrument is not now, nor has it

ever been, the homestead of the undersigned Owner or that of the spouse of the individual Owner.

22. Subdivision Septic/Sewage Disposal System. Owner/Developer plans to construct and install a private onsite septic/sewage disposal system/plant for the exclusive use of owners of lots in the subdivision and for the exclusive purpose of disposing of sewage in the subdivision. Owner shall submit applications for and obtain the required regulatory permits to construct and operate the private septic/sewage disposal system/plant. Upon completion of the system/plant, the system/plant shall be conveyed by General Warranty Deed to K & D Paradise Subdivision Homeowners' Association, Inc., and K & D Stables, L.L.C. agrees to enter into a Sewer Service Agreement with the Homeowners' Association, by which K & D Stables, L.L.C. agrees to operate said system/plant under the terms and conditions of said Agreement until such time as all lots in the subdivision are sold. After such time, the operation and management of the system/plant will be in the discretion of the Homeowners' Association.

At the closing of the sale of every lot in the subdivision, the sum of \$3,300.00, which shall be referred to herein as an initial assessment or "membership fee," shall be paid by the buyer of the lot to Owner/Developer for the construction and installation of the system/plant, and/or for the reimbursement of the expense thereof, and, if paid subsequent to the completion of the system, to reimburse Owner for the expense of constructing, installing, and initially operating the system. Once the system/plant is completed and is operational, the lot owner(s) shall pay a sum of not less than \$10.00 per month, herein referred to as a "monthly assessment," to Owner, or its successors and/or assigns, for the monthly operational expenses of the system/plant. The monthly service fee shall be dependent upon the actual cost to operate and maintain the system/plant as determined by Owner, its successors and assign, in its/their sole discretion, and the said monthly service fee shall be construed as a "monthly assessment" by the Homeowner's Association.

23. Homeowners' Association. Owner is constructing and installing an on-site septic/sewage disposal system/plant to service the subdivision and eliminate all sewage in the subdivision. Upon completion of the sewage system/plant, said system/plant shall be conveyed and transferred to the Homeowner's Association. Said system/plant shall hereinafter be referred to as "Common Property(ies)."

(a) Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot in the subdivision shall be a "Member" of the K & D Paradise Subdivision Homeowners' Association, Inc, hereinafter referred to as "the Association;" provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a Member.

(b) Voting Rights. The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be all those owners of lots as described in (a) hereinabove, with the exception of the Owner/Developer. Class A members shall be entitled to one vote for each Lot in which they hold the interests required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot.

Class B. Class B member shall be the Owner/Developer. The Class B member shall be entitled to five (5) votes for each Lot in which it holds the interest required for membership; provided that the Class B membership for those Lots which have been made subject at that time to these Covenants shall cease and become

converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) on December 31, 2012.

From and after the happening of these events, whichever occurs earlier, the Class B member shall be deemed to be a Class A member entitled to one vote for each Lot in which it holds the interests required for membership at that time.

(c) Members' Easements of Enjoyment. Every Member shall have a right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot.

(d) Title to the Common Properties. The Developer may retain the legal title to the Common Properties until such time as he has completed improvements thereon and until such time as, in the opinion of the Developer, the Association is able to manage and operate the same but, notwithstanding any provision herein, the Developer hereby covenants, for himself/itself, his/its successors and assigns, that he/it shall convey not later than December 31, 2012, the Common Properties to the Association, free and clear of all liens and encumbrances, except for existing utility, telecommunications, sewer, ingress/egress, and drainage easements, and except for the right reserved by the Developer to place utilities over, under and across said Common Properties.

(e) Extent of Members Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

- The right of the Developer (prior to the conveyance of the Common Properties to the Association) and of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Properties and in aid thereof to mortgage said Common Properties. In the event of a default upon any such mortgage the lender's rights hereunder shall be limited to a right, after taking possession of such Common Properties, to charge reasonable fees for the maintenance and upkeep of said Common Properties in a sum not greater than the actual costs of said maintenance and upkeep until the mortgage debt is satisfied, whereupon the possession of such Common Properties shall be returned to the Association and all rights of the Members hereunder shall be fully restored; and,
- The right of the Association to take such steps as are reasonably necessary to protect the Common Properties against foreclosure; and,
- The right of the Association, as provided in its Articles and By-Laws, to suspend the enjoyment rights of any Member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations, if any; and,
- The right of the Association to charge reasonable fees for the use of the Common Properties; and,
- The right of the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority, utility or other entity for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer, determination

as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by members entitled to cast two-thirds (2/3) of the votes of each class of membership has been recorded in the Office of the Judge of Probate of Morgan County, Alabama, agreeing to such dedication, transfer, purpose of condition, and unless written notice of the proposed agreement and action thereunder is sent to every Member at least thirty (30) days in advance of any action taken.

- (f) Creation of the Lien and Personal Obligation of Assessments. Each owner of any Lot, excluding the Developer, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (1) monthly assessments or charges for the use of said septic/sewage disposal system/plant; (2) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided, for the maintenance, repair, and upkeep of said system/plant; (3) membership fee, and (4) delinquency assessments as provided in hereinafter. The annual and special assessments and membership fees, together with such interest thereon and costs of collection thereof as hereinafter provided, 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 such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment became due.
- (g) Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, and welfare of the residents in the subdivision and in particular for the construction, improvement, installation, maintenance, and operation of the Common Properties and for the services related to the use and enjoyment of the Common Properties, including but not limited to, the payment of taxes and insurance thereon and the repair, replacement, maintenance, upkeep, and for the cost of labor, equipment, materials, management and supervision thereof.
- (h) Basis Assessments and Maximum of Monthly Assessments. The initial assessment or "membership fee" shall be the sum of \$3,300.00 per Lot, which shall be collected at the time of closing and the delivery of the deed to the new lot owner. The monthly assessment shall be paid no less often than monthly. The amount of the monthly assessments shall be determined by the Board and shall be increased by the Board, from time to time, by vote of the Members, as hereinafter provided, for the next succeeding one (1) year and at the end of each such period of one (1) year for each succeeding period of one (1) year. The initial monthly assessment shall be the sum of \$10.00 as referred to herein. The Board of Directors of the Association may, after consideration of current maintenance costs and future needs of the Association, fix the monthly assessment at a lesser or greater amount, in its sole discretion, irrespective of the vote of the Members of the Association .
- (i) Special Assessments for Capital Investments. In addition to the membership fee and monthly assessments, the Association may levy a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, improvement, unexpected repair or replacement of the septic/sewage system/plant upon the Common Properties, including the necessary 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, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting. The Board of Directors of the Association may, after consideration of the need for a special

assessment fix the special assessment at a lesser or greater amount, in its sole discretion, irrespective of the vote of the Members of the Association, should it be determined by the Board of Directors that it is in the best interest of the Association and of the owners to levy said special assessment.

- (j) Quorum for Any Action By Members. The quorum required for any action authorized by the Members hereinabove shall be as follows:

At the first meeting called, the presence at the meeting of Members, or of 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 forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth hereinabove, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

- (k) Date of Commencement of Monthly Assessments; Due Dates. The monthly assessments provided for herein shall commence on the 1st day of the month following the date of closing and the delivery of the deed transferring title to the new lot owner. The due date of any special assessment shall be fixed in the resolution authorizing such assessment.

Assessments shall begin to accrue on each Lot on the date title is first transferred from the Developer to the new owner and the initial membership fee of \$3,300.00 shall be collected at closing and paid directly to Owner/Developer to reimburse him/it for the construction of the septic/sewage disposal system/plant.

- (l) Duties of the Board of Directors. Subject to the provisions of these Covenants, the Board of Directors of the Association shall fix the amount of the monthly and special assessments against each Lot for each assessment period of at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association, as designated from time to time, and shall be open to inspection by any owner. Written notice of the assessment shall thereupon be sent to every owner subject thereto. The Association shall upon demand at any time furnish to any owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

- (m) Effect of Non-Payment of the Assessment; The Personal Obligation of the Owner; The Lien; Remedies of Association. If the assessments are not paid on the date when due (being the dates specified herein), then such assessment shall become delinquent and shall, together with interest thereon and costs of collection thereof as hereinafter provided, thereupon become a continuing lien on the Lot which shall bind such Lot in the hands of the then owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then owner to pay such assessment, however, shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them, and said delinquent assessment shall be a lien of the Lot.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, and the Association may bring an action at law against the owner personally obligated to pay the same or to foreclose the lien against the lot/property, and there shall be added to the amount of such assessment the costs of all attorney's fees, including but not

limited to the cost of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action.

- (n) Subordination of the Lien of Mortgages. The lien of the assessment(s) provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereinafter placed upon the lots/properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to any mortgage foreclosure sale or decree of mortgage foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.
- (o) Exempt Property. Notwithstanding any provisions herein to the contrary, no lot or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.
- (p) Membership Fees. An association membership fee in the amount of \$3,300.00 shall be due on the date of transfer of title from the Developer to the Lot owner and shall be collected at closing by the closing attorney as a part of the new lot owner's closing costs. This membership fee shall apply only to the transaction involving the Owner/Developer. With respect to subsequent transactions involving the sale of lots by first lot owner, who purchased from Owner/Developer, to subsequent lot owners, said membership fee shall be the sum of \$0, unless and until such time as the Association determines that a membership fee for subsequent transaction is necessary or desirable. Upon the determination, in the sole discretion of the Association, that a membership fee for subsequent lot owners is necessary or desirable, said membership fee shall be due payable by each subsequent owner upon the transfer of title and collected by the closing attorney at closing or by the Association, if not collected by the closing attorney.

IN WITNESS WHEREOF, the following have hereunto set their hands and seals on this the _____ day of _____, 2008, with full authority to act hereon.

**K & D Stables, L.L.C., an Alabama
Limited Liability Company**

By: _____ (SEAL)
G. Douglas Ripley, its Manager or Member (Select)

G. Douglas Ripley

1ST Southern Farm Credit

By: _____ (SEAL)
It's: _____

STATE OF ALABAMA)
)
COUNTY OF MORGAN)

I, the undersigned authority, a Notary Public for said County in said State, hereby certify that **G. Douglas Ripley**, whose name as **Manager or Member (select) of K & D Stables, L.L.C.**, an Alabama Limited Liability Company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this date that, being informed of the contents of this instrument, he, in his capacity as said Manager or Member (select) and with full authority, executed the same voluntarily on the day the same bears date for and as the act of said company.

GIVEN under my hand and official seal on this the ____ day of _____, 2008.

NOTARY PUBLIC

My commission expires: _____

STATE OF ALABAMA)
)
COUNTY OF MORGAN)

I, the undersigned authority, a Notary Public for said County in said State, hereby certify that **G. Douglas Ripley**, a married man, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this date that, being informed of the contents of this instrument, he executed the same voluntarily on the day the same bears date.

GIVEN under my hand and official seal on this the ____ day of _____, 2008.

NOTARY PUBLIC

My commission expires: _____

STATE OF ALABAMA)
)
COUNTY OF MORGAN)

I, the undersigned authority, a Notary Public for said County in said State, hereby certify that _____, whose name as _____ of **1st South Farm Credit**, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this date that, being informed of the contents of this instrument, he/she, in her capacity as said officer and with full authority, executed the same voluntarily on the day the same bears date for and as the act of said entity.

GIVEN under my hand and official seal on this the ____ day of _____, 2008.

NOTARY PUBLIC

My commission expires: _____

**This instrument prepared by:
J. Calvin McBride & Associates, P.C.
Attorney at Law
225 Grant Street, SE
P.O. Box 1661
Decatur, AL 35602
256-350-4100**