

State of Alabama)
County of Winston)

DECLARATION OF COVENANTS, RESTRICTIONS AND CONDITIONS
OF CLEAR CREEK PARTNERS, LLC
(Hidden Falls Subdivision, Phase I)

This Declaration of Covenants, Restrictions and Conditions (this "Declaration") is made this 7 day of June, 2006, by Clear Creek Partners, LLC, an Alabama limited liability company (hereinafter referred to as the "Declarant") for the Hidden Falls Subdivision, Phase I.

Whereas, Declarant is the owner of that certain property located in Winston County, Alabama, more particularly described on Exhibit A attached hereto and incorporated by reference herein (the "Property").

Whereas, the Declarant has subdivided the Property into lots (singularly, the "Lot" or collectively the "Lots") as designated on the plat of that certain subdivision to be known as Hidden Falls Subdivision, Phase I (the "Subdivision"), as recorded in the Office of the Probate Judge of Winston County, Alabama at Volume 3, Page 132 *Slide 87*. A copy of the Subdivision Plat (the "Subdivision Plat") is attached hereto and incorporated by reference herein as Exhibit B;

Whereas, the Declarant intends to sell the Lots within the Property in accordance with and subject to all the covenants, conditions and restrictions of this Declaration so as to preserve the value and residential qualities of the Subdivision;

Whereas, the Declarant desires for the Property and all Lots contained within said Property to be held, transferred, encumbered, used, sold, conveyed, leased, and occupied subject to the covenants, restrictions and conditions set forth in this Declaration which said covenants, restrictions and conditions shall run with the land; and

Whereas, the Declarant states that Hidden Falls Subdivision, Phase I, is one of a number of phases of an overall subdivision plan, which Declarant, or its successors and assigns, anticipates to develop, and that Declarant in accordance with said plan may add additional phases in the future in Declarant's sole discretion.

NOW, THEREFORE, the Declarant hereby declares that the Property and all Lots and Common Areas shown on Exhibit B shall be subject to the following covenants, restrictions and conditions:

5 2.00.

Recorded In DEED BK 264 PG 934, 06/08/2006 12:51:38 PM Recording Fee 52.00, TOTAL 52.00
Cassandra Hester, Probate Judge, Winston County, AL

17)

ARTICLE I

Definitions

1.1 “**Additional Property**” shall refer to any additional property that the Declarant includes within the overall subdivision plan for future phases.

1.2 “**Architectural Control Committee**” shall refer to first the Declarant and its designated representatives and then to members of the Association voted to serve thereon by majority vote.

1.3 “**Association**” shall mean and refer to the Hidden Falls Subdivision (Phase I) Homeowners’ Association, Inc., its successors and assigns, an Association formed and organized under the laws of the State of Alabama.

1.4 “**By-Laws**” shall mean and refer to the By-Laws of the Association.

1.5 “**Common Area(s)**” shall mean all real property (including improvements) owned by the Association for the common use and enjoyment of the Owners of Lots in the Subdivision. The Common Area(s) to be owned by the Association at the time of the conveyance of the first lot is described as follows:

Refer to Exhibit C attached hereto and incorporated by reference herein.

1.6 “**Declarant**” shall mean and refer to Clear Creek Partners, LLC, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

1.7 “**Lot**” shall mean and refer to any plot of land or parcel shown upon the recorded Subdivision Plat of the Property with the exception of the Common Area(s). The rear of the lot shall be that area closest to the water, while the front of the lot shall be that line closest to the road.

1.8 “**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 Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. “Owner” shall include his/her respective successors, heirs and assigns.

1.9 “**Property**” shall mean and refer to that certain real property described on Exhibit A, and any such additions thereto as may hereafter be brought within the jurisdiction of the Association, and shall include any and all Lots and Common Areas within the Subdivision as shown on the Subdivision Plat.

1.10 “**Subdivision**” shall refer to the Hidden Falls Subdivision, Phase I.

1.11 “**Subdivision Plat**” shall refer to the plat map of the Hidden Falls Subdivision, Phase I, which shall be recorded in the Probate Office of Winston County, Alabama.

ARTICLE II

Covenants, Restrictions and Conditions Running with the Land

2.1 Property Conveyed Subject to this Declaration. The Property shall be held, transferred, encumbered, used, sold, conveyed, leased, and occupied, subject to the covenants, restrictions and conditions set forth in this Declaration, expressly and exclusively for the use and benefit of the Property and of each and every Owner of a Lot in the Subdivision.

2.2 Covenants Running with the Land. The covenants, restrictions and conditions set forth in this Declaration shall constitute covenants running with the land, to apply in their entirety to the Property, and to be binding upon and inure to the benefit of the undersigned and to the Owners of Lots in the Subdivision.

2.3 Construction Time Limits. Construction of a dwelling as allowed by this Declaration, including any landscaping, shall be completed no later than 18 months from commencement of said construction, unless prior written approval is obtained from the Architectural Control Committee (the "ACC").

2.4 Land Use and Building Type. No Lot other than those designated as common areas by the ACC shall be used except for residential purposes. No building shall be erected, altered, placed, or permitted to remain on any Lot, other than one single-family dwelling not to exceed two and one-half (2-1/2) stories in height, not including basements, and containing more than a four bay garage attached to the dwelling. A garage whether a part of the main dwelling or detached shall have doors.

Except for a separate garage that otherwise meets the requirements of this Declaration, no detached building other than the main single-family dwelling shall be constructed or permitted on any Lot unless previously approved by the ACC.

2.5 Minimum Dwelling Size. No dwelling shall be erected with less than one thousand seven hundred (1,700) square feet of above-ground living space, exclusive of porches, carports, and garages. Dwellings of more than one story must have not less than one thousand five hundred (1,500) square feet on the first level above the ground.

2.6 Building Location.

a) No building shall be located on any lot nearer than twenty five (25) feet to the front lot line, nearer than fifteen (15) feet to any interior or side lot line, or nearer than twenty five (25) feet to the rear of the lot line. Eaves, steps, and open porches shall be considered a part of a building for the purposes of this covenant.

b) An Owner may erect a dwelling on a Lot located nearer to a lot line than provided in this section 2.6 if the Owner of the effected Lot obtains a variance in writing from the ACC as required by Article III, Section 3.4 herein, provide that minimum set

back lines as reflected in the Subdivision Plat of the Hidden Falls Subdivision, Phase I, shall not be violated.

c) No Owner shall build any structure in violation of Alabama Power Company's rules and regulations governing the use of the shoreline of Smith Lake.

d) No lot shall be further subdivided, and no residential structures may be erected or placed on less than one full lot as shown on the Subdivision Plat.

e) Should the Owner of two adjacent lots desire to build and maintain one dwelling on both lots, such an Owner must obtain approval of the ACC in writing, including approval of any relocation or extension of any easement. The side lot restrictions as referred herein shall apply to the side lot lines of the combined lot.

2.7 Materials.

a) No aluminum or vinyl siding shall be used in the construction of any building on any Lot in the Subdivision. No metal building shall be allowed in the Subdivision.

b) All foundations and exposed chimneys must be covered with brick, natural wood material or finished masonry which will match the construction of the dwelling or building involved.

c) No manufactured homes, trailers, tents, shacks, relocated structures or out-buildings shall be used on any part of the Property as a residence.

d) No exposed concrete or concrete block will be allowed, except that concrete will be allowed on the surfaces of driveways or walkways.

e) All electric service from the main power source to each individual dwelling shall be underground.

2.8 Fences. All plans for fences, privacy screens and walls must be submitted to and approved by the ACC in writing before construction of the fence or wall. No fences, screens or walls shall be located closer to the front of the lot than the rear corner of the main structure on the Lot.

2.9 Sight Distances at Intersections. No fence, wall, hedge or shrub that obstructs sight lines at elevations between two and six feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five feet from the intersection of the street lines. The same sight line limitations shall apply on any lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within the specified distance of the intersections unless the foliage line is maintained a sufficient height to prevent obstruction of the sight lines.

2.10 Construction Site Requirements. All job sites shall be kept in a clean and orderly condition. No materials will be stored or placed in rights-of-way. Debris shall be kept in a dumpster or other receptacle for storing debris and shall be removed in a timely

manner. Each Owner shall control silt, erosion or other runoff in accordance with the requirements of all applicable governmental authorities and the requirements of the ACC and this Declaration. Construction hours and specific routes for access to and from job sites may be established by the ACC. All builders are required to supply their name and a 24 hour emergency telephone number. Contractors or subcontractors, and their agents and employees, who violate construction site requirements may be prohibited from entering the subdivision by the ACC.

2.11 Satellite Dishes. Satellite dishes shall be restricted to a dish not to exceed 18" in diameter.

2.12 Mailboxes. Any mailbox serving a Lot shall be aesthetically pleasing, professionally constructed and maintained at all times.

2.13 Storage and Parking of Boats, Trailers, and Other Vehicles. There shall be no more than two (2) vehicles parked outside a garage or dwelling on a regular permanent basis. No motor home, boats, trailers, wrecked cars, unmaintained cars, sports vehicles, or any other vehicles other than operating passenger vehicles can be parked or stored on streets or on lots within the Subdivision outside of garages properly constructed for the storage thereof. No commercial repair of vehicles or boats is allowed.

2.14 Signs. No signs of any kind may be displayed to the public view on any lot except one professional sign of not more than five (5) square feet advertising the property for sale or signs used by builders to advertise a lot during the construction and sales period. The Declarant however shall be allowed to erect signs for marketing and advertising.

2.15 Temporary or Mobile Structures. No structure of a temporary or mobile character, including without limitation a trailer, mobile home, modular home, basement, tent, shack or barn shall be used on any Lot at any time as a residence, either temporarily or permanently.

2.16 Garbage and Refuse Disposal. No lot shall be used as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All equipment for the storage or disposal of such material shall be kept in a clean, sanitary condition and shall be of uniform size and appearance and be approved by the ACC.

2.17 Sewage Disposal. Owners shall insure that their respective Lot or Lots have a sewage disposal systems as permitted in accordance with the requirements, standards, and recommendations of the appropriate state and local health authorities. Each Owner shall obtain any necessary approval of such sewage system as installed from such authorities.

2.18 Boathouses and Pier. Each Owner who plans to build a pier, boat dock, floating boathouse, or sea wall shall first obtain permission from Alabama Power Company, if applicable. Boathouses, piers and docks shall be designed, constructed and erected so as

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to be consistent with the aesthetic and architectural standards prevailing in the Subdivision. The ACC shall have the right, when applicable, to enforce any relevant restrictions in this Declaration in regard to any boathouse, pier or dock.

2.19 Nuisances. No noxious or offensive activity shall be allowed to occur on any Lot; nor shall anything be done on any Lot that may constitute an annoyance or nuisance to the Subdivision. Without limiting the generality of this provision, a) the discharge of firearms in the Subdivision is prohibited, b) outdoor sound systems shall be turned off after 9:00 P.M. and not used before 8:00 A.M.; c) no animals, livestock, or poultry of any kind shall be raised, bred, or kept on any lots. Dogs, cats, or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose; d) no oil drilling or refining, quarrying, or mining operations of any kind shall be permitted on or in any lot; nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted upon or in 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; e) no weeds, underbrush, or other unsightly growths shall be permitted to grow or remain upon any Lot, and no refuse pile, unused motor vehicles or unsightly objects shall be allowed to be placed or to remain anywhere on the Property.

ARTICLE III
Architectural Control Committee

3.1 Architectural Control. No improvements or structure of any kind shall be commenced, constructed, erected, placed or maintained on any Lot; nor shall any landscaping, grading, excavation, or filling of any nature whatsoever shall be implemented, installed or altered; nor shall any addition, change, or alteration to improvements or structures on any Lot be made; nor shall any new use be commenced or made on any Lot unless and until an application and complete plans and specifications for the proposed construction, installation or change, including the description of any proposed new use thereof, shall have been submitted to and approved in writing by the ACC. After approval of any plans and specifications hereunder, representatives of the ACC shall have the right at reasonable hours to enter upon the building site and inspect the improvements with respect to which construction is underway to determine whether or not the previously approved plans and specifications are being complied with.

3.2 Architectural Control Committee. The ACC shall be governed by the Declarant which shall select its members in its sole and absolute discretion until such time as Declarant is no longer a Class B member of the Association. Thereafter, the ACC shall be governed by the Association, and a majority of the Class A members shall select the individuals to serve on the ACC for an annual term. It is recommended, but not required, that one member of the ACC be an architect. The ACC is authorized to retain the services of consulting architects, landscape architects, engineers, inspectors and attorneys in order to advise and assist the ACC in performing its functions.

3.3 Approval Process. An Owner seeking approval from the ACC must submit plans and specifications that include site plan, topography and landscape plan, floor plans, building sections, exterior elevations for all sides, roof plan, details on exterior

materials, colors and finishes, patio/deck materials and finish, exterior lighting, screen enclosures, mechanical equipment location and screening detail and driveway materials and finish, and other matters required by this Declaration. All plans and specifications shall be evaluated as to conformity with the restrictions, covenants and conditions in this Declaration; consistency with existing improvements in the Subdivision; general aesthetic qualities; and location in relation to the surrounding structures, topography and finished grade and elevation. Refusal of plans and specifications by the ACC may be based on any ground, including purely aesthetic grounds, which, in the sole and uncontrolled discretion of the ACC, shall seem sufficient.

The ACC has the authority to set further rules and guidelines for the approval process, such as requirements for information and design criteria to be contained within plans and specifications.

The Declarant shall initially establish an annual budget for the cost and expenses of the ACC which may include compensation for its members, support staff and the employment of professional consultants. The ACC shall have the right to charge fees sufficient to cover the expense for processing applications; reviewing plans and specifications; and compensating any consulting architects, landscape architects, designers, engineers, inspectors and/or attorneys retained in accordance with the terms hereof. The initial application fee shall be \$375.00 with additional fees to be assessed consistent with this section 3.3.

3.4. Variances. The ACC may authorize variances from compliance with the provisions of this Declaration related to the construction, erection or installation of improvements or landscaping when circumstances such as topography, natural obstructions, undue hardship, aesthetic or environmental considerations indicate to the ACC that such a variance is warranted. To be effective, a variance under this section must be in writing. The ACC has the authority to grant or deny a variance in its sole and absolute discretion.

3.5 Architectural Control to Apply to Each Lot. Each Owner by acceptance of title or taking possession of a Lot in the Subdivision, covenants and agrees that no improvement, structure or landscaping shall be erected, constructed or installed upon any Lot unless the plans and specifications therefore have been approved as set forth in this Article III.

ARTICLE IV

Easements and Property Rights

4.1 Owner's Easements of Enjoyments. Every Owner shall have a right and easement of enjoyment in and to the Common Area(s), which shall be appurtenant to and shall pass with the title to every Lot, provided that each Owner must comply with the rules and regulation of the Association and shall be subject to the provisions of the By-Laws. Nothing in this section 4.1 shall prevent the Association from imposing fines or

fees upon Owners who are in violation of the Association's rules and regulations and/or its By-Laws.

4.2 Utility Easements. The Declarant reserves the right to grant easements for the installation and maintenance of utilities and drainage facilities. The Declarant further reserves the right to grant easements to Winston County, Alabama and utilities as may be applicable for drainage and utility purposes. All claims for damages, if any, arising out of the construction, maintenance and repair of utilities or on account of temporary or other inconvenience caused thereby against Declarant, or any utility company or county, or any of its agents, employees or representatives, are waived by the Owners and the Association.

4.3 Easements to Run with Land. Easements created hereunder are permanent and shall run with the land. Each Owner shall not interfere with or violate any easement reserved and/or granted hereunder.

4.4 Reservation of Easements for Declarant. Declarant reserves the right to grant easements for pedestrian and vehicular ingress and egress upon, across, over and through all roads, drives, walkways and parking areas in favor of Declarant, the Association, all Owners, and their guests, licensees and invitees. Declarant reserves the right to change, lay out new, or discontinue any street, avenue, or way not necessary for ingress and egress to and from an Owner's Lot, subject to the approval of any governmental authority if required.

ARTICLE V

Homeowners' Association

5.1 Formation. The Declarant shall form the Association by filing in the Probate Office of Winston County, Alabama Articles of Incorporation and shall adopt By-Laws for the regulation of the affairs of the Association.

5.2 Membership. An Owner of a Lot shall be a member of the Association and shall be bound by all terms, conditions and covenants in the Articles of Incorporation and By-Laws of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment.

5.3 Voting Classes. The Association shall have two classes of voting membership for all phases for the development.

(a) Class A members shall be all Owners with the exception of the Declarant 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 among themselves determine, but in no event shall more than one vote be cast with respect to any one Lot.

(b) Class B member(s) shall be the Declarant 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 at the election of the Declarant in its sole discretion, but in no event shall said Class B membership exceed 1) three years from the date of this Declaration or 2) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, whichever occurs first.

(c) Undeveloped, unrecorded phases do not vest in the Declarant any voting rights in that property until a subdivision plat for that phase is recorded.

5.4 Declarant Control of Common Areas/Creation of Lien and Personal Obligation of Assessments. The Declarant shall maintain the Common Area(s) until its Class B membership shall cease, or earlier at Declarant's election in its sole discretion. When Declarant's obligation to maintain the Common Area(s) shall cease hereunder, the Common Area(s) shall be turned over to the Association for maintenance, upkeep and repair.

The Association shall be authorized to levy annual and special assessments in accordance with the By-Laws of the Association. Upon the assumption of maintenance duties by the Association for the Common Areas, the Declarant, for each Lot owned within the Property, hereby covenants to pay any assessments; 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 any and all annual assessments and special assessments. 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.

5.5 Annual and Special Assessments. The initial annual assessment for 2006 shall be \$275.00 per Lot. Annual assessments after the initial assessment and special assessments for maintenance, repair or capital improvements shall be assessed and paid in accordance with the By-Laws of the Association.

5.6 Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. 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 law 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.

5.7. Improved Common Areas. Notwithstanding anything to the contrary contained hereinabove, the Association reserves the right to make improvements in, on, or around

the Common Area(s), provided that a majority of each class of members voting so desire. In that event the Association may set such rules and regulations pertaining to membership, financing, building, and use of such areas which shall be known as the Improved Common Area(s) and shall be entitled to regulate the use thereof by conferring membership upon those desiring to use such facility. The membership requirement shall, at a minimum, be that a member must be a Lot owner and must agree to pay such fees, assessments, and dues in addition to those levied for the Common Area(s) maintenance as may be levied under the By-Laws and to abide by such rules and regulations as may be passed by the governing body of the Association.

Before any improvement is undertaken, at least two-thirds (2/3) of each class of the members shall be required to approve the planned undertaking and at least fifty percent (50%) of each class of members shall be required to actually participate in the improvement. In no event shall any Owner be required to participate. The Owner's easement of enjoyment shall be the same as that for the Common Area(s) once they meet the requirements of the Association for membership in the Improved Common Area(s) facilities.

ARTICLE VI
Limitation of Liability of Declarant/ "As Is" Sale

6.1 Declarant's Actions as Member of Architectural Control Committee. The Declarant shall not be liable to any Owner with respect to the performance of its duties as a member of the ACC, including without limitation the denial of any application submitted to the ACC for the erection, construction or installation of improvements or landscaping on any Lot or the denial of any variance requested by an Owner. Each Owner, by accepting a Deed to his or her Lot, expressly waives any claim for damages against the Declarant for its acts or omissions, including decisions about the approval of plans and specifications or the interpretation and enforcement of any term, condition or covenant in this Declaration. Each Owner further acknowledges that any liability of Declarant for alleged negligent acts or omissions, or other wrongdoing, shall be limited to this Subdivision.

6.2 Assumption of Risk. Each Owner and their guests, invitees and licensees who engage in activities at the Subdivision including water-related activities expressly assume the risk of the inherent dangers of such activities and agree that the Declarant shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes or water courses at or near the Subdivision.

6.3 "As Is" Sale. Declarant makes no representations or warranties, whether express or implied, regarding the condition of the Property and any Lot. Each Owner has the obligation to determine any and all conditions of a Lot prior to purchase material to his or her decision to purchase the Lot. Each Owner acknowledges that Lots in the Subdivision are being sold **"AS IS, WHERE IS", and that Declarant DISCLAIMS ANY AND ALL WARRANTIES WITH RESPECT TO THE PROPERTY, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ANY WARRANTY OF**

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HABITABILITY OR WORKMANSHIP, EACH OF WHICH IS WAIVED BY OWNER.

6.4 Mediation and Arbitration. All claims or disputes arising out of this Declaration in any way, or arising out of the relationship of the parties to this Declaration shall be subject to mediation. If any claim or dispute is not resolved by mediation within sixty (60) of the submission of any such claim or dispute to mediation, then in that event the parties agree to submit any such claim or dispute to arbitration by a single arbitrator in Birmingham, Alabama in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association currently in effect. All disputes concerning the arbitrability of any claim or the enforceability of this provision shall be subject to the same binding arbitration. The parties shall bear equally the cost of arbitration, and each party shall otherwise bear their own costs. The arbitrator shall follow the law applicable to any claim or dispute submitted to binding arbitration hereunder and shall be empowered to award any damages or other relief which would be available under the law applicable to such claim or dispute. The arbitrator's ruling shall be final and binding and non-appealable and may be entered in any court of competent jurisdiction for enforcement. The parties acknowledge and agree that the transactions contemplated by this Declaration involve the use of interstate mails, roadways and commerce and/or involve interstate commerce, within the meaning of the Federal Arbitration Act, 9 U.S. C. Section 1, et seq

ARTICLE VII

Miscellaneous

7.1 Enforcement. The Declarant, Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, the restrictions, conditions and covenants in this Declaration. Failure to enforce any covenant or restriction shall not be deemed a waiver of the right to do so. Should an Owner fail, neglect or refuse to satisfy and discharge any lien arising hereunder within thirty (30) days, the Declarant and/or the Association shall have the right to collect interest on the liens at the rate of eight percent (8%) per annum and shall be entitled to receive all costs of collection, including reasonable attorney's fees.

7.2. Reservations by Declarant for Future Phases.

a) The Declarant reserves the right to set restrictions, covenants, and conditions on any future phase in the Additional Property, which said restrictions, covenants and conditions may be different than those applicable to the Subdivision. Declarant makes no representation or warranty as to the size, type or use of future phases. Each Owner acknowledges and understands that not only does ownership of a Lot subject the Owner to the restrictions, covenants, and conditions for that particular phase of which that lot belongs, but also requires the Owner to become a member of a Homeowners' Association, which shall be incorporated to control the use, development, maintenance

and improvement of the Common Areas without regard to the phase in which any particular lot lies.

Each Owner further acknowledges and agrees that not all of the common areas are being dedicated or deeded to the Homeowners' Association in this first phase and that as additional phases are developed in the Additional Property, common areas may be added as described in the restrictions, covenants, and conditions related to that particular additional phase. The Declarant may in its sole option allow owners of lots in phases in the Additional Property to use the Common Areas of this Subdivision. Nothing herein requires Declarant to develop additional phases.

b) Declarant reserves the right to grant easements and provide access so that phases in the Additional Property may tie into this Subdivision.

c) Declarant reserves the right to grant further easements for utilities and drainage facilities to serve the Additional Property in future phases.

7.3 Term. The restrictions, covenants and conditions contained herein shall run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-one (21) years. These covenants shall be automatically extended for successive periods of ten (10) years, unless a majority of the then current owners execute and record an instrument revoking or altering these covenants in whole or in part.

7.4 Modification. The Declarant reserves the right to amend or modify these covenants, restrictions and conditions until such time as ninety-five percent (95%) of the Lots are sold. Thereafter, a majority vote of the current owners of the Lots may amend this Declaration. An Owner shall be entitled to one vote for each lot he or she owns. In no event shall there be more than one vote cast with respect to any lot.

7.5 Notices. Any notices required to be given to any person under this Declaration shall be deemed to have been given when personally delivered or mailed postage prepaid to the Owner's dwelling on his or her respective Lot, or if mailed postage prepaid to the last known address of the Owner or principal place of business if a company. The effective date of such notice shall be the date said notice is personally delivered or postmarked, as the case may be. Any notice regarding liens, delinquent payments or fines for unpaid assessments shall be made in accordance with the By-Laws of the Association.

Notices to the Declarant shall be deemed given only when received and must be either hand delivered or mailed by certified or registered mail, postage prepaid, to the Declarant at: **Richard R. Randolph, IV, 6 Carla Circle, Birmingham, Alabama 35213.**

7.6 Construction of the Provisions of this Declaration. The Declarant and the ACC, where specifically authorized herein to act, shall have the right to construe and interpret the provisions of this Declaration, and in the absence of an adjudication by

arbitrators or a court of competent jurisdiction to the contrary, its construction or interpretation shall be final and binding as to all persons or property which benefit or which are bound by this Declaration. Any conflict between the Declarant and the ACC and that of any Owner or other person who may be entitled to enforce the provisions hereof, regarding the construction of this Declaration shall be resolved in favor of the Declarant and the ACC where applicable.

7.7 Governing Law. This Declaration shall be governed by the law of the State of Alabama.

7.8 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, Richard R. Randolph IV, managing member of Smith Lake Partners, LLC, which is the managing member of Clear Creek Partners, LLC, the Declarant, has hereunto set his hand and seal this 7 day of ~~May~~ ^{June}, 2006.

Richard R. Randolph IV, Managing Member
**Clear Creek Partners, LLC, an Alabama
limited liability company
By: Smith Lake Partners, LLC
Its: Managing Member**

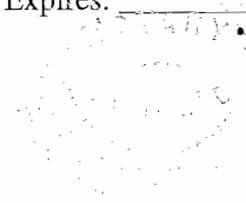
**By: Richard R. Randolph, IV
Its: Managing Member**

State of Alabama)
County of Jefferson)

I, the undersigned Notary Public in and for said County, in said State, hereby certify that **Richard R. Randolph IV** whose name as managing member of Smith Lake Partners, the managing member of **Clear Creek Partners, LLC**, an Alabama limited liability company, is signed to the foregoing Declaration, and who is known to me acknowledged before me on this day that, being informed of the contents of the conveyance, he, as such member/manager, and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal this the 7th day of ~~May~~ ^{June}, 2006.

Anne M. Stansell
Notary Public
Commission Expires: *My Commission Expires January 26, 2010*



Signature Page of Mortgagee

The undersigned, as Mortgagee under the Mortgage encumbering the real property identified in the foregoing Declaration of Covenants, Restrictions and Conditions of the Hidden Falls Subdivision, joins in the execution of the foregoing Declaration, for the purpose of establishing the validity of said Declaration.

REC-264 947

BDA Lands, Inc.



**By: Charles L. Bence
Its: President**

State of Alabama)
County of Jefferson)

I, the undersigned Notary Public in and for said County, in said State, hereby certify that Charles L. Bence, whose name as President of BDA Lands, Inc., signed to the foregoing declaration and who is known to me acknowledged before me on this day that, being informed of the contents of the declaration, 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 this the 5th day of June, 2006.

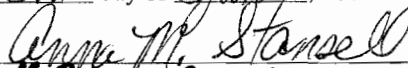

Notary Public
My Commission Expires January 26, 2010
Commission Expires: _____



EXHIBIT A

LEGAL HIDDEN FALLS SUBDIVISION, PHASE I

Lots 1-72, in accordance with Hidden Falls Subdivision final plat as recorded in the Office of Probate Judge of Winston County, Alabama, at value 3, page 132.

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EXHIBIT C

COMMON AREAS FOR HIDDEN FALLS SUBDIVISION, PHASE I

The common Areas include a park and playground on Lots 26 and 51, and access to a public dock on lot 52, once the dock is approved by Alabama Power Shoreline Management.

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