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## DECLARATION OF RESTRICTIVE COVENANTS

FOR

### PEARSON PLACE

KNOW ALL MEN BY THESE PRESENTS, that **COASTAL ENTERPRISES, INC.**, an Alabama Corporation, (the "Developer") is the owner of the real property situated in Mobile County, Alabama, and described as follows:

PEARSON PLACE, Lots 1 through 35, according to the plat thereof recorded in Map Book 111, Page 98, in the office of the Judge of Probate, Mobile County, Alabama.

does hereby fix, establish and declare the following restrictive covenants relative to the use and development of the specified lots in said Subdivision. These Restrictive Covenants shall be recorded in the Office of the Judge of Probate, Mobile County, Alabama.

#### RESTRICTIVE COVENANTS

1. PROPERTY COVERED: The real property which is and shall be held, conveyed, transferred, sold, used and occupied subject to the liens, charges, rights, limitations, conditions, covenants, reservations, easements, and restrictions with respect to the various portions thereof set forth in the various clauses and paragraphs of this declaration and the Restrictive Covenants contained herein, are Lots 1 through 35 PEARSON PLACE, as per plat filed for record in Map Book 111, Page 98, in the Office of the Judge of Probate, Mobile County, Alabama. The Developer, in its sole discretion reserves the right to submit additional property as well as withdraw property from the subdivision in its sole discretion.

2. PURPOSE OF DECLARATION: The purpose of this declaration is to insure the best use and most desirable development and improvements of the property for residential purposes only; to protect the declarant and future owners of lots against such improper use of the surrounding property as to depreciate the value of their property; to preserve, so far as practicable, the natural beauty of said property, to guard against the erection thereon of poorly designed or proportioned structures, or structures built of improper or unsuitable materials; and in general to protect and enhance the value or investments made by purchasers of lots therein.

3. USE: All lots in the tract shall be known and described as residential lots. No structure shall be erected, altered, placed or permitted to remain on any residential building lot other than one single-family dwelling not to exceed two and one-half (2 ½) stories in height, and a private garage for not more than three (3) cars, and other outbuildings incidental to residential use.

4. TYPE AND SIZE OF BUILDING: Each residence on lots one through twenty-three (1-23) shall have not less than Fifteen Hundred (1,500) square feet of air conditioned space. Each residence on lots twenty-four through thirty-five (24-35) shall have not less than Fourteen Hundred (1,400) square feet of air conditioned space. The ground floor of the main structure, excluding open porches and garages, shall not be less than Fifteen Hundred (1,500) square feet [for Lots 1-23] or Fourteen Hundred (1,400) square feet [for Lots 24-35] of air conditioned space in a one-story structure and Eight Hundred (800) square feet in the case of a one and one-half (1 ½), two (2) or two and one-half (2 ½) story structure. All material and workmanship must be equal to or exceed the minimum FHA and VA building requirements. Subject to the approval of the Architectural Control Committee one reasonable sized storage outbuilding shall be allowed provided the same is located to the rear of the residence, unless the circumstances indicate otherwise for the benefit of the entire subdivision.

No mill finish aluminum windows shall be allowed.

5. LANDSCAPING AND CONSTRUCTION REQUIREMENTS: Minimum landscaping requirements to include the front and side yard of each residence to be solid sod and shrubbery, plants, flowers or combination of to be installed to the front of the residence no less than the width of the dwelling. Landscaping is required to be completed prior to building occupancy. The owner of each lot shall, with respect to construction or other land-disturbance activity on such lot, be responsible for taking such measures as are required by ADEM and applicable laws and regulations related to preventing sediment or other pollutants and storm water run-off from leaving the construction site or associated areas. Immediate measures to control sedimentation include use of silt fences, staked hay bale rows, netting or mesh, rock filter check dams, etc. If necessary, small catch basins shall be constructed to control sediment run-off. Immediate measures to control erosion include applying hay mulch, seeding with temporary grass mix, hydro-seeding, reducing slopes, netting or mesh, cover with gravel or rock, etc. Long-term measures such as property grading and permanent re-vegetation shall be done as soon as possible.

6. BUILDING LOCATION: No building shall be located on any Lot nearer to front Lot line or nearer the side street line than the minimum set back lines, except that on corner Lots, one side of the house may be set back a lesser amount with the written approval of the Architectural Control Committee. No building shall be located on any Lot nearer than five (5) feet to the side Lot line; no building shall be located on any Lot nearer than ten (10) feet to the rear Lot line. For the purpose of this covenant, eaves, steps, porches and garages are considered as part of the building. The Architectural Control Committee shall have the power by majority vote to grant exceptions to these locations as it deems appropriate.

7. CONSTRUCTION PERIOD: Construction equipment access to the lot shall be limited to the permanent driveway location. Construction on any lot shall be completed within a reasonable time from date of the actual commencement of construction. Reasonable time, as used herein, shall mean the normal time consumed to construct a residence of similar design in similar subdivisions in the City of Mobile.

8. LOT AREA AND WIDTH: No residential structure shall be erected or placed on any lot, which lot has an area of, or width of, less than that shown on the original lots as platted and laid out on the recorded map of said subdivision, unless a subdivision or re-subdivision is submitted to and approved in writing by the Architectural Control Committee. Any re-subdivision shall be subject to all the provisions and requirements of all the Restrictive Covenants contained herein. An owner may construct a residence on two (2) adjoining lots provided the minimum building setback line requirements are satisfied.

9. GARBAGE AND REFUSE DISPOSAL: No lot shall be maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be kept in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean sanitary condition.

10. UTILITIES SERVICES EASEMENT: South Alabama Utilities and/or its designated contractor, successor, agent, servant, assignee, and its and their employees, has a utility easement for the installation, operation, and maintenance of water, sewer, and natural gas services as noted on the recorded subdivision plat, and also an easement, right and full permission to come onto any lot in the subdivision for any reason related to the installation, operation, and maintenance of the sewer collection system located on and provided for the benefit of the lot. No object, structure, or thing may be constructed on or place over, on top of, or near the utility easement, or the sewer collection system, consisting of the septic tank, septic tank pump, and septic tank lines, in such a way as to impede installation, operation, or maintenance efforts. Any object, structure, or thing so constructed or placed may be modified or removed by South Alabama Utilities and the cost of said modification or removal shall become a lien on the lot until paid by the owner. The lot owner is prohibited from installing a garbage disposal and from discharging grease into the sewer collection system. The sewer collection system is excepted from the property description and shall remain the property of South Alabama Utilities. This covenant is a running covenant, benefiting the lot, the other lots in the subdivision, the lot owners, and all successors, grantees, and assigns.

11. NUISANCES: No noxious or offensive trade or activity shall be carried on

upon any lot, nor shall anything be done thereon which may become an annoyance, or nuisance, to the neighborhood. No outside clothes lines shall be permitted in the Subdivision unless screened in such a manner as not to be visible from adjacent lots or streets. No satellite discs, nor any other type of television or electronic device, shall be constructed or installed on any lot without the prior explicit, written approval of the Architectural Control Committee. If the Committee approves the construction or installation of any such device, such approval may be conditioned as to its appearance, size and location. Under no circumstances shall such a device be permitted to be placed in the front yard of any lot.

12. TEMPORARY RESIDENCES: No trailers, basements, tent, shack, garage or other outbuildings, including mobile homes, erected or placed on any lot, shall be at any time used as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a residence. Motor homes, campers and/or trailers may be kept on a lot only if kept within a fully enclosed garage or under a carport or kept in the rear yard. No boat twenty-eight (28) feet in length or larger may be kept on a lot and all small boats must be kept on trailers in the rear yard, or within a garage or carport.

13. OIL AND MINERAL OPERATIONS: No oil equipment, drilling, oil development operation, oil refining, quarrying, mining or excavation operations of any kind shall be permitted upon or below any lot, nor shall oil wells, tanks, tunnels, mineral explorations or shafts be permitted upon or below any lot (except approved septic tanks).

14. SIGNS: No sign of any kind shall be displayed to the public view on any lot that is more than four (4) square feet; however, signs of the normal size used by a builder to advertise property during the construction and sale period are allowed.

15. ANIMALS: No animals or fowl shall be domiciled in the subdivision for commercial purposes. This shall not prohibit or limit the ownership of cats, dogs, or other pets (commonly classified as domesticated) for owner's pleasure, provided, however, ownership of domesticated animals shall not exceed four (4) in number of animals or combination of animals. None of said animals shall be allowed to create a nuisance to other owners.

16. FENCES, WALLS, HEDGES AND ORNAMENTAL STRUCTURES: No hedges or fence shall be located nearer the front property of any lot than the front of the dwelling on such lot and no wall or ornamental structure, other than one which is an integral part of the dwelling itself, shall be constructed upon any portion of any lot. All fences facing any public street must be made of wood.

17. ARCHITECTURAL CONTROL COMMITTEE: No building shall be erected, placed or altered on any lot in the Subdivision until each of the following shall be approved in writing by the Architectural Control Committee (the "COMMITTEE") which initially shall be composed of the Board of Directors of COASTAL ENTERPRISES, INC. and as may be changed from time to time: (a) building plans and specifications showing, among other things requested by the Committee or its representatives, the habitable area square footage and the front elevations, and (b) a plot plan showing the location of such building and the location, dimensions in accordance with the provisions contained in Paragraph 6 hereof. Any such written approval shall be by separate letter or by written notation on set of said building plans and specifications and plot plans. The responsibility for providing the above described information to the Committee before start of construction is solely upon the lot owner.

In the event of death or resignation of any member of the Architectural Control Committee, the remaining member or members shall have full authority to appoint a successor member and to approve and disapprove such design and location, or to designate a representative with like authority. In the event said Committee, or its designated representative, fails to give notice of approval or disapproval of such design and or location within thirty (30) days after said plans and specifications have been submitted to it, such approval shall be deemed to have been fully complied with. If such plans and specifications are disapproved, written notice of such disapproval shall be given to the submitting lot owner by hand delivery to such owner or be depositing same in U.S. Mail, properly addressed and postage prepaid. Neither the members of such Committee nor its designated representatives shall be entitled to any compensation for services performed pursuant to this covenant. The powers and duties of such Committee, and its designated representatives, shall cease on and after January 1, 2016. Thereafter, the approval

described in the covenants shall not be required unless, prior to said date and effective thereon, a written instrument shall be executed by the then record owners of a majority of lots in the Subdivision and duly recorded, appointing a representative, or representatives, who shall thereafter exercise the same powers previously exercised by said Committee. The Committee shall have authority to grant variances from the requirements contained within this Declaration where such variance would be in the best interest of the Property at the sole discretion of the Committee.

18. **PROPERTY OWNERS ASSOCIATION:** There has been formed a homeowners association called "Pearson Place Property Owner's Association, Inc." (the "Association") which has its articles of incorporation recorded at Real Property Book 6003, Page 1065 et seq. of the Mobile County, Alabama, Probate Court Records. The Association will hold title to any Common Areas (including, but not limited to, any detention area(s) located within the Common Areas). Among the purposes of such organization shall be the establishment of rules and policies with respect to the use and maintenance of all Common Areas and detention areas and facilities.

The Association's responsibilities shall include maintenance of landscaping and fencing of all Common Areas, maintenance of decorative lights within Common Areas, if any, and maintaining all Common Areas as shown on the recorded plat; and, to pay all costs (including utility charges) incurred in the maintenance and landscaping of said Common Areas. All lot owners in Pearson Place subdivision and all Lots within future units added, shall be members of the Association. The owners of Lots within future units of Pearson Place shall be members of the Association. Each owner of any Lot, and its heirs, successors, transferees and assigns, by acceptance of a deed to such Lot, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to abide by and be governed by the Articles of Incorporation of the Association and its By-Laws and to pay to the Association the following:

- a. Annual General Assessments as herein described; and,
- b. Special Assessments for capital improvements, repairs or other expenses which exceed the Annual General Assessment as described; and,

All such assessments, together with interest thereon and the costs of collection thereof, including a reasonable attorney's fee as hereinafter provided, shall be the personal obligation of such Lot owner and shall be a charge and a lien on each Lot and Improvements against which each such assessment is made.

Each year the Board of Directors of the Association shall estimate the cost of the maintenance of the Common Areas and such other expenses as it deems necessary for its operations. Such estimate shall be deemed the Annual General Assessment. The Annual General Assessment levied by the Association shall be used exclusively for the maintenance, repair, replacement, beautification, landscaping, property taxes and costs of operations of the Common Areas (including, but not limited to, the maintenance and repair of the Detention Area(s), other property owned by the Association, insurance (as determined by the Board of Directors for the Association), and, if any: irrigation systems, property signage and lighting (not maintained by public utility companies), and such other expenses related thereto as deemed necessary, such as, for example, the expense of clerical assistance incurred maintaining the records and operations of the Association.

From time to time, the Association may determine the cost of necessary capital improvements, major repairs and necessary expenses not provided for in the Annual General Assessment. Such costs shall be deemed a Special Assessment.

Except as hereinafter stated, each Lot of the said subdivision, whether improved or unimproved, shall be assessed its pro rata share of the Annual General Assessment and any Special Assessment in accordance with the formula set forth in the Articles of Incorporation of the Association. The following property, individuals, partnerships, or corporations subject to this Declaration shall be exempted from the assessments, charges and lien created herein: the Developer and its affiliated companies and its affiliated builders and any Lot(s) owned by the Developer and its affiliated companies and its affiliated builders. "Affiliated builders" are herein defined to be any home builder which purchases a Lot for the purpose of constructing thereon a residential home to be sold to a third-party purchaser.

Each Lot Owner, except as stated above, shall commence to pay the Annual General Assessment in the amount existing from time to time as determined by the Board of Directors upon the first event to occur of:

- a. First (1<sup>st</sup>) day of the month following the purchase of a completed home on a lot; or
- b. One Hundred Eighty (180) days after the purchase of a Lot by a purchaser who is not the Developer, or its affiliated companies or its affiliated builders.

Upon the first of the above described events occurring, the non-exempt Lot Owner(s) will then owe and pay to the Association a pro rata amount of the assessment then existing based upon the time remaining during which such assessment shall be in effect.

A vote of two-thirds of the Board of Directors of the Association shall fix the Annual General Assessment and any Special Assessment upon the basis provided above. The Board shall set the date each such assessment shall become due and may provide for the collection of the assessments in monthly, quarterly or annual installments, provided, however, that upon default in the payment of any one or more installments, the entire balance of said assessment may, at the option of the Board, in its sole discretion, be accelerated and declared to be due and payable in full.

The lien for unpaid assessments shall be effective from and after the time of recording in the Records of the Office of the Judge of Probate, Mobile County, Alabama, a claim of lien stating the Lot number, the name of the record owner, the amount due and the date when due. Such claim of lien shall include only sums which are due and payable when the claim of lien is recorded and shall be signed and certified by an officer of the Association.

Upon full payment of all sums secured by the lien, the party making payment shall be entitled to a recorded satisfaction of lien. All Association liens shall be subordinate to any lien for taxes, the lien of any mortgage of record any other lien recorded prior to the time of recording of the claim of lien filed by the Association.

Upon any voluntary conveyance of a Lot, the grantor and grantee of such Lot shall be jointly and severally liable to the Association for all unpaid assessments accrued up to the date of such conveyance without prejudice to the right of the grantee to recover from the grantor any such amounts.

Any Lot owner, prospective purchaser of a Lot, or holder of a mortgage or other lien on any Lot may, at any time, obtain from the Association a certificate showing the amount of unpaid assessments pertaining to such Lot. The Association shall provide such certificate within ten (10) days after request thereof. Any person, other than the Lot owner, at the time of issuance of any such certificate, may rely upon such certificate, and his liability for unpaid assessments shall be limited to the amounts set forth in such certificate.

Any entity, its successors and assigns, obtaining title to a Lot as a result of foreclosure of a first mortgage or vendor's lien shall not be liable for assessments which became due prior to the foreclosure. Such unpaid share of assessments shall be deemed to be an expense of the Association to be collected as part of a future Annual Assessment.

Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at a percentage rate established by resolution of the Board of Directors with notice of such rate to be given to each Lot owner in a manner to be designated by said Board.

The Association may bring an action at law against the owner personally or may foreclose the lien created by the terms hereof in accordance with the statutes and laws of the State of Alabama then in effect for the foreclosure of real estate mortgages and shall have the right to sell said property at public outcry at the front door of the Courthouse of Mobile County, for cash to the highest bidder, giving notice of the time, place and terms of said sale, together

with a description of said property to be sold, by an advertisement published once a week for three (3) consecutive weeks in a newspaper published in said county; to make proper conveyance to the purchaser in the name of the Lot owner; and the proceeds of said sale to apply first to the payment of the costs of said sale, including a reasonable attorney's fee; second, to the payment of the amount of said assessment whether due or not, with the unpaid interest thereon to the date of sale, and any amount that may be due the Association by virtue of the special liens herein declared; and, third, the balance, if any, to pay over to the said Lot owner. At any sale under the powers herein stated, the Association may bid for and purchase said property like a stranger thereto, and in the event the Association should become the purchaser at said sale, either the auctioneer conducting the sale of the Association may execute a deed to the Association in the name of the Lot owner.

Proceeding against the owner personally shall not be deemed a waiver of the right to foreclose the lien. No owner may escape liability for assessments provided for herein by the abandonment or transfer of such owner's Lot.

19. **LIABILITY:** Neither the Developer, the Committee, or the Association, its employees, agents or assigns, shall be liable to any Lot owner(s) in for (i) the manner in which it exercises or for its failure or refusal to exercise any right or authority herein granted to it, whether discretionary or not; (ii) for the failure or refusal of any Lot owner to comply with any of the provisions hereof; (iii) the failure or refusal of the Developer, the Committee or the Association to enforce any of the provisions hereof against any Lot owner, his Builder, agent or assigns. Nothing in this Declaration shall relieve or be interpreted as purporting to relieve any owner from also securing such approvals, certificates, or permits of any governmental agency or entity with jurisdiction as may be required by law as a condition to the commencement, construction, maintenance, addition, change or alteration to or of any improvement, and the Declaring may require that a copy of such approvals, certificates or permits be provided to the Developer as a final condition to any approval, or as additional assurance to the Developer that the proposed improvements and uses meet governmental requirements, or for both such purposes.

20. **ENFORCEMENT:** It is hereby stipulated that all of the aforesaid restrictions shall constitute covenants running with land, and that they are hereby created for the benefit of and shall be fully binding upon all persons and entities now and hereafter owning property in said Subdivision, and upon their heirs, successors, and assigns, including owners and their heirs and assigns, until modified or canceled as provided herein. The owners of any lot in said Subdivision shall have and is hereby granted the right to enforce compliance on the part of any other owner of any lot in said Subdivision, by whatever legal means may be available, with any or all of the restrictions herein contained and may recover damages to the extent suffered by such owner for the violation of such other owner of any or all of said restrictions. Neither the undersigned Owner nor its employees, agents or assigns or any of the persons comprising Owner as partners or their representatives, heirs, personal representatives, successors or assigns shall be liable to any lot owner or lot owners in the Subdivision for (i) the manner in which Owner exercises or fails or refuses to exercise any right or authority which said Owner may have or the failure or refusal of Owner to enforce any of the provisions hereof against any lot owner; or (ii) the failure or refusal of any lot owner to comply with or enforce any of the provisions hereof.

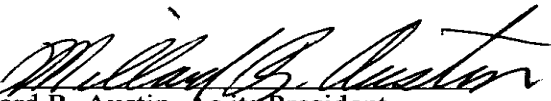
21. **DURATION OF RESTRICTIONS – AMENDMENTS:** The covenants, terms, conditions, restrictions, and limitations herein contained are to run with the land and shall be binding upon all parties and all persons claiming under them and shall inure to the benefit of, and shall be binding upon, each Lot owner, and upon each of their heirs, personal representatives, executors, administrators, grantees, successors, and assigns for a period of twenty (20) years from the date hereof (the "Primary Period") at which time said covenants, terms, conditions, restrictions, and limitations herein, unless otherwise herein specified, shall automatically be extended for an additional period of ten (10) years (the "Extension Period"). With the agreement of the Developer (for so long as the Developer is the owner of at least one (1) Lot in the Subdivision), by vote of not less than sixty percent (60%) of the then owners of the Lots, one (1) vote being allowed for each Lot, these covenants may be terminated or changed in whole or in part, but no change shall impose a burden or restriction on any Lot whose then owner does not join in such restriction. Execution of an instrument to such effect shall become effective when recorded in the Office of the Judge of Probate Court or Mobile County, Alabama. Nothing in this paragraph shall be deemed to limit the duration of, or permit the modification of, the easement herein described.

The Developer herein expressly reserves unto itself the sole and unilateral right to amend, modify, change, cancel, grant variances or annul, without vote of other Lot owners as stated above, and so long as Developer owns at least one (1) Lot in Pearson Place Subdivision, or subsequent Units, if any, such covenants, limitations and restrictions, in whole or in part, at any time during the pendency or term of same as existing may be amended, modified, changed, cancelled or annulled in accordance with the foregoing reservation. Such action on the part of the Developer is to be evidenced by instrument executed by a duly authorized officer of Developer and recorded in the Office of the Judge of Probate, Mobile County, Alabama.

22. **SEVERABILITY:** Invalidation of any of these covenants by judgment or court decree shall in no way affect any of the other provisions which shall remain in full force and effect.

IN WITNESS WHEREOF, Coastal Enterprises, Inc., an Alabama Corporation has caused the hereinabove restrictions to be executed by Millard R. Austin, president of Coastal Enterprises, Inc., an Alabama Corporation, on this 14 day of March, 2006.

Coastal Enterprises, Inc.  
an Alabama Corporation

BY:   
Millard R. Austin, As its President

STATE OF ALABAMA  
COUNTY OF MOBILE

I, the undersigned Notary Public in and for said County in said State, hereby certify that Millard R. Austin, whose name as President of Coastal Enterprises, Inc., an Alabama 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 said instrument, he, as such member and with full authority, executed the same voluntarily for and as the act of said company. Given under my hand and official seal this 14 day of March, 2006.

  
NOTARY PUBLIC  
My Commission Expires: 7/8/06

This Instrument Prepared by:

Jeanna D. Chappell  
Pierce Ledyard, PC  
P.O. Box 161389  
Mobile, AL 36616

State of Alabama-Mobile County  
I certify this instrument was filed on:  
July 11, 2006 @ 3:22:00 PM  
S.R. FEE \$2.00  
RECORDING FEES \$18.50  
TOTAL AMOUNT \$20.50

2006051353  
Don Davis, Judge of Probate