

STATE OF ALABAMA)

SHELBY COUNTY)

RESTRICTIVE COVENANTS

The following Restrictive Covenants shall apply to property presently owned by **Scott G. Holmes** located in Section 19, Township 19 South, Range 2 East Shelby County, Alabama, the legal description is attached hereto as Exhibit A, and a map of which is attached as Exhibit B (hereinafter the "Property").

Scott G. Holmes as owner of the Property, does hereby place the following restrictive covenants on the Property which shall inure to the benefit of him, his successors and assigns and which shall be enforceable by him, his successors and assigns, and owners of property surrounding the Property on the North, South, and East ("Deerwood Subdivision") who have made other agreements with Scott G. Holmes which will benefit the Property and are thereby entitled to rely on and enforce these covenants. Said covenants are set forth as follows:

1. The Property consists of approximately 2.5 acres. Said Property shall contain one (1) parcel or lot and may not be subdivided.
2. The maximum number of single family dwellings that shall be allowed on the Property shall be one (1). Any such dwelling must be at least one hundred (100) feet from any property now part of Deerwood Subdivision, but this restriction shall not apply to any future property which may later become part of Deerwood Subdivision and which may be contiguous to the Property. Mobile Homes are expressly prohibited on the Property.

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3. If, at any time, any new dwelling is constructed on the Property in place of the dwelling currently existing on the Property, other than by reason of involuntary destruction of the current dwelling, the minimum square footage of liveable space, i.e. that space which is heated and/or air conditioned, excluding such areas as decks, patios, screened-in porches, garages and the like of any such new single family dwelling shall be no less than 2,400 square feet for single level buildings and for two-level buildings, no less than 2,800 square feet. Any such dwelling shall have a suitable septic tank, which must be approved by the County Health Department as to size and location. Other than within the septic tank system and field lines, no polluted water shall be allowed or directed to flow toward any property within Deerwood Subdivision.

4. No other building shall be erected, altered, placed or permitted to remain on the Property other than:

- A. One detached outbuilding;
- B. One barn or stable for horses shall be allowed on the property whether divided or remaining as one parcel provided that the following conditions are met:
 - (i) any such stable, barn or fencing for such horses must be no closer than the farthest point of any dwelling on the Property from the access road connecting Old Highway 280 to Deerwood Subdivision ("Access Road");
 - (ii) any fencing shall be constructed of wood;
 - (iii) any drainage from any such stable, barn, paddock area, riding area, or other area commonly used by horses shall be directed away from any property now in Deerwood Subdivision, and any surface water from said area shall be discharged in a drainage basin which does not flow onto any property now within Deerwood Subdivision including the Access Road; and

(iv) at no time, shall any commercial use of such horses, barn, stable, paddock or other riding area be permitted.

C. One work-shop restricted to non-commercial use which shall be no closer than the nearest point of any dwelling on the Property from the Access Road.

5. The construction of any such structures described in Paragraph 3 and 4 above, other than construction resulting from the involuntary destruction of the current residence, shall be subject to (i) approval by the Architectural Committee of the Board of Directors of Deerwood Lake Land Company, which approval shall not be unreasonably withheld; and (ii) the Deerwood Lake Construction Rules (September 1995), attached hereto as Exhibit C.

6. No structures of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on the Property at any time as a residence either temporarily or permanently. When the construction of any building is begun, work thereon must be prosecuted diligently and must be completed within a reasonable time. No building shall be occupied during construction.

7. No noxious or offensive activity shall be carried on the Property, nor shall anything be done thereon which may be or may become an annoyance or nuisance to Deerwood Subdivision.

8. Access to the Property shall be restricted to use of the Easement granted the owner of the Property by that certain Grant of Non-Exclusive Perpetual Easement attached hereto as Exhibit D which Easement shall not be used for logging, heavy equipment, tractors, or any commercial activity. Nothing herein is intended to prevent use of such easement for ingress and egress associated with ordinary home maintenance and improvements or for moving into or out of structures on the Property.

9. The owner(s) of the Property shall contribute annual and special assessments as provided in the Bylaws of Deerwood Lake Land Company to provide for the maintenance and general up-keep of the Deerwood Lake Access Road. The annual fee shall be forty percent (40%) of the annual fee of residents and members of Deerwood Lake Land Company. Special Assessments relating to the Deerwood Lake Access Road shall be assessed on a pro-rata basis. The owner(s) of the Property shall contribute as a special assessment a pro-rata percentage of the price of construction of the access gate. Any garbage pick-up service provided by Deerwood Lake Land Company shall be included as part of the annual fee.

10. Use of the Property for commercial farming is prohibited.

11. These restrictions shall run with the land and be binding on Scott G. Holmes, his heirs, successors and assigns.

12. Any cost or expense, including attorney's fees, incurred in enforcing or determining the validity of the covenants contained herein, shall be borne by the non-prevailing party to such proceeding.

IN WITNESS WHEREOF, Scott G. Holmes has hereunto executed these Restrictive Covenants on this the 13th day of JUNE, 1996.

Scott G. Holmes
Scott G. Holmes

STATE OF ALABAMA
SHELBY COUNTY

I, the undersigned authority, a Notary Public, in and for said County and in said State, hereby certify that Scott G. Holmes 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 said instrument, he has executed the same voluntarily or the day the same bears date.

Given under my hand and seal this 13th day of June, 1996.

Regina H. Ellis
Notary Public
My Commission Expires: 8-6-97

This instrument prepared by:
Edward R. Christian
Burr & Forman
420 N. 20th Street
Suite 3000
Birmingham, Alabama 35203
Telephone: (205) 251-3000

Exhibit "A"

A tract or parcel of land lying and being in the SW 1/4 of the NW 1/4 of Section 19, Township 19 South, Range 2 East, and being more particularly described as follows:
Commence at the Northeast corner of the above 1/4-1/4 Section and proceed South 02 deg. 00 min. East along the East boundary of said 1/4-1/4 Section for a distance of 1003.8 feet to the point of beginning of property herein described, said point also being on the West side of a private road; thence continue South 02 deg. 00 min. East along the East boundary of said 1/4-1/4 Section and the West side of said road for a distance of 208.9 feet; thence South 66 deg. 00 min. West for a distance of 129.0 feet to a point on the waters edge of a private lake; thence North 75 deg. 23 min. West along said bank for a distance of 165 feet to a point; said point being 30 feet, more or less, North of the waters edge of said lake; thence South 89 deg. 14 min. West for a distance of 206.9 feet to a point; thence North 03 deg. 44 min. West for a distance of 208.7 feet to a point; thence North 88 deg. 22 min. East for a distance of 490.3 feet to the point of beginning; situated in Shelby County, Alabama.

BOOK 298 PAGE 518

STATE OF ALA. SHELBY CO.
I CERTIFY THIS
INSTRUMENT WAS FILED

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1	Deed Tax	\$ 4.50
2		\$ 5.00
3		\$ 3.00
4		\$ 1.00
5	Total	\$ 13.50

Exhibit "B"

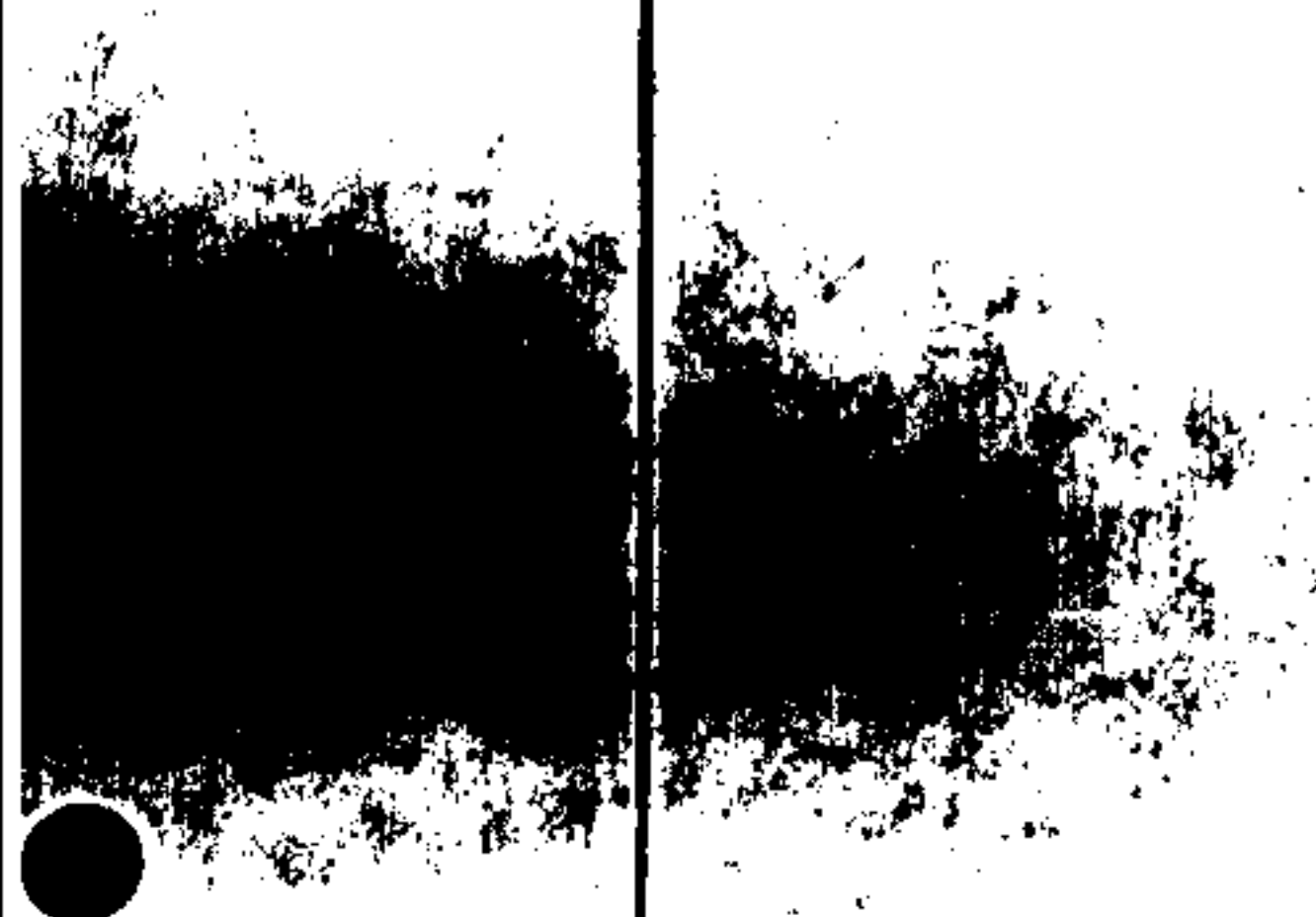


EXHIBIT "C"

Revised September, 1995

DEERWOOD LAKE CONSTRUCTION RULES SEPTEMBER, 1995

1. All construction plans must be approved by the Architectural Committee prior to beginning construction.
2. Deerwood Lake Rules must be obeyed at all times.
3. Vehicle speeds limits must be observed.
4. All construction sites must be kept clean and free of litter. All construction debris should be disposed of outside lake property.
5. Excess fill excavated from construction sites may, at the Board's discretion, be disposed of on site. The Architectural Committee should be contacted for approval and instructions.
6. All construction sites must be equipped with a telephone. A contractor's vehicle telephone is not sufficient. The phone number should be posted at the gate.
7. Construction workers should remain in the immediate area of their work. Adjacent houses and lots should not be visited.
8. No fishing by construction workers is permitted.
9. Any damage to the gate, roads or other common property must be promptly reported to the caretaker. The contractor and/or lot owner is responsible for the prompt repair of any damage. If the repairs are not promptly made, the lake Board of Directors will arrange for the repair and assess the cost to the lot owner.
10. Dump truck loads should be limited to 10 cubic yards.
11. Concrete trucks should be limited to loads of 6 cubic yards or less.
12. All construction shall be done in a manner to prevent erosion causing mud or silt from entering the lake. Silt fences must be used if required.
13. A cash bond in the amount of \$2,000 will be required for the construction of a residence. Lesser bonds may be (at the Board's discretion) required for other construction projects. The owner should give these monies to the treasurer, who will have it on deposit for the duration of the construction project. This bond is to assure that the contractor will promptly repair any damage to common property.

EXHIBIT "D"
EASEMENT TO HOLMES

Exhibit "D"

STATE OF ALABAMA)
)
SHELBY COUNTY)

GRANT OF NON-EXCLUSIVE PERPETUAL EASEMENT

KNOW ALL MEN BY THESE PRESENTS: That, the undersigned, Deerwood Lake Land Company (herein "Grantor"), in consideration for the execution of certain Restrictive Covenants by Scott G. Holmes ("Grantee") on certain land owned by Grantee and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell and convey unto Grantee and to its successors and assigns a perpetual, non-exclusive easement for vehicular and pedestrian ingress and egress, which easement runs with the land and may be conveyed by Grantee and which is located in Shelby County, Alabama and is more particularly described on Exhibit "A" attached hereto and incorporated by reference herein; provided, however that vehicular ingress and egress as contemplated here in shall be restricted to family, passenger or other similar vehicles and ingress and egress associated with ordinary home maintenance and improvements or moving into or out of structures on the Property. No heavy machinery or large construction type vehicles shall be permitted access pursuant to this easement.

TO HAVE AND TO HOLD said easement perpetually to the Grantee, and such Grantee's heirs, executors and assigns forever: Provided however that Grantee as well as Grantee's heirs, executors and assigns shall, at all times, comply in all respects with the restrictive covenants executed in consideration of this easement.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this _____ day
of _____, 1996.

GRANTOR:

DEERWOOD LAKE LAND COMPANY,
an Alabama non-profit corporation

By: _____
Its President

GRANTEE:

Scott G. Holmes

STATE OF ALABAMA)
)
SHELBY COUNTY)

I, the undersigned authority, a Notary Public, in and for said County and in said State, hereby certify that William C. Knight, Jr., whose name as President of Deerwood Lake Land Company, an Alabama non-profit corporation, 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 said instrument, he has executed the same voluntarily or the day the same bears date.

Given under my hand and seal this ____ day of _____, 1996.

Notary Public

My Commission Expires: _____

STATE OF ALABAMA)
)
SHELBY COUNTY)

I, the undersigned authority, a Notary Public, in and for said County and in said State, hereby certify that Scott G. Holmes 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 said instrument, he has executed the same voluntarily or the day the same bears date.

Given under my hand and seal this ____ day of _____, 1996.

Notary Public

My Commission Expires: _____

This instrument prepared by:
Edward R. Christian
Burr & Forman
420 North 20th Street, Suite 3100
Birmingham, AL 35203
(205) 251-3000

EXHIBIT A

Commence at the Northwest corner of the Northeast Quarter of the Northwest Quarter of Section 19, Township 19 South, Range 2 East, Shelby County, Alabama, thence run South along the West line of said Quarter - Quarter Section for a distance of 1197.85 feet to the North right of way line of Colonial Pipe Line said Point being the Point of Beginning; thence turn an angle to the left of 117 degrees 25 minutes 02 seconds and run in a Northeasterly direction for a distance of 77.88 feet to the East line of Deerwood Lakes Road; thence turn an angle to the right of 117 degrees 53 minutes 45 seconds and run in a Southwesterly direction 25 feet from and parallel to the centerline of said Deerwood Lakes Road for a distance of 1616.21 feet to a Point on a curve to the left having a central angle of 42 degrees 52 minutes 31 seconds and a radius of 166.01 feet; thence run in a Southeasterly direction 25 feet from and parallel to the centerline of said Deerwood Lakes Road along the arc of said curve for a distance of 124.23 feet to a Point; thence run tangent to last stated curve in a Southeasterly direction 25 feet from and parallel to the centerline of said Deerwood Lakes Road for a distance of 352.05 feet to a Point on a curve to the right having a central angle of 10 degrees 23 minutes 05 seconds and a radius of 575.22 feet; thence run in a Southeasterly direction 25 feet from and parallel to the centerline of said Deerwood Lakes Road along the arc of said curve for a distance of 104.26 feet to a Point; thence run tangent to last stated curve in a Southeasterly direction 25 feet from and parallel to the centerline of said Deerwood Lakes Road for a distance of 43.92 feet to a Point on a curve to the right having a central angle of 20 degrees 42 minutes 30 seconds and a radius of 298.66 feet; thence run in a Southeasterly direction 25 feet from and parallel to the centerline of said Deerwood Lakes Road along the arc of said curve for a distance of 107.94 feet to a Point; thence run tangent to last stated curve in a Southeasterly direction 25 feet from and parallel to the centerline of said Deerwood Lakes Road for a distance of 100.00 feet to a Point on a Curve to the right having a central angle of 38 degrees 32 minutes 10 seconds and a radius of 168.03 feet; thence run in a Southeasterly to Southwesterly direction 25 feet from and parallel to the centerline of said Deerwood Lakes Road along the arc of said curve for a distance of 113.02 feet to a Point; thence run tangent to last stated curve in a Southwesterly direction 25 feet from and parallel to the centerline of said Deerwood Lakes Road for a distance of 100.00 feet to a Point on a curve to the right having a central angle of 25 degrees 53 minutes 00 seconds and a radius of 242.58 feet; thence run in a Southwesterly direction 25 feet from and parallel to the centerline of said Deerwood Lakes Road along the arc of said curve for a distance of 109.59 feet to a Point; thence run tangent to last stated curve in a Southwesterly direction 25 feet from and parallel to the centerline of said Deerwood Lakes Road for a distance of 64.25 feet to a Point on a curve to the right having a central angle of 13 degrees 48 minutes 00 seconds and a radius of 438.18 feet; thence run in a Southwesterly direction 25 feet from and parallel to the centerline of said Deerwood Lakes Road along the arc of said curve for a distance of 105.54 feet to a Point; thence run tangent to last stated curve in a Southwesterly direction 25 feet from and parallel to the centerline of said Deerwood Lakes Road for a distance of 201.34 feet to the Northeast right of way of Old U. S. Highway 280; thence turn an angle to the right of 88 degrees 30 minutes 45 seconds and run in a Northwesterly direction along said right of way for a distance of 54.91 feet to a Point; thence turn an angle to the right of 24 degrees 34 minutes 17 seconds and run in a Northerly direction, for a distance of 2673.55 feet to the Point of Beginning.

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