

STATE OF ALABAMA}
COUNTY OF SHELBY}

DECLARATION OF PROTECTIVE COVENANTS
FOR HIDDEN RIDGE ESTATES

THIS DECLARATION OF PROTECTIVE COVENANTS (hereinafter referred to as the "Declaration") is made as of this 25th day of November, 1997, by William F. Spratlin, (hereinafter referred to as the "Developer"), who declares that the real property hereinafter described on Exhibits "A through D" and referred to as Hidden Ridge Estates, is and shall be held transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth (sometimes hereinafter referred to as the "Protective Covenants").

WHEREAS, the Developer is presently the owner of all of the real property described on Exhibits "A through D" located in Shelby County, Alabama.

WHEREAS, the Developer desires to establish and enforce uniform standards of development quality and to provide for the effective preservation of the appearance, value and amenities of real property herein described and for the maintenance and administration of certain areas thereof which benefit all owners of property therein and, to this end, desires to subject said real property, together with such additions thereto as may hereafter be made, to the Protective Covenants, all of which are for the benefit of the said real property and each owner thereof; and

WHEREAS, the Developer have deemed it desirable for the establishment and enforcement of uniform standards of development quality and the effective preservation of the appearance, value and quality and the effective preservation of the appearance, value and amenities to create a nonprofit corporation (sometimes hereinafter referred to as the "Association") to which should be delegated and assigned the powers of maintaining and administering certain areas thereof which benefit all owners of property therein and enforcing the Protective Covenants and of levying, collecting and depositing Declaration for that purpose; and

WHEREAS, the Developer has incorporated the Association under the laws of the State of Alabama, as a nonprofit corporation, for the purpose of exercising the aforesaid functions.

NOW, THEREFORE, the Developers declare that the real property described in Section 2.01 hereof, and such additions thereto as may hereafter be made pursuant to Section 2.02 hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the Protective Covenants, all of which shall be construed as and deemed to be covenants running with the land and shall be binding on and inure to the benefit of all parties having a right, title or interest in the said real property, as well as their heirs, successors, and assigns.

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SHELBY COUNTY JUDGE OF PROBATE
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CLAYTON T. SWEENEY, ATTORNEY AT LAW

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ARTICLE I
DEFINITIONS

The following words, when used in this Declaration (unless the context shall prohibit), shall have the following meanings:

1.01 "Association" shall mean and refer to Hidden Ridge Estates Owners' Association, Inc., an Alabama nonprofit corporation, as well as its successors or assigns. This is the Declaration of Protective Covenants to which the Articles of Incorporation (hereinafter referred to as the "Articles") as recorded in Instrument #1997- and By-Laws (hereinafter referred to as the "By-Laws") of the Association as recorded in Instrument #1997- make reference.

1.02 "Common Area" shall mean and refer to all real and/or personal property which the Association and/or the Developers own, leases, or has otherwise acquired for the common use and enjoyment of the members of the Association, and all real and/or personal property within or in the vicinity of the Property (hereinafter defined) in which the Association and/or the Developers have an interest for the common use and enjoyment of the members of the Association, including, without limitation, a right of use (such as but not limited to, easements for surface water collection and retention, and licenses to use recreational facilities). The use of the Common Area shall be restricted to park landscape, entry features, directional graphic system, drainage and retention, landscape medians, security, safety, pedestrian paths, roads, lighting, recreational facilities or any other use to which the Board of Directors of the Association may accede.

Developers agree that all of the Common Area, fee simple title to which may be owned or held by Developers, shall be conveyed to the Association not later than sixty (60) days after Developers relinquish control of the Board of Directors pursuant to Article Six of the Articles of the Association.

1.03 "Developers" shall mean and refer to William F. Spratlin or his successors or assigns if such successor or assign acquires any portion of the Property from the Developer and is designated as successor developer by William F. Spratlin.

1.04 "Institutional Mortgagee" shall mean and refer to any federal or state chartered bank, life insurance company, federal or state savings and loan association or real estate investment trust which holds a first mortgage or other first lien or charge upon any Lot or portion of a Lot or any interest therein which is of record in the Office of the Judge of Probate of Shelby County, Alabama.

1.05 "Lot" shall mean and refer, to the individual lots (as defined in the Subdivision Regulations of the Shelby County Planning Commission) as reflected on subdivision plat(s) for the Property as recorded in the Office of the Judge of Probate of Shelby County, Alabama, as the same may be amended from time to time. Any portion of the Property not included in the subdivision plat shall be considered a single Lot.

1.06 "Owner" shall mean and refer to one or more persons or entities who or which have fee simple title to any Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

1.07 "Property" shall mean and refer to all real property which is presently or may hereafter be subject to this Declaration.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION
ADDITIONS THERETO, DELETIONS THEREFROM

2.01 Legal Description. The real property which presently is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Shelby County, Alabama, and as described on Exhibits "A through D".

2.02 Additions to Property. Upon the approval in writing of the Association, the owner of any property who desires to subject it to this Declaration, may file a Supplementary Declaration to that effect in the Office of the Judge of Probate of Shelby County, Alabama. Such Supplementary Declaration may contain such complementary additions to and modifications of the Protective Covenants as the Association shall determine to be necessary or proper to reflect the different character, if any, of the additional property, provided they are not inconsistent with the general plan of this Declaration.

2.03 Withdrawals of Property. The Association may at any time or from time to time withdraw portions of the Property from this Declaration, provided only that the withdrawal of such portions of the Property shall not, without the joinder or consent of the Owners of Lots constituting over one-half (1/2) of the then existing acreage of the Property, increase by more than one-fourth (1/4) the share of Association expenses payable by the Owners of Lots which would remain subject hereto after such withdrawal. The withdrawal of Property as aforesaid shall be evidenced by filing in the Office of the Judge of Probate of Shelby County, Alabama, a Supplementary Declaration setting forth the portions of the Property to be so withdrawn.

2.04 Platting and Subdivision of the Property. The Developer shall be entitled at any time and from time to time, to subdivide, plat and/or re-plat all or any part of the Property, and to file subdivision restrictions and/or amendments thereto with respect to any undeveloped portion or portions of the Property.

ARTICLE III
EASEMENTS

3.01 Owner's Easement With Respect to Common Areas. Every Owner shall have a right and easement of enjoyment in and to all Common Areas.

3.02 Owner's Mutual Reciprocal, Non-Exclusive, Easement for Ingress and Egress and/or Utilities, Other Services and

Drainage. In the event that all of the Owners shall agree, they may elect to create, by having all affected Owners file a declaration in the Office of the Judge of Probate of Shelby County, Alabama, one or more mutual, reciprocal, non-exclusive easement(s) in favor of each Owner, in common with all other Owners, and their respective tenants, employees, guests, invitee, licensees, agents and contractors under, through and over such portions of the Property as are designated therein in order to: (1) permit vehicular and pedestrian traffic over, through and across such areas designated therein as may from time to time be paved and intended and designated for such purposes and use, and (2) install, maintain, use, repair and replace wires, pipes, conduits, utility lines, sewer and storm drainage lines and other services located or to be located on the Property. The use of each such easement may be made subject to such terms and restrictions as the Owners may agree and set forth in such declaration. In the event that all of the Owners shall agree, they may elect to have the Association maintain any such easement or easements.

3.03 Additional Easements and Uses. For so long as the Developer own any Lot, the Developer, and, thereafter, the Association, on its own behalf and on behalf of all Owners, who hereby appoint the Developers and/or the Association, as the case may be, irrevocably, as their attorney-in-fact for such purposes, shall have the right to grant such additional electric, telephone, water, sanitary sewer, landscaping, irrigation, security, maintenance, drainage, gas, cable television and/or other utility, recreational or service easements or facilities (subject to applicable restrictions), in any portion of the Property, and to grant access easements or relocate any existing access easements in any portion of the Property, as the Developers or the Association shall deem necessary or desirable for the proper operation and maintenance of the Property, or any portion thereof, or for the general welfare of the Owners, or for the purpose of carrying out any provisions of this Declaration, provided (a) such new easements or relocation of existing easements will not, in the opinion of the Board of Directors of the Association, unreasonably interfere with any Owner's enjoyment of the portion of the Property owned by such Owner, (b) any required work is done at the sole cost and expense of the Association, and after completing such work, the Association will restore any portion of the Property which was affected to the same or as good a condition as existed immediately before the commencement of such work, and (c) following the completion of such work, the Association shall cause a survey to be made of the easement showing its location on the Property and cause the same to be recorded in the Office of the Judge of Probate of Shelby County, Alabama. Such right of the Developers and/or the Association shall also include the right to provide for such simultaneous or concurrent usage of any presently existing or additional easements for such purposes, not infringing upon their stated purposes, as it may deem necessary or desirable, including, but not limited to, their use for the recreational purposes of the Owners, their respective tenants, employees, guests, invitee, licensees and agents.

3.04 Limitation. Any easements which may be created pursuant to this Article shall be appurtenant to and the benefits and burdens thereof shall pass along with the title to every Lot and are further subject to the following limitations:

(a) All provisions of this Declaration and the Articles and By-Laws of the Association;

(b) All rules and regulations governing the use and enjoyment of the Common Areas which have been or may hereafter be adopted by the Association; and

(c) All restrictions contained on any and all plats of all or any part of the Common Areas or any other part or parts of the Property.

3.05 Additional Documents. All Owners shall be required to execute such other documents as are necessary or convenient to effectuate the intent of this Declaration with respect to all easements which may be created pursuant to this Article.

ARTICLE IV HIDDEN RIDGE ESTATE OWNERS' ASSOCIATION, INC.

4.01 Every owner of a lot in Hidden Ridge Estates is subject to assessment and shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment and subject to the provisions of the Protective Covenants.

4.02 The Association shall have one (1) class of voting membership. The members shall be owners and shall be entitled to one (1) vote for each lot owned. When more than one (1) person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any lot. (See Article VII for rules governing voting.)

4.03 The initial annual assessment of Five Hundred and no/100 Dollars (\$500.00) to be paid for the maintenance of the common easement, entrance way, landscaping and any other deemed common area maintenance within the subdivision. The assessment will be due and payable to the Hidden Ridge Estates Owners' Association, Inc. will be prorated at the closing from the date of closing through December 31 and may be billed on a calendar basis each year thereafter or on such billing cycle as set by the Association. (See Article V for further details.)

ARTICLE V COVENANTS FOR MAINTENANCE ASSESSMENTS

5.01 Affirmative Covenant to Pay Assessments. Each Owner, by acceptance of a deed or other instrument of conveyance for a Lot, whether or not it shall be so expressed in any such deed or other instrument, including any purchaser at a judicial sale, shall be

obligated and hereby covenants and agrees to pay to the Association, in the manner set forth herein, all Assessments determined in accordance with the provisions of this Declaration.

5.02 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the preservation of the appearance, value and amenities of the Property, and in particular for the improvement, preservation, maintenance and administration of the Common Areas and of any easement in favor of the Association, and for the establishment of reserves therefore, as well as for such other purposes as are properly undertaken by the Association.

5.03 Annual Assessments. The Association shall levy Annual Assessments in such amounts as are necessary to meet the Common Expenses (as defined in Section VII below) and such other recurring or projected expenses as the Board may deem appropriate. The Assessment year for the Annual Assessment need not be the calendar year.

5.04 Special Assessments. In addition to the Annual Assessments specified in Section 5.03 above, the Association may at any time levy one or more Special Assessments for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, or expected or unexpected repair to or replacement of any of the Common Areas, including any fixtures and personal property related thereto.

5.05 Duties of the Board of Directors. The Board of Directors of the Association shall fix the amount of all Assessments, the date of commencement for each Assessment; and the due date of such Assessment, on a per Lot basis, at least thirty (30) days in advance of any such commencement date, and shall at that time, prepare a roster of the Lots and Assessments applicable thereto, which roster shall be kept in the office of the Association and shall be open to inspection by any Owner. Written notice of the amount of the Assessment, the commencement and due dates shall be sent to every Owner subject thereto not later than seven (7) days after fixing the date of commencement.

5.06 Date of Commencement and Due Date for Assessments.
The liability of a Lot for any Assessment shall commence on the date or dates (which shall be the first day of a month) fixed by the Board in the resolution authorizing such Assessment. The due date of any such Assessment (which may be different from the commencement date) shall also be fixed in the resolution authorizing such Assessment (but which need not be the first day of a month). Such Assessments shall be payable in advance in monthly, quarterly, semi-annual or annual installments, as so fixed in the resolution authorizing the Assessment.

5.07 Allocation of Assessment. The Board shall allocate a portion of each Assessment to each Lot in the proportion that each Lot bears to the total number of Lots within the Property (to the nearest one-thousandth).

5.08 Certificates Concerning Assessments. The Association shall, upon demand at any time, furnish to any Owner liable for any Assessment or his designee 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.

5.09 Liability of Owners for Assessments.

(a) No Owner may exempt himself from liability for any Assessment levied against his Lot by waiver of the use or enjoyment of any of the Common Areas, or by abandonment of the Lot or in any other manner except as provided in subparagraph (b) below.

(b) In the event that the Association elects to make certain Common Areas available for use by Owners on an optional basis, then any assessment for Common Expenses attributable to such Common Area shall be assessed against and allocated among the Owners who affirmatively elect to use such Common Area in the manner prescribed by the Board of Directors of the Association and those Owners who do not affirmatively elect to use such Common Area shall not be liable for any assessment for Common Expenses attributable to such Common Area. Unless otherwise agreed to in writing, an Owner may elect to discontinue his use of those Common Areas made available to Owners on an optional basis at any time by delivery of written notice to the Association in which event the Owner shall have no liability for any further liability for assessments for Common Expenses with respect to such Common Areas effective on the first day of the first calendar month commencing not less than thirty (30) days after deliver of such notice.

5.10 Effect of Non-Payment of Assessments: The Lien, the Personal Obligation; Remedies of the Association.

(a) If any Assessment or other charge or lien provided for herein is not paid in full on the due date set by the Board, then such Assessment charge or lien shall become delinquent on the thirtieth day thereafter, and together with interest thereon and cost of collection thereof as are hereinafter provided, thereupon become a continuing lien on the Lot encumbered thereby, and also the personal obligation of its Owner, his heirs, and his or its successors and/or assigns. The personal obligation of any Owner to pay such Assessment, however, shall remain his or its personal obligation and shall not pass to any successors or assigns unless expressly assumed by them.

(b) If any Assessment is not paid within thirty (30) days after the delinquency date, the Assessment shall bear interest from the date of delinquency at the highest interest rate allowed by law, and the Association may bring an action against the Owner personally obligated to pay the same and/or commence the foreclosure of the aforesaid lien against the Lot in like manner as a foreclosure of a mortgage on real property under the laws of the State of Alabama; and there shall be added to the amount of such Assessment the costs of preparing and filing the complaint in such action, and in the

event a judgment is obtained, such judgment shall include the aforesaid interest on the Assessment as above provided and reasonable attorneys' fees to be fixed by the court, together with the costs of the action. The lien granted to the Association shall further secure such advances for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien. Any person (except an Institutional Mortgagee) who shall acquire, by whatever means, any interest in the ownership of any Lot, or who may be given or acquire a mortgage, lien or other encumbrance thereon, is hereby placed on notice of the lien granted to the Association and shall acquire his interest in any Lot expressly subject to any such lien of the Association.

(c) The lien herein granted to the Association shall be perfected by recording a Claim of Lien in the Office of the Judge of Probate of Shelby County, Alabama, stating the description of the Lot encumbered thereby,, the name of its Owner, the amount due and the date when due. The lien shall continue in effect until all sums secured by it, as herein provided, shall have been fully paid. Such Claim of Lien shall include only Assessments which are due and payable when the Claim of Lien is recorded, plus interest, late charges, costs, attorneys' fees and advances to pay taxes, prior encumbrances and other proper charges together with interest thereon, all as provided herein. Such Claim of Lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such Claim of Lien, the same shall be satisfied of record. No sale or other transfer of a Lot shall relieve any Owner from liability for any Assessment due before such sale or transfer, nor from the lien of any such Assessment. The written opinion of an officer of the Association that any lien is subordinate to any given mortgage shall be deemed to be dispositive of that issue.

(d) The lien of any Assessments shall be subordinate to the lien of any Institutional Mortgagee bearing a recording date in the Office of the Judge of Probate of Shelby County, Alabama, prior to the date of recording the Association's Claim of Lien. Where an Institutional Mortgagee obtains title to a Lot as a result of foreclosure of its mortgage or where any Institutional Mortgagee or its designee accepts a deed to a Lot in lieu of foreclosure, such acquirer of title, its successors and assigns, shall not be liable for any Assessment pertaining to such Lot or chargeable to the former Owner which became due prior to the acquisition of title to such Lot, unless such delinquent Assessment was secured by a Claim of Lien recorded prior to the recordation of the Institutional Mortgagee's mortgage. Such unpaid Assessments shall be instead collectible from all Owners, including such acquirer, its successors and assigns. Nothing herein contained shall be construed as releasing the party liable for such delinquent assessments from the payment thereof or liability for the enforcement or collection thereof by means other than foreclosure.

(e) Any person who acquires an interest in a Lot, except an Institutional Mortgagee as specifically provided above, including,

but not limited to, persons acquiring title by operation of law or at a judicial sale, shall not be entitled to occupancy of the Lot or the use or enjoyment of the Common Areas until such time as all unpaid Assessments due and owing by the former Owner have been paid in full. Any party who has a contract to purchase a Lot, or who proposes to make a loan secured by a mortgage on a Lot, may, by written request, inquire of the Association whether the Lot is subject to any Assessments and the due date of any such Assessments and the amount of interest due on any delinquent Assessments and an authorized representative of such Association shall give the requesting party a written response, providing all such information, within ten days of the Association's receipt of such inquiry and such response shall be binding upon the Association. If the response is incorrect or if the Association does not make such response within said ten-day period, any such assessment shall not be an obligation of such purchaser or a lien on the Lot, but shall continue to be a personal obligation of the Owner of the Lot.

(f) The Association shall have the right to assign its Claim of Lien, and any other lien rights provided for in this Article; for the recovery of any unpaid Assessments to the Developers, to any Owner or group of Owners or to any third party.

5.11 Exempt Property. The Board of Directors shall have the right to exempt any portion of the Property from the assessments, charge and lien created herein, provided that such part of the Property exempted is used (and as long as it is used) for any of the following purposes:

(a) As an easement or other interest therein dedicated and accepted by the local public authority and devoted to public use;

(b) As Common Area as defined in Section 1.02 hereof;

(c) As Property exempted from ad valorem taxation by the laws of the State of Alabama, to the extent agreed to by the Association.

ARTICLE VI COMMON EXPENSES

The following are certain expenses with respect to the Common Areas which are hereby declared to be Common Expenses which the Association is obligated to collect by Assessment and which Owners are obligated to pay as provided in Article IV hereof. The enumeration below of these expenses shall in no way limit the Association from considering other expenses incurred in managing the Association or any part of the Common Areas and/or the Property as expenses subject to collection by Assessment.

6.01 Maintenance and Repairs of Common Areas. The cost and expense to keep and maintain the Common Areas in good and substantial repair and in a clean, attractive, and sanitary condition.

6.02 Management. The cost and expense of such (i) employees or agents, including professional management agents, accountants and attorneys, and (ii) materials, supplies and equipment as may be needed to provide for the management, supervision and maintenance of the Common Areas.

6.03 Fidelity and Directors' Insurance. Fidelity and Directors' Insurance covering all directors, officers and employees of the Association and all managing agents who handle Association funds, if any.

6.04 Enforcement Declaration and Rules and Regulations. All fees, costs and expenses, including attorneys' fees through all appellate levels, in connection with the Association's duty to enforce all of the Protective Covenants and other terms contained in or imposed by this Declaration, and all rules and regulations adopted pursuant to the Articles, the By-Laws or this Declaration.

ARTICLE VII MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

7.01 Membership. Every Owner, including the Developers, shall, for so long as it is an owner, at all times be a member of the Association. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot. Membership shall attach automatically upon the acceptance of delivery of the instrument of transfer of such ownership interest, provided that such instrument is promptly recorded in the Office of the Judge of Probate of Shelby County, Alabama, and a true copy of such recorded instrument is promptly delivered to the Association. Membership shall terminate automatically upon the tendering of delivery of an instrument of transfer of such ownership interest (provided such tender is accepted), or upon such ownership interest being divested in some other manner.

7.02 Voting. Subject to the restrictions hereinafter set forth, each member shall be entitled to one(1) vote for each Lot in which he holds the interest required for membership. When one or more persons hold such interest, all such persons may be members, and the vote(s) for such Property shall be exercised in the manner be cast with respect to any one Lot. There shall be no fractional voting. The votes of an Owner of more than one Lot cannot be divided for any issue and must be voted as a whole. Except where otherwise required under the provisions of this Declaration, the Articles or the By-Laws, the affirmative vote of Owners who own a majority of the total Lots of the Property that are represented at any meeting of member duly called, and at which a quorum is present, shall be binding upon the members. Voting may take place by proxy executed and delivered in the manner set forth in the By-Laws.

Notwithstanding the provisions of this Section 7.02, the Developers shall have the right to elect the members of the Board of Directors of the Association, and in the event of vacancies, the Developers shall fill vacancies, until such time as all Lots have been sold to owners other than Developers, or the Developers elect,

as their option, to terminate their control of the Association, whichever occurs first.

ARTICLE VIII
ARCHITECTURAL CONTROL COMMITTEE AND PLAN APPROVAL

8.01 The Architectural Control Committee shall consist of not more than three (3) persons. The ACC shall initially be comprised of William F. Spratlin. A majority of the Committee may designate a representative to act for it in the event of the death or resignation of any member of the Committee, the remaining successors shall have full authority to designate a successor. Neither the members of the Committee nor its designated representative, shall be entitled to any compensation for services performed pursuant to this covenant. Upon the (i) development of at least one hundred percent (100%) of the lots of the subdivision for single-family residential use by the construction thereon of a single-family residential dwelling in accordance with the terms hereof and (ii) occupancy of said dwelling units by individuals owner/tenant occupants, and then record owners of a majority of the lots shall have the power, through duly recorded written instrument, to change the membership of the Committee, or to withdraw from the Committee or restore to it any of its power and duties.

8.02 All plans for any structure of improvement whatsoever to be erected on or moved upon or to any lot, and the proposed location thereof on any lot or lots, the exterior construction material, the roofs, and any later changes or additions to the exterior of the buildings on any lot after initial approval thereof shall be subject to and require the approval in writing of the Committee before any work is commenced. Construction may not be started before receipt of a Letter Of Approval from the Committee, a copy of which must be signed by the Builder, or Owner, and returned to the Committee for retention.

8.03 Any remodeling, reconstruction, alterations or additions to the interior of any existing residence shall not require the written approval of the Committee, but shall comply with all restrictions and covenants.

8.04 One set of prints of the drawings (herein referred to as "plans"), for each house or other structure proposed to be constructed on each lot shall be submitted for review and approval or disapproval by the Committee. Said plans should be delivered to the office of Spratlin Construction Company, Inc. at 2232 Cahaba Valley Drive, Birmingham, AL 35242 at least (10) days prior to the beginning of construction. All plans must include the following: a list of proposed exterior materials and color selections including exterior paint samples. Only upon the submission of all reasonably requested plans in the manner set fourth above shall the Committee be deemed to have received the plans for the purposes of Section 8.05 hereof.

8.05 The Committee's approval or disapproval as required in these covenants shall be in writing. In the event the Committee, or

its designated representatives, fails to approve or disapprove submitted plans and specifications which have been submitted to it, within ten (10) business days after receipt of same, then such plans and specifications shall be deemed to have been approved by the Committee and the related covenants herein shall be deemed to have been fully complied with.

8.06 Neither the Committee nor any architect or agent thereof the Developer shall be responsible to check for any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing provisions, nor for any structural or other defects in any work done according to such plans and specifications. It is specifically understood and agreed that any approval given by the Committee as provided herein shall not be deemed any warranty, either expressed or implied, or approval by the Committee of the structural integrity or soundness of any structure to be erected upon any lot in the subdivision.

8.07 The undersigned reserve for themselves, their successors and assigns the right to use, dedicate and/or convey to the State of Alabama, to Shelby County and/or to the appropriate utility company or companies right-of-way or easement on, over, across or under the ground to erect, maintain and use utilities, electric and telephone poles, wires, cables, conduits, storm sewers, water mains and other equipment, gas, sewer, water or other public convenience or utilities on, in and over strip of land ten (10) feet in width along the rear property line of each lot and five (5) feet in width along each side line of each lot.

8.08 The undersigned, and only the undersigned, may include in any contract or deed thereafter made any additional covenants and restrictions that are not inconsistent with and which do not lower the standards of the covenants and restrictions set forth herein.

Prohibited construction. No construction on any lot shall be permitted or commenced until a building permit has been issued by the Shelby County Building and Inspections Department to the lot owner.

ARTICLE IX RESTRICTIONS

9.01 All lots in the tract shall be known and described as residential lots and shall be used for single-family residential purposes exclusively.

9.02 No structure shall be erected, altered, placed or permitted to remain on any residential building lot other than detached single-family dwellings not to exceed two and one half stories, and a private garage for not less than two cars. Permitted will be accessory structures (such as private garages, work shops, guest house, pool house, barns, stables customarily incidental to residential occupancy; provided that any accessory structure, stable or other structure housing livestock shall be constructed to the

rear of the single family residence and plans approved by the architectural committee. Accessory structures incidental to other permitted uses shall be located so as to conform to front, side and rear yard requirements established for such uses. Permitted will be horticultural and agricultural uses and gardens, greenhouses and structures incidental thereto, customary to residential occupancy provided no sales of products are made on the premises, but not including commercial animal or poultry farms and kennels.

9.03 The undersigned and his assigns shall be permitted to construct or place and maintain a structure and related facilities for use as a sales center for the marketing of real estate and a structure and related facilities for use as a construction office.

9.04 No building shall be located on any lot nearer than 100 feet to the front lot line. No building shall be located nearer than 80 feet to any side street line. For the purpose of this covenant, eaves, steps, and open decks or terraces shall not be considered as part of a building; provided, however, that this shall not be construed to permit any portion of a building, on a lot, to encroach upon another lot.

9.05 Each main structure of a residential building, exclusive of open porches, garages and basements shall meet the following size restrictions: 1 story houses shall have a minimum of 1800 square feet of heated area; no basement area can be considered finished are. 1-1/2 story houses shall have a minimum of 2000 square feet with a minimum of 1400 square feet, on the main level. 2 story houses shall have a minimum of 1000 square feet on each floor.

9.06 No lot may be subdivided into lots smaller than 2.5 acres with all subdivided lots having at least 200 feet of road frontage or in accordance with Shelby County Planning and Zoning requirements, whichever is greater.

9.07 No aluminum siding shall be permitted to be installed on the exterior of any structure or residential building constructed on a lot. However, aluminum windows will be permitted. All windows shall be of wood, aluminum or vinyl construction. The may be single hung, but must be double-paned.

9.08 No satellite, microwave dishes or television or radio antennas shall be placed on any lot in the subdivision which shall be visible from any street in the subdivision.

9.09 Wherever any curbs, gutters or sidewalks must be removed, such removal shall be done in a manner (saved or cut) to enable replacement to be in keeping with the balance of the curbs, gutters, and sidewalks.

9.10 No lot shall be cultivated for crops of any sort except for kitchen gardens of reasonable size, which must be located to the rear of any dwelling.

9.11 Chain link, wire or barbed wire fences may be constructed in the rear of the dwelling but shall not be constructed nearer to the front of the lot than the rear building line of the dwelling. Only wood or vinyl fences may be located along the front property lines. The design and materials to be used in fencing shall be approved, in advance, by the Architectural Control Committee.

ARTICLE X GENERAL REQUIREMENTS

10.01 It shall be the responsibility of each lot owner to prevent development or occurrence of any unclean, unsightly or unkept conditions of buildings or grounds on such lot which shall tend to decrease the beauty of the specific area or of the neighborhood as a whole.

10.02 No weeds, underbrush or other unsightly growth shall be permitted to grow or remain upon any part of the Property and no refuse pile or unsightly objects shall be allowed to be placed or allowed to remain upon any part of the Property, including vacant parcels. The undersigned reserves the right (after 10 days notice to the Owner) to enter any residential lot during normal working hours for the purpose of moving, removing, cleaning or cutting underbrush, weeds or other unsightly growth, or trash which, in the sole opinion of the undersigned, detracts from the overall beauty and safety of the subdivision and may charge the Owner a reasonable cost for such services, which charge shall constitute a lien upon such lot enforceable by appropriate proceedings at law or equity. This provision shall not apply to the undersigned or their assigns during the sales and development period, such sales period to be extended until the last lot is sold by the undersigned.

10.03 No animals, livestock, or poultry of any kind shall be raised, bred or kept on any lot, except dogs, cats or other household pets, nor more than one horse or head of cattle per two acres of pasture may be kept provided that they are not kept, bred or maintained for any commercial purposes. No cattle may be kept on the property unless the owner owns at least 20 acres of land. Cattle will be restricted to fenced areas located at the rear of the single family residence. Horses shall be allowed in fenced pastures anywhere on the property.

10.04 No noxious or offensive trade or activity shall be carried on upon any lot nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

10.05 No oil drilling, oil development operation, oil refining, quarrying or mining operations of any kind shall be permitted upon, 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.

10.06 No trash, garbage or other refuse shall be dumped, stored or accumulated on any lot. Trash, garbage or other waste

shall not be kept on any lot except in sanitary containers or garbage compactor units. Garbage containers, if any, shall be kept in a clean and sanitary condition, and shall be so placed or screened by shrubbery or other appropriate material approved in writing by the Committee as not to be visible from any road or waterway within eight distance from the lot at any time except during refuse collection. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted, except during the construction period.

10.07 No structure of a temporary character, or trailer, basement, tent or shack shall be used at any time as a residence, either temporarily or permanently. There shall be no occupancy of any dwelling, until the interior and exterior of the dwelling is complete.

10.08 No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between 2 and 6 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 25 feet from the intersection of the street line or in the case of a rounded property corner, from the intersections of any lot within 10 feet from the intersection of a street property line with the edge or a driveway or alley pavement. Trees shall be permitted to remain within such distances of such intersections provided the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

10.09 No sign of any kind shall be displayed to the public view on any lot except one professional sign of not more than two (2) square feet, one sign of not more than six (6) square feet advertising property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period. All signs shall comply with design specifications of the Architectural Control Committee. No signs shall be nailed to trees. These provisions shall not apply to the undersigned or his assigns during the sales period.

10.10 During all construction, all vehicles, including those delivering supplies, must enter the building lot on the driveway only as approved by the undersigned so as not to unnecessarily damage trees, street paving and curbs. Any damage not repaired by the contractor will be repaired by the undersigned (after 10 days written notice) and will be charged to the contractor (or Owner) at a reasonable cost for such services, which charge shall constitute a lien upon such lot enforceable by appropriate proceedings at law or equity. During construction, all builders must keep the house and lot attractive. Such debris will not be dumped in any area of the subdivision visible from the street.

10.11 All builders will be required to put slag in all temporary driveways and to erect silt fencing to prevent mud and additional dirt from getting from getting to the road in front of the property.

10.12 When the construction on any building is once begun, work whereon must be prosecuted diligently and continuously and must be completed within twelve (12) months.

10.13 Garage doors must be kept closed at all times except when garage is in use.

10.14 Outside air conditioning units may not be located in the front yard but must be located only on the side or rear as required. No window or wall units will be allowed.

10.15 No plumbing or heating vent shall be placed on the front of house, but only on the side or rear as required.

10.16 Any pools must have Architectural Control Committee approval.

10.17 No clotheslines for the purpose of hanging clothes/wash/laundry shall be installed, nor shall there be the hanging of clothes/wash/laundry on any lot where the hanging of said clothes/wash/laundry is visible from any street within the subdivision.

10.18 No concrete block foundation will be exposed on the front, rear or sides of residences constructed in this subdivision.

10.19 All dwellings shall have fully sodded yards except that a nature area may be created by approval of the Architectural Control Committee. Rear and side yards may be seeded. With respect to a corner lot, that portion of the side lot facing the street must be sodded to the rear building line of the dwelling. Sufficient landscaping shall be done to control erosion.

10.20 No free-standing basketball goal may be placed closer to the street than the rear building line of the house, unless approved by the Architectural Control Committee. Basketball goals may be affixed to the house above the garage entries only so long as the garage is a side entry garage.

10.21 All mail boxes will be wrought iron. They will be purchased from the developer. The purchase price and installation thereof will be incurred by either the purchaser or the builder.

ARTICLE XI

NATURE OF PROTECTIVE COVENANTS; DEFAULTS AND REMEDIES

11.01 Protective Covenants Running with the Land. The foregoing Protective Covenants shall constitute a servitude in and upon the Property and shall run with such Property and inure to the benefit of and be enforceable by the Developer, by the Association, and by any owner for a term of fifty (50) years from the date this Declaration is recorded, after which time the said Protective Covenants shall automatically be extended for successive periods of ten (10) years, unless an agreement, which has been signed by Owners

who own two-thirds (2/3) or more of the then existing Lots of the Property, agreeing to terminate or modify this Declaration has been recorded in the Office of the Judge of Probate of Shelby County, Alabama.

11.02 Default. Violation or breach of any of the Protective Covenants shall constitute a default hereunder. Any person given the right to enforce the Protective Covenants herein set forth may provide written notice thereof to any Owner (and any Institutional Mortgagee who or which has requested the same and provided to the Association an address for such notices).

11.03 Remedies for Default. The existence of any default which has not been cured within thirty (30) days of the notice specified above shall give the Developers, the Association, any Owner, in addition to all other remedies specified herein, the right to proceed at law or in equity to compel compliance with the terms of these Protective Covenants and to prevent the violation or breach of any of them.

11.04 Nature of Remedies; Waiver. All rights, remedies and privileges granted to the Developer, Association, and the Owners, pursuant to the provisions this Declaration shall be deemed to be cumulative, and the exercise of any one or more of them shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same, or any other party, from pursuing such other and/or additional rights, remedies, or privileges as may be available to such party at law or in equity. The failure at any point in time to enforce any covenant or restriction shall in no event be deemed a waiver of the right thereafter to enforce any such covenant or restriction.

11.05 Assignment. The Developer and/or the Association shall have the right to assign their respective rights to enforce these Protective Covenants. In the event of such assignment, the assignee shall have all the rights, remedies and privileges granted to its assignor under the provisions of this Article 11.

11.06 No Right of Reverter. No covenant, condition or restriction set forth in this Declaration is intended to be, or shall be construed as, a condition subsequent or as creating the possibility of reverter.

ARTICLE XII

AMENDMENT OF DECLARATION

12.01 Amendment By Developers. The Developer reserves the right unilaterally to amend this Declaration, and to do so at such time, and upon such conditions, in such form and for such purposes as it, in its sole discretion, shall deem appropriate by preparing and recording an amendment hereto, provided, however, that this right of unilateral amendment is subject to the limitations set forth in Section 12.02 hereof and provided, further, that right of

unilateral amendment shall expire after all the Lots have been sold to Owners, other than the Developer, after which time this Declaration may be amended only in the manner set forth in Section 12.02 below.

12.02 Amendment By Association.

(a) Amendment to this Declaration may be proposed by either the Board of Directors of the Association acting upon a vote of the majority of the Directors, or by the affirmative vote of members of the Association who own not less than a majority of the Lots, whether meeting as members or by instrument in writing signed by them. Upon any amendment or amendments to the Declaration being proposed by the said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association or, in the absence of the President, such other officer of the Association, who shall thereupon call a special meeting of the members of the Association for a date not sooner than twenty (20) days, nor later than sixty (60) days, from receipt by him of the proposed amendment or amendments and it shall be the duty of the Secretary to give each member written or printed notice of such special meeting, stating the time and place thereof, and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed not less than ten (10) days nor more than fifty (50) days, before the date set for such special meeting.

Such notice shall be given to any Institutional Mortgagee of record who requests such notices and provides an address therefor to the Association. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail, addressed to the member at his post office address as it appears on the records of the Association, the postage thereon being prepaid. Any member may, by written waiver of notice signed by such members waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. At such special meeting, the amendment or amendments proposed must be approved by the affirmative vote of members who own not less than two-thirds (2/3) of the total Lots of the Property in order for such amendment or amendments to become effective. Thereupon, such amendment or amendments to the Declaration shall be transcribed and certified by the President and Secretary of the Association as having been duly adopted and the original or executed copy of such amendment or amendments so certified and executed with the same formalities as a deed shall be recorded in the Office of the Judge of Probate of Shelby County, Alabama within twenty (20) days from the date on which the same became effective, such amendment or amendments to specifically refer to the recording identifying the Declaration. Thereafter, a copy of said amendment or amendments, in the form in which the same were placed of record, shall be delivered to all of the Owners, but mailing or delivering a copy thereof shall not be a condition precedent to the effectiveness of such amendment or amendments. At any meeting held to consider such amendment or amendments, the written vote of any member of the Association shall be recognized if such member is not

in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such meeting.

12.03 Restrictions on Amendment. Notwithstanding the foregoing provisions of this Article 12.

(a) No amendment shall materially adversely affect the rights of any Owner or group of Owners, unless such owner or all Owners so adversely affected shall consent thereto. For example, no amendment shall alter the basis for apportionment of assessments in a manner which could materially adversely affect any Owner or Owners, as opposed to other Owners, unless the Owner or Owners so adversely affected shall consent thereto.

(b) No amendment shall materially adversely affect the rights and priorities of any Institutional Mortgagees of record or change the provisions of this Agreement with respect to Institutional Mortgagees, unless all Institutional Mortgagees of record so adversely affected shall consent thereto .

(c) No amendment to this Declaration shall make any change in the qualifications of the membership nor in the voting or property rights of members, without approval in writing by all members and the joinder of all Institutional Mortgagees.

(d) No amendment to this Declaration shall abridge, limit, amend or alter the rights, privileges, powers or options of the Developers or any Institutional Mortgagee, as same are set forth in this Declaration, without the prior written consent of the Developers if it is so affected and/or any Institutional Mortgagee which is so affected.

(e) No amendment shall be made to this Declaration so long as the Developers own any Lot, unless the Developers shall consent thereto. Such consent may be withheld by the Developer for any reason or no reason at all.

12.04 Scrivener's Error. Notwithstanding the foregoing amendment provisions, any scrivener's error or omission may be corrected by the filing to an amendment to this Declaration consented to by the Board of Directors of the Association and any Owners or Mortgagees of record directly affected by the amendment. No other Owner is required to consent to any such amendment. If there appears to be any other omissions or errors in this Agreement, scrivener's or otherwise, and such error or omission does not materially adversely affect the rights and interests of any other party, then such error or omission may be corrected by the filing of an amendment to this Declaration executed by the Board of Directors of the Association without the consent of any other party.

IN WITNESS WHEREOF, the parties have duly executed this Amendment to the Declaration of Protective Covenants of Hidden Ridge Estates, on this _____ day of November, 1997.

DEVELOPER:

WILLIAM F. SPRATLIN

William F. Spratlin
William F. Spratlin

HIDDEN RIDGE ESTATES OWNER'S
ASSOCIATION, INC., an Alabama
Non-Profit Corporation

BY: William F. Spratlin
William F. Spratlin
Its President

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State hereby certify that William F. Spratlin, whose name 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 the above and foregoing instrument, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal on this the 25th day of November, 1997.

[Signature]
Notary Public

My Commission Expires: 5-29-99

STATE OF ALABAMA)
JEFFERSON COUNTY)

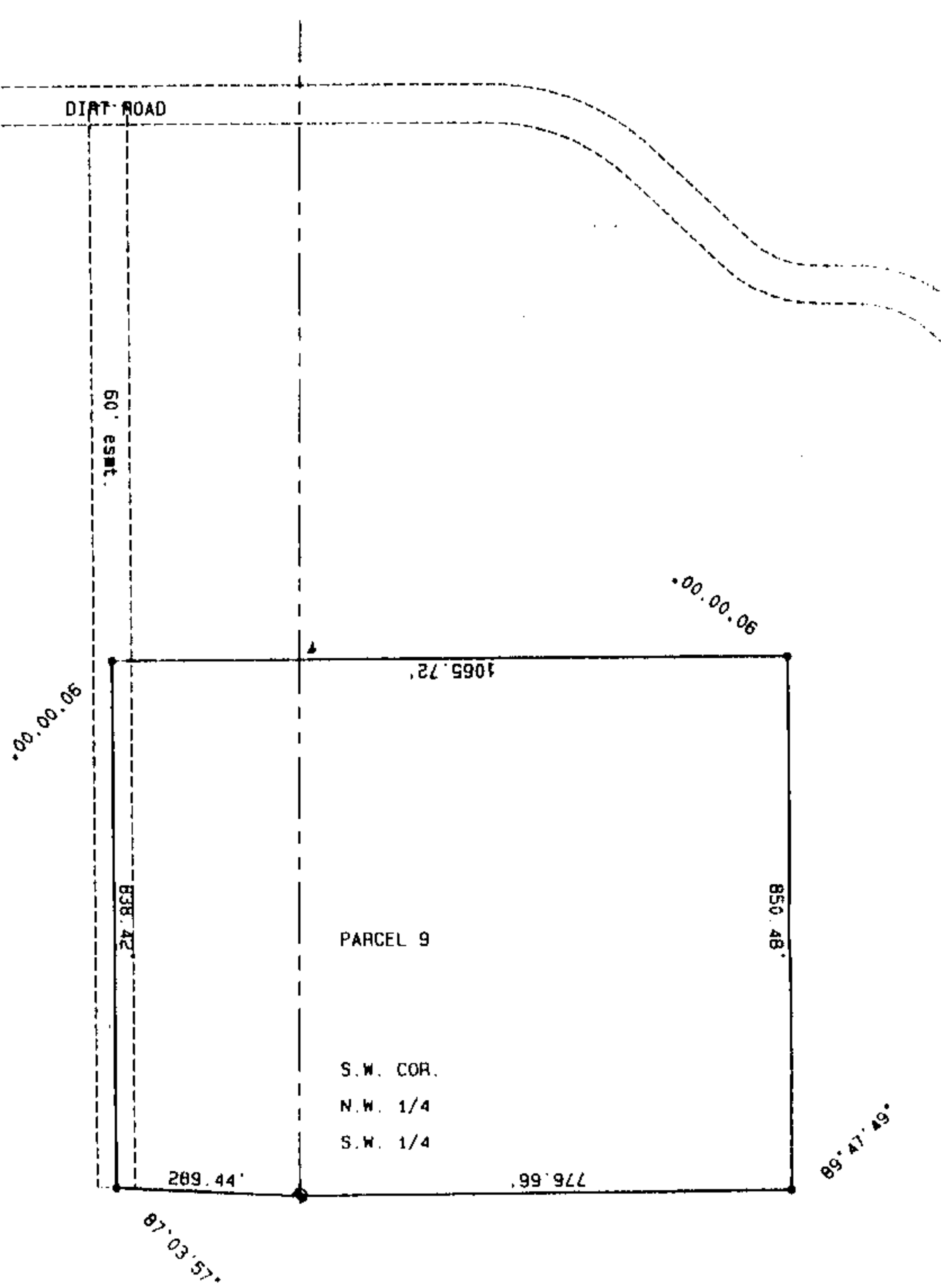
I, the undersigned, a Notary Public in and for said County in said State, hereby certify that William F. Spratlin, whose name as President of HIDDEN RIDGE ESTATES OWNER'S ASSOCIATION, INC., an Alabama Non-Profit Corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Give under my hand and official seal, this the 25th day of November, 1997.

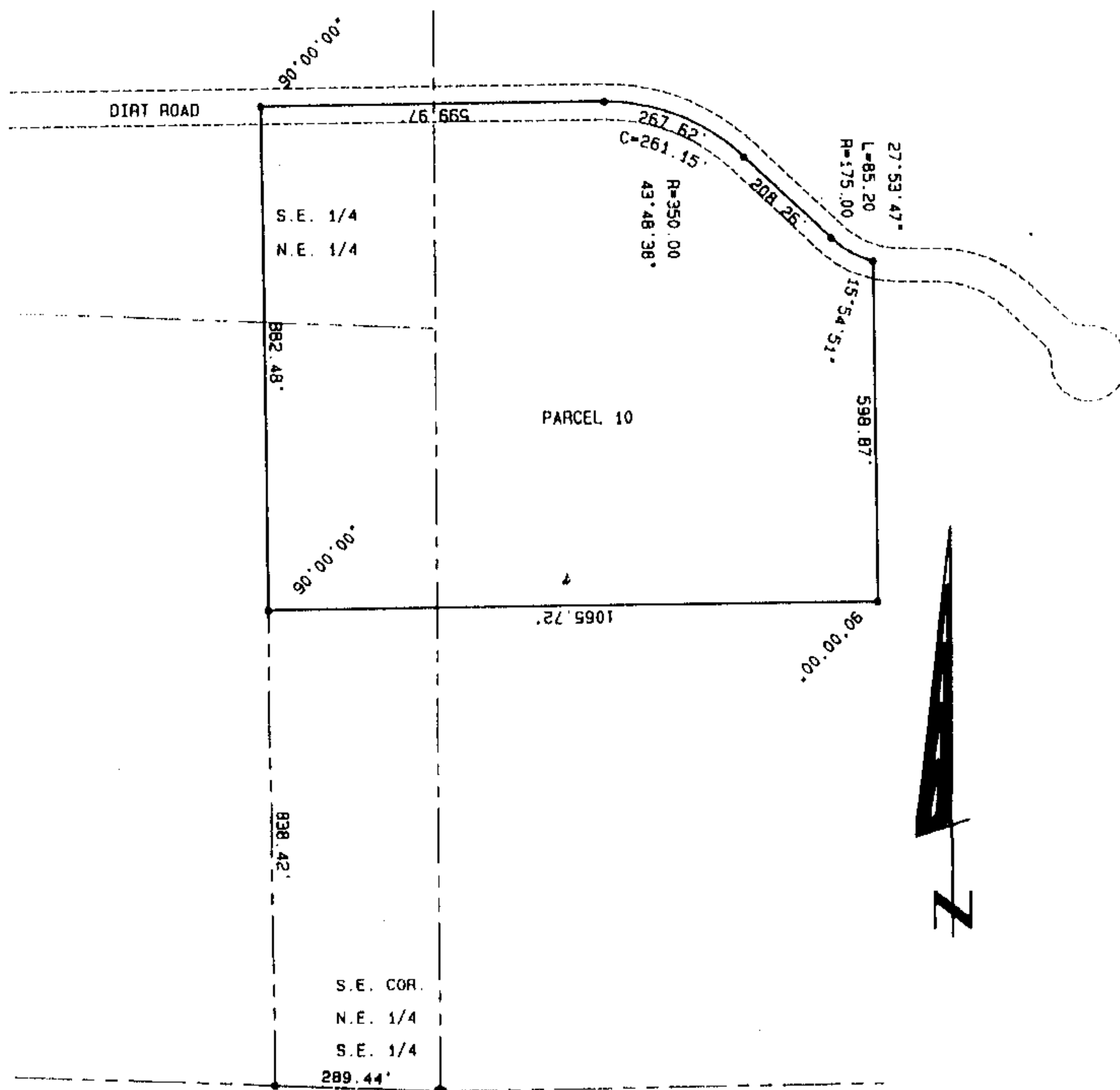

Notary Public

My Commission Expires: 5-29-99

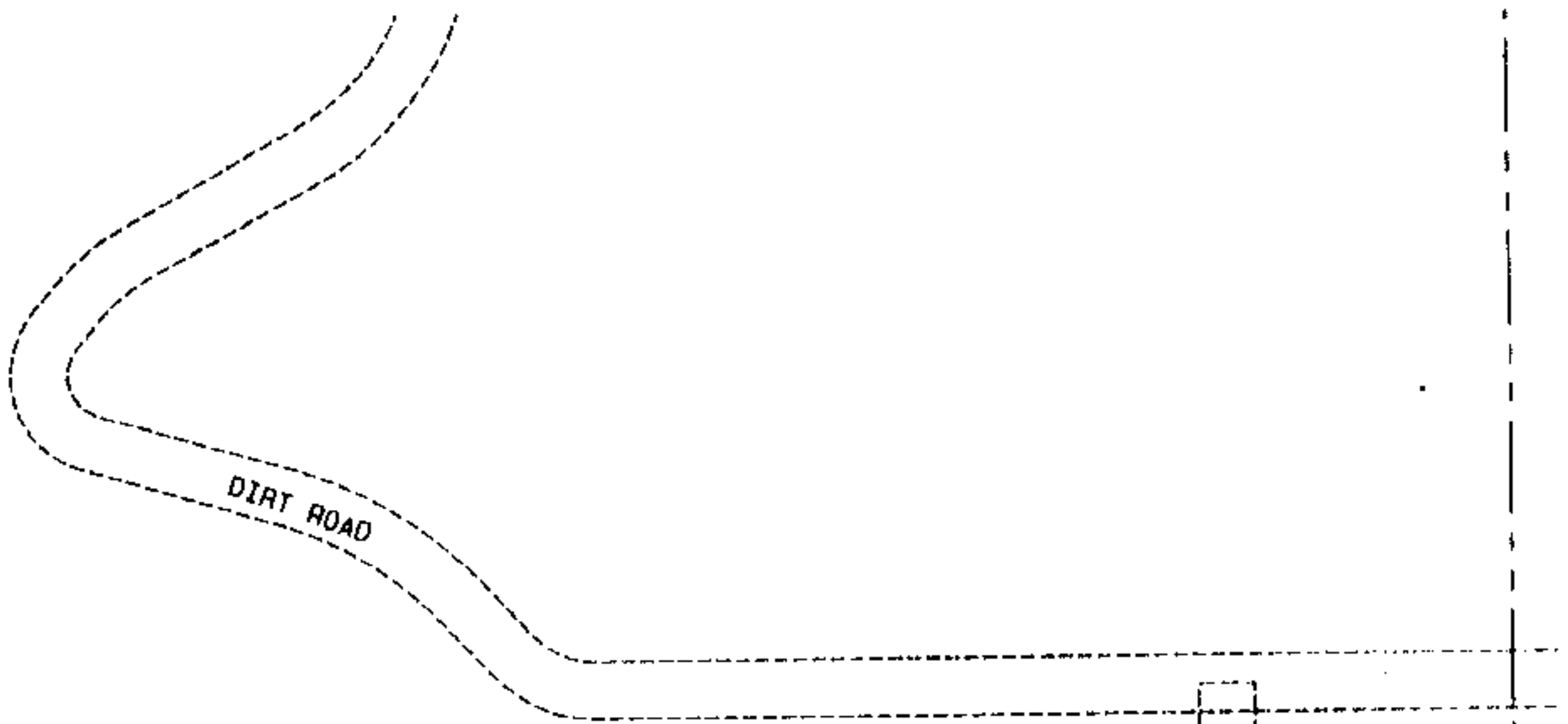
This instrument prepare by:
Clayton T. Sweeney
Attorney at Law
2700 Highway 280 East
Suite 290E
Birmingham, AL 35223



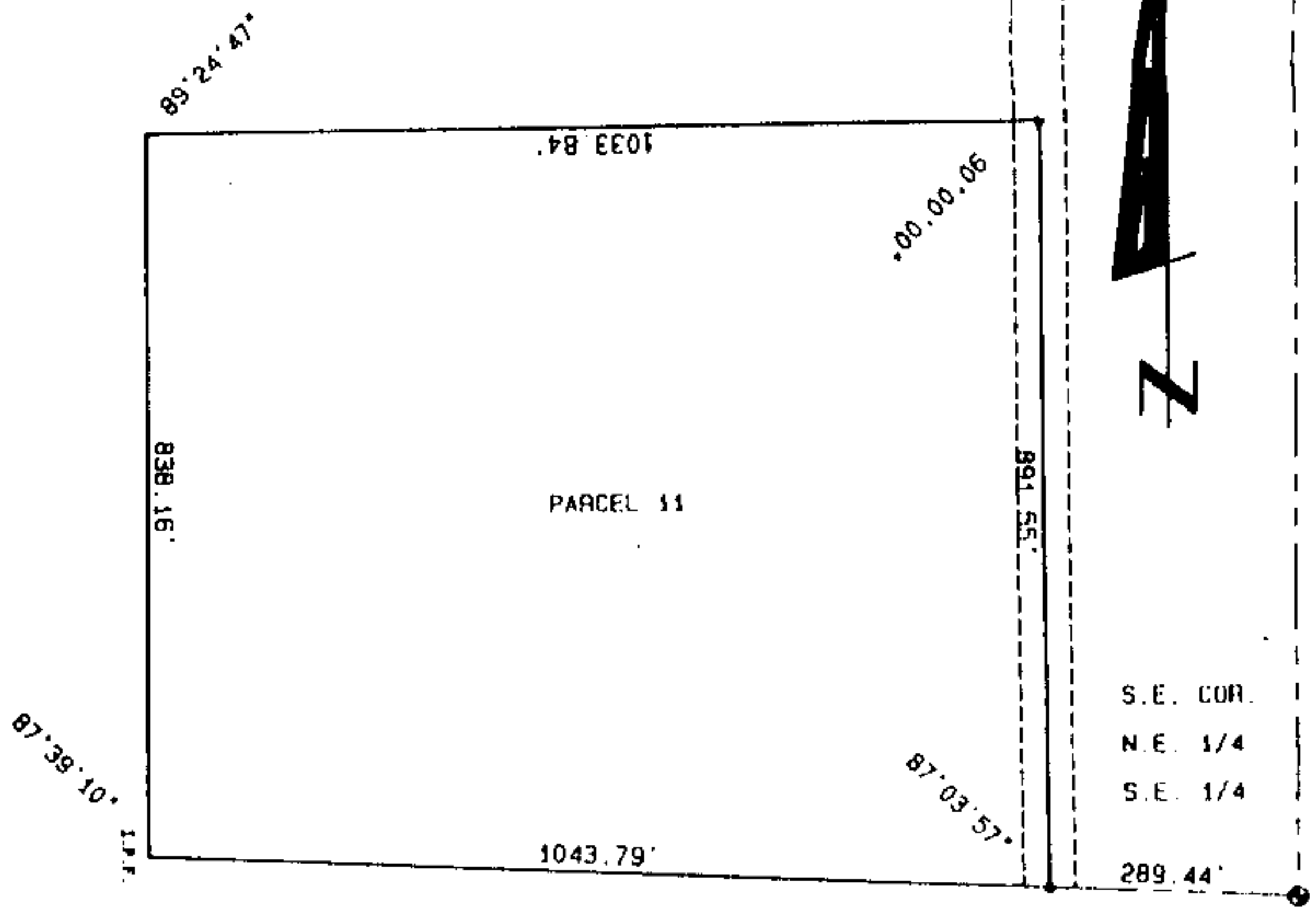
A parcel of land situated in the Northwest 1/4 of the Southwest 1/4 of Section 30, Township 20 South, Range 1 West, and also in the Northeast 1/4 of the Southeast of Section 25, Township 20 South, Range 2 West, Shelby County, Alabama, being more particularly described as follows: Begin at a crimped iron found at the Southwest corner of the Northwest 1/4 of the Southwest 1/4 of said Section 30; Thence run East along the South line of said Section 30 for a distance of 776.66 feet to a point; Thence turn an angle to the left of 89°47'49" and run in a Northerly direction for a distance of 850.48 feet to a point; Thence turn an angle to the left of 90°00'00" run in a Westerly direction for a distance of 1065.72 feet to a point; Thence turn an angle to the left of 90°00'00" and run in a Southerly direction for a distance of 838.42 feet to a point on the South line of the Northeast 1/4 of the Southeast 1/4 of said Section 25; Thence turn an angle to the left of 87°03'57" and run in a easterly direction along said 1/4 1/4 Section for a distance of 289.44 feet to the point of beginning. Said parcel 9 containing 20.8 acres more or less.

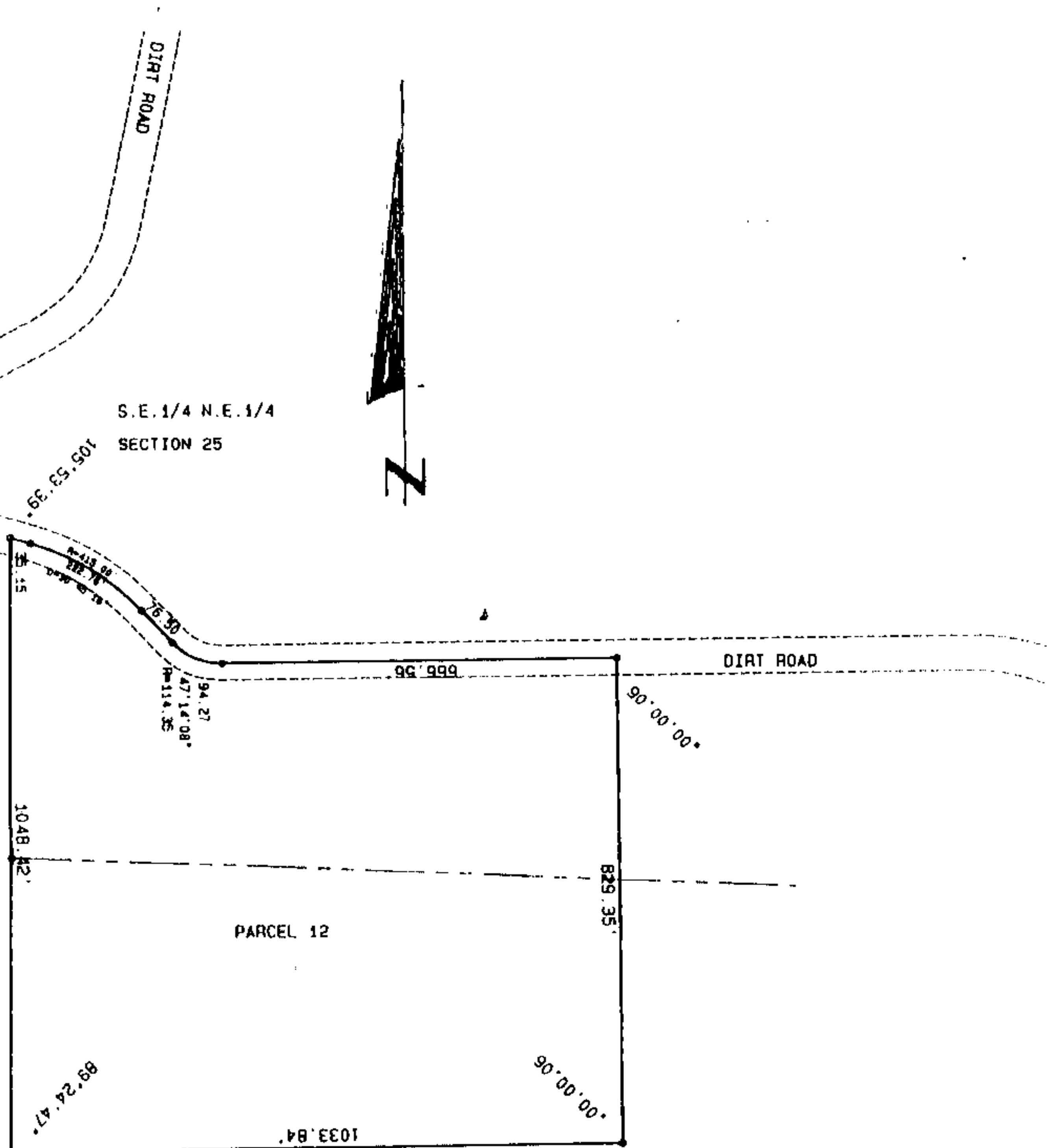


A parcel of land situated in the Northeast 1/4 of the Southeast 1/4 and the Southeast 1/4 of the Northeast 1/4 of Section 25, Township 20 South, Range 2 West and also in the Northwest 1/4 of the Southwest 1/4 and the Southwest 1/4 of the Northwest 1/4 of Section 30, Township 20 South, Range 1 West, Shelby County, Alabama, being more particularly described as follows: Commence at a crimped iron found at the Southeast corner of the Northeast 1/4 of the Southeast 1/4 of said Section 25; Thence run West along the South line of Said 1/4 1/4 Section for a distance of 289.44 feet to a point; Thence turn an angle to the right of 87°03'57" and run in a Northerly direction for a distance of 838.42 feet to the point of beginning; Thence continue along last stated course for a distance of 882.48 feet to a point on the center line of a road; Thence turn an angle to the right of 90°00'00" and run in an Easterly direction along the center line of said road for a distance of 599.97 feet to a point on a curve to the right having a central angle of 43°48'38" and a radius of 350.00 feet; Thence run in a Southeasterly direction along the arc of said curve and also along the center line of said road for a distance of 267.62 feet to a point; Thence run tangent to last stated curve in a Southeasterly direction along the center line of said road for a distance of 208.26 feet to a point on a curve to the left having a central angle of 27°53'47" and a radius of 175.00 feet; Thence run in a Southeasterly direction along the center line of said road for a distance of 85.20 feet to a point; Thence turn an angle to the left from the radius of last stated curve of 15°54'51" and run in a Southerly direction for a distance of 598.87 feet to a point; Thence turn an angle to the right of 90°00'00" and run in a Westerly direction for a distance of 1065.72 feet to the point of beginning. Said parcel 10 containing 20.4 acres more or less.



A parcel of land situated in the Northeast 1/4 of the Southeast 1/4 of Section 25, Township 20 South, Range 2 West, Shelby County, Alabama, being more particularly described as follows: Commence at a crimped iron found at the Southeast corner of Said 1/4 1/4 Section; Thence run West along the South line of said 1/4 1/4 Section for a distance of 289.44 feet to the point of beginning; Thence continue along last stated course for a distance of 1043.79 feet to the Southwest corner of said 1/4 1/4 Section; Thence turn an angle to the right of 87°39'10" and run in a Northerly direction along the West line of said 1/4 1/4 Section for a distance of 838.16 feet to a point; Thence turn an angle to the right of 89°24'47" and run in a Easterly direction for a distance of 1033.84 feet to a point; Thence turn an angle to the right of 90°00'00" and run in a Southerly direction for a distance of 891.55 feet to the point of beginning. Said parcel is containing 20.6 acres more or less.





A parcel of land situated in the Northeast 1/4 of the Southeast 1/4 and the Southeast 1/4 of the Northeast 1/4 of Section 25, Township 20 South, Range 2 West Shelby County, Alabama, more particularly described as follows: Commence at a crimped iron found at the Southwest corner of the Northeast 1/4 of the Southeast 1/4 of said Section 25; Thence run North along the West line of said 1/4 1/4 Section for a distance of 838.16 feet to the Point of Beginning; Thence continue along last stated course for a distance of 1048.42 feet to a point on the center line of a road; Thence turn an angle to the right of 105°53'39" and run in a Southeasterly direction along the center line of said road for a distance of 35.15 feet to a point on a curve to the right having a central angle of 30°45'16" and a radius of 415.00 feet; Thence run in a Southeasterly direction along the arc of said curve and also along the center line of said road for a distance of 222.76 feet to a point; Thence run tangent to last stated curve in a Southeasterly direction along the center line of said road for a distance of 76.50 feet to a point on a curve to the left having a central angle of 47°14'08" and a radius of 114.35 feet; Thence run in a Southeasterly direction along the arc of said curve and also along the center line of said road for a distance of 94.27 feet to a point; Thence run tangent to last stated curve in an Easterly direction along the center line of said road for a distance of 666.55 feet to a point; Thence turn an angle to the right of 90°00'00" and run in a Southerly direction for a distance of 829.35 feet to a point; Thence turn an angle to the right of 90°00'00" and run in a Westerly direction for a distance of 1033.84 feet to the point of beginning. Said parcel 12 containing 20.6 acres more or less.

Inst # 1997-42485

12/31/1997-42485
01:46 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
D25 MEL 68.50