

STATE OF ALABAMA)

SHELBY COUNTY)

RESTRICTIVE COVENANTS

The following Restrictive Covenants shall apply to property presently owned by **Sherwood Stamps** ("Stamps") 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").

Sherwood Stamps, 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 the owners of property surrounding the Property on the North, South, and West ("Deerwood Subdivision") who have made other agreements with Sherwood Stamps 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 sixty-eight (68) acres. Said Property may be divided into no more than three parcels, one of which shall consist of a minimum of twenty-five (25) acres which shall be located immediately adjacent to Deerwood Subdivision (hereinafter "Parcel One").
2. The owner of Parcel One, if accepted for Associate Membership by Deerwood Lake Land Company will enjoy the following limited privileges of other owners in Deerwood Subdivision:
 - A. the owner of Parcel One's access to all lakes of Deerwood Subdivision will be limited to fishing rights only and boating as hereinafter set forth.

- B. all boat, motor and other water craft requirements set forth in the Rules for Deerwood Lake, attached hereto as Exhibit C, shall be adhered to except that the owner of Parcel One shall be prohibited from the use of any pontoon boat on any Deerwood Subdivision Lake and shall also be prohibited from using any Lakes of Deerwood Subdivision for skiing, tubing or otherwise towing or pulling any person or object behind any boat;
- C. the owner of Parcel One shall have the right and privilege of storing any boat meeting the requirements of the Rules for Deerwood Lake, in the area designated by Deerwood Subdivision for boat storage
- D. the owner of Parcel One shall have the privilege of using the public boat launch maintained by Deerwood Subdivision, provided, however, that at no time shall the owner of Parcel One, dock, tie-up or otherwise leave unattended, any boat at the pier adjacent to such launch or any other private pier without the consent of the owner thereof.

3. Parcel One as well as the current and any subsequent owner of Parcel One shall hereafter be subject to the Deerwood Lake Construction Rules (dated September, 1995), restrictive covenants for Deerwood Lake Subdivision, Shelby County, Alabama (dated August 1, 1974, as revised April 30, 1984) and unsigned, undated Restrictive Covenants for Deerwood Lakes Subdivision, Phase II attached hereto as Exhibit D, all bylaws of Deerwood Lake Land Company (as amended through July 25, 1995), and Rules for Deerwood Lake (dated September, 1995) except that (i) farming shall be allowed so long as any such farming activity is not visible from Deerwood Subdivision and any and all drainage or surface water from such farming be directed and flow away from Deerwood Subdivision; (ii) fencing and stables for horses shall be allowed provided that the following conditions are met:

- A. there may be no commercial use of any horses or horse area. The use of horses is restricted to family or guests of the Owner of the Parcel One.
- B. any such stable for horses must be no closer than three hundred (300) feet from Deerwood Subdivision;
- C. any fencing within three hundred (300) feet of Deerwood Subdivision must be constructed of wood; and
- D. any drainage from any such stable, paddock area, riding area, or other area commonly used by horses shall be directed away from Deerwood Subdivision, and any surface water from said area shall be discharged in a drainage basin which does not flow into or in the direction of Deerwood Subdivision.

Because the owner of Parcel One may only become a non-voting Associate Member of Deerwood Lake Land Company, should the bylaws or Rules for Deerwood Lake be altered at any time in a manner that adversely affects the owner of Parcel One, the owner of Parcel One may elect not to be governed by such change. However, should the owner of Parcel One make such an election, all of the owner of Parcel One's fishing and boating rights hereunder shall cease. No other rights or privileges hereunder shall be affected.

Nothing contained herein shall, at any time, be construed to confer upon subsequent owner(s) of Parcel One the right to become an Associate Member of Deerwood Lake Land Company. However, with the exception of Paragraph Two (2), subsequent owner(s) of Parcel One shall, at all times, be subject, to the rules and restrictions contained herein.

Any subsequent owner(s) of Parcel One who becomes an Associate Member of Deerwood Lake Land Company shall contribute annual and special assessments as provided for Associate Members in the Bylaws of Deerwood Lake Land Company, as amended. If the owner of Parcel One is not accepted for Associate Membership in Deerwood Lake Land Company, annual and special assessments shall be assessed to the owner of Parcel One in the following manner: (i) the annual fee

shall be forty percent (40%) of the annual fee of residents and members of Deerwood Lake Land Company; and (ii) special assessments relating to the Deerwood Lake Access Road and to the ownership and maintenance thereof shall be assessed on a pro-rata basis.

4. Access to Parcel One shall be restricted to that to be selected by Sherwood Stamps and shall connect to the access road in the Deerwood Lake Subdivision; such access when determined and utilized shall be reduced to a plat and recorded in the Probate Office of Shelby County, Alabama, and upon such recording shall constitute an addendum to these covenants and be binding upon all parties hereto as set forth herein.

5. If the Property is divided, the owner or owners of that part of the Property not designated as Parcel One (hereinafter "Severed Property") shall not have the rights and privileges of the owner of Parcel One as set forth above and shall in no way be considered a member or Associate Member of Deerwood Lake Land Company unless the owner of the Severed Property is the same as the owner of Parcel One.

6. If the Property is divided, the Severed Property will not use the access through Parcel One as set forth in Paragraph 4. Access to the Severed Property will be through property presently owned by Leon Ashford located South and West of the Property.

7. If the Property is divided, the Severed Property shall be subject to the following:

- a. Any further subdivision will be limited so that the Severed Property will be divided into no more than two parcels.
- b. Any dwelling constructed on the Severed Property, whether on one parcel or two, shall conform to the following: the minimum ground floor area of the main structures exclusive of one story open porches and garages shall be no less than eighteen hundred (1,800) square feet on all one level buildings; on two level buildings, no less than twelve

hundred (1,200) square feet shall be on the main level, and no less than eight hundred (800) square feet shall be on the upper level.

- c. No more than one dwelling shall be placed on the Severed Property or on each parcel if the Severed Property is divided, except that a guest house or housing for family members may be constructed with the same requirements that Deerwood enforces.


8. If the Property is divided and ownership of Parcel One is different from any part of the Severed Property, these covenants will not automatically confer on the owner or owners of the Severed Property the right to be an Associate Member of Deerwood Lake Land Company; however, the provisions set forth in Paragraph Seven shall be applicable thereto.

9. At all times, Parcel One and the Severed Property, if any, shall maintain a separate water meter with Westover Water Works than that of Deerwood Subdivision.

10. These restrictions shall run with the land and be binding on Sherwood Stamps, his heirs, successors and assigns.

11. 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, _____ has hereunto executed these Restrictive Covenants on this the 17th day of May, 1996.

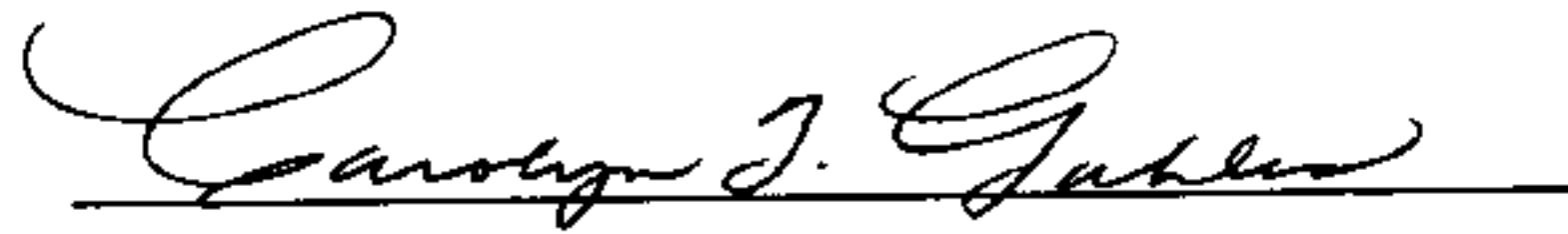


Sherwood Stamps

STATE OF ALABAMA
SHELBY COUNTY

I, the undersigned authority, a Notary Public, in and for said County and in said State, hereby certify that Sherwood Stamps 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 17th day of MAY, 1996.



Notary Public

My Commission Expires: 11-16-96

EXHIBIT "A"

LEGAL DESCRIPTION OF STAMPS PROPERTY

TRACT 1

Beginning at the N.W. Corner of the W.1/2 of the N.E.1/4 of Section 19 go South 00 Degrees 21 Minutes 29 Seconds East along the West Boundary of said W.1/2 of the N.W.1/4 of said Section 19 for 855.00 feet; thence North 89 Degrees 51 Minutes 18 Seconds East for 1284.85 feet to the East Boundary of the W.1/2 of the N.E.1/4 said Section 19; thence North 00 Degrees 35 Minutes 35 Seconds West along the East Boundary of the W.1/2 of the N.E.1/4 of said Section 19 for 855.00 feet to the N.E. Corner of the W.1/2 of the N.E.1/4 of said Section; thence South 89 Degrees 48 Minutes 57 Seconds West along the North Boundary of the W.1/2 of the N.E. 1/4 of said Section 19 for 1279.23 feet to the Point of Beginning, containing 25.2 Acres more or less.

TRACT 2

Commence at the N.W. Corner of the W.1/2 of the N.E.1/4 of Section 19 go South 00 Degrees 21 Minutes 29 Seconds East along the West Boundary of said W.1/2 of the N.W.1/4 of Section 19 for 855.00 feet to the Point of Beginning; thence continue South 00 Degrees 21 Minutes 29 Seconds East along the West Boundary of said W.1/2 of the N.W.1/4 of Section 19 for 1124.81 feet to the N.W. Corner of the S.W.1/4 of the S.W.1/4 of the N.E.1/4 of said Section; thence South 89 Degrees 38 Minutes 42 Seconds East along the North Boundary of said 1/4 - 1/4 - 1/4 Section for 645.10 feet to the N.E. Corner of said 1/4 - 1/4 - 1/4 Section; thence North 00 Degrees 21 Minutes 29 Seconds West for 700.00 feet; thence South 89 Degrees 38 Minutes 42 Seconds East for 640.84 feet to the East Boundary of the W.1/2 of the N.E.1/4 of said Section 19; thence North 00 Degrees 35 Minutes 35 Seconds West along the East Boundary of the W.1/2 of the N.E.1/4 of said Section for 436.49 feet; thence South 89 Degrees 51 Minutes 18 Seconds West for 1284.85 feet to the Point of Beginning; containing 23.0 Acres more or less.

TRACT 3

Beginning at the S.E. Corner of the W.1/2 of the N.E.1/4 of Section 19 go North 89 Degrees 38 Minutes 42 Seconds West along the South Boundary of said W.1/2 of the N.W.1/4 of Section 19 for 645.10 feet to the S.E. Corner of the S.W.1/4 of the S.W.1/4 of the N.W.1/4 said Section 19; thence North 00 Degrees 21 Minutes 29 Seconds West for 1359.93 feet; thence South 89 Degrees 38 Minutes 42 Seconds East for 640.84 feet to the East Boundary of the W.1/2 of the N.E.1/4 of said Section 19; thence South 00 Degrees 35 Minutes 35 Seconds East along the East Boundary of the W.1/2 of the N.E.1/4 of said Section 19 for 1360.45 feet to the Point of Beginning, containing 20.1 Acres more or less.

[illegible]

SCALE: 1 = 200

Exhibit "C"

September, 1995

RULES FOR DEERWOOD LAKE

THE BOARD HAS FULL AND COMPLETE AUTHORITY TO ENFORCE ALL OF THE RULES FOR MEMBERS OF DEERWOOD LAKE ASSOCIATION AND HAS THE SOLE DISCRETION TO ENFORCE THE RULES THROUGH ANY APPROPRIATE MEANS RANGING FROM A WRITTEN NOTIFICATION, ASSESSMENT OF FINES, OR ULTIMATELY EXPULSION FROM THE ASSOCIATION MEMBERSHIP.

1. The use of lake facilities will be restricted to the Stockholders and their immediate families. The Stockholders and their families are permitted to bring guests to the lake under the proper guidelines.

(a) Day Guests are permitted to visit a Stockholder's lot only if the Stockholder or a member of the Stockholder's immediate family is present.

(b) Stockholders or members of their immediate family may send overnight guests to their lot/house unaccompanied. Non-family overnight guest may use the Stockholders' boat for fishing purposes; however, no water skiing (water skiing is defined as traditional water skis, tubes, or other water toys pulled behind boats) is permitted by guests unfamiliar with our lake. The caretaker must be notified in advance of these unaccompanied guests.

2. The use of boats is permitted on both Deerwood and Turkey Hollow Lakes with the following provisions:

(a) All engines or motor driven boats operated on Deerwood Lake must be approved by the Board of Directors.

(i) Fishing or ski boat of approximately 16 feet in length, with an engine not exceeding 70 horsepower.

(ii) Pontoon boats of not more than 20 feet in length with an engine not exceeding 60 horsepower.

(iii) An exception to (i) above can be extended by a Stockholder to a guest with an unapproved engine and boat when the guest boat is used only for fishing and the boat is operated using the trolling motor only. The unapproved engine may be used only to launch and re-trailer the guest boat. A Stockholder may also wish to bring an unapproved boat from another location and use in the same manner as noted in the preceding for fishing purposes only.

(b) No hydroplane, jet ski, jet propelled, inboard, inboard/outboard or any other similar type of boat or vessel is permitted on either lake.

(c) All boats used on Turkey Hollow Lake will be powered by electric trolling motors.

(d) Each Stockholder is responsible to know and enforce all Alabama state boating laws, the safety of himself, his family, and any guest using the lake facilities.

3. Fishing is permitted on Deerwood Lake and Turkey Hollow Lake by all Stockholders, immediate family and guests, and the caretaker and his family.

Rules and regulations of the Alabama State Conservation Department shall apply to fishing on both Deerwood Lake and Turkey Hollow Lake. Under no circumstances shall trot lines, jug fishing or any commercial fishing apparatus be allowed.

Other fishing regulations that apply to both lakes are:

(a) No fishing permits will be issued to anyone.

(b) No fishing by any construction workers working on any home. If fishing continues after a warning is given by the Caretaker, or the Stockholder, those workers involved will be asked to leave the lake.

(c) Reasonable and sportsmanlike fishing practices are to be followed at all times.

(d) No game fish to be taken by any method other than pole and line, or rod and reel.

(e) Tuffy minnows are the only type of minnows to be used for fishing purposes in either lake (Indiana or shinner minnows are not to be used for fishing).

(f) Catfish may be harvested by use of catfish baskets in an effort to reduce the catfish population. Any game fish caught in these baskets shall be released.

4. Skiing is permitted on Deerwood Lake only and is subject to the following controls:

(a) Skiing is only to be conducted behind towing boats occupied by two or more persons, with one person being the spotter, and the driver of the boat older than 15 years of age.

(b) Skiing activities are restricted to the following scheduled hours and/or times:

(i) Skiing hours are as follows:

WEEKDAYS - 10:00 A.M. TO 7:00 P.M.

WEEKENDS & HOLIDAYS - 10:00 A.M. TO
5:00 P.M.

(ii) There will be no skiing or high speed boat operation after sunset at any time.

(c) Skiing between the overflow control valves and the dams is not permitted.

(d) Skiing is to be done in a counter clockwise direction.

5. Swimming is permitted in both Deerwood lake and Turkey Hollow Lake except as noted below:

(a) The Board of Directors reserves the right to restrict or totally prohibit swimming for good causes. Such causes as heavy fertilization of the lake(s) or other activities which would render swimming hazardous or dangerous to peoples' health, their safety and/or their welfare would justify such action.

(b) Swimming is restricted to within 100 feet of the boathouse, pier, or lake bank.

6. Pets are allowed on Deerwood Lake community property and Stockholders' lots. These animals must have had their annual rabies shots, and any other shots, etc., as required by the Association based on local outbreaks of animal carried diseases.

7. Boat houses are permitted to be built by Stockholders (See Restrictive Covenants-Land Use and Building Types). All boat houses, or any structure above normal dock surface level must be dug into the shore and flush with the water's edge. No boat house can be built that includes either a bathroom or built-in cooking facility until a primary living facility is built and occupied on any Stockholder's lot.

8. Docks are permitted to be built by Stockholders provided the dock does not extend more than sixteen (16) feet into the lake and the placement is not within 25 feet of the adjacent lot line without the specific approval of the adjacent lot owner. Plans for placement, and size of the dock to be constructed, must be approved by the Architectural Control Committee.

9. Satellite dishes are permitted to be located on Stockholders' lots. These are considered permanent structures and their placement is to be approved by the Board of Directors. No structure, including satellite dishes, are to be placed between the

Stockholder's house and the water's edge. Exceptions to this rule are to be granted on an as needed basis with the knowledge that Federal regulation prohibits local governing bodies from inhibiting citizen's rights of gathering electronic signals.

10. The use of go-carts and three wheeled or four wheeled motorcycle type vehicles and motorcycles is prohibited on the internal roadways and other community property. Motorcycles, however, may be used to come and go from the community property area.

11. No hunting of any kind is permitted on any community property, rights-of-ways or easements within the boundaries of Deerwood Lake Land Company, nor on any individual Stockholder's property.

12. The use of firearms is prohibited on all individual Stockholder's lots, rights-of-way, easements, and all common property within the boundary limits of Deerwood Lake Land Company except as specifically noted below:

(a) No person under 18 years of age shall have firearms in his or her possession on Deerwood Lake Land Company property, or that of an individual Stockholder's property, without the knowledge and accompaniment of a parent or guardian.

(b) Firearms are permitted for the limited purpose of killing snakes.

13. Temporary Signage.

(a) No real estate signs are permitted on any community property, including that property abutting Old 280.

(b) Party type signs, balloons, etc. are permitted on any individual or community property, but must be removed as soon as the event is concluded.

Both (a) and (b) are intended as security measures.

Exhibit "D"

RESTRICTIVE COVENANTS

FOR

DEERWOOD LAKE SUBDIVISION, PHASE II

SHELBY COUNTY, ALABAMA

WHEREAS, Deerwood Lake Land Company, an Alabama General Partnership, is the owner of certain real estate situated in Shelby County, Alabama, being all of the property set out and described in that certain map of Deerwood Lake Subdivision, Phase II, recorded in the Office of the Judge of Probate of Shelby County, Alabama, in Map Book _____, Page _____ (hereinafter sometimes referred to as the Subdivision); and

WHEREAS, the said Deerwood Lake Land Company desires to be subject to certain restrictions and limitations as to the use and ownership of all lots situated in the Subdivision.

NOW, THEREFORE, PREMISES CONSIDERED, the undersigned, Deerwood Lake Land Company, an Alabama General Partnership, does hereby adopt the following restrictions, conditions and limitations as to the use of the said property, which restrictions, conditions and limitations shall inure to the benefit of and shall be binding upon the use and ownership of all the lots situated therein.

LAND USE AND BUILDING TYPE: No Lot shall be used except for residential purposes. There may be no commercial or other use of any lots, or the rental of boats, or the granting of any fishing licenses, rights or privileges for any lots. No farming shall be allowed nor shall any stables or kennels be permitted on any lot.

No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single family dwelling, a private garage for not more than three cars, a boat house, a detached outbuilding, or a pier (which shall not extend more than sixteen feet beyond the shoreline at the normal lake level), all subject to the approval of the Architectural Control Committee as hereinafter provided. One or more lots may be utilized as a single building plot. An eighteen inch minimum culvert between the road and driveway must be established and maintained for each lot.

No lot may be subdivided into smaller lots or parcels, without the express written consent of the Architectural Control Committee and the owners of at least two-thirds of the lots in the Subdivision.

ARCHITECTURAL CONTROL: No building of any kind shall be erected, placed or altered on any lot until the construction plans

and specifications and a plan showing the location of the structure have been approved by the Architectural Control Committee as to quality of workmanship and materials, harmony of external design with respect to topography and finish grade elevation. A copy of said plans shall be left on permanent file with said Architectural Control Committee, and said house shall be built in general conformity therewith.

QUALITY AND SIZE: It being the intention and purpose of these covenants to assure that the requirements as to size of dwellings are maintained, 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, 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. Each dwelling shall have a suitable septic tank, which must be approved by the County Health Department as to size and location. Septic tank locations are tentatively located on the lot plat attached to your purchase documents. No polluted water shall be allowed to flow from any lot into either of the lakes.

BUILDING LOCATION: No building shall be located on any lot nearer than 25 feet to the side lines, without the express written consent of the Architectural Control Committee and the owners of at least two-thirds of the lots in the Subdivision. For the purpose of this covenant, eaves, steps and open porches shall not be considered as a 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.

DEERWOOD LAKE LAND COMPANY: All of the roads within or serving the Deerwood Lake Subdivision designated as Private Road R.O.W., Deerwood Lake and Turkey Hollow Lake, are reserved to Deerwood Lake Land Company, a non-profit corporation, which has exclusive control and authority over the use of said roads, lakes and dams, community property of Deerwood Lake, easements, and other property subject to flood and non-exclusive easement for access to the Subdivision, the docks and boat houses on the lakes, boating, fishing, swimming, and any other uses regarding the lakes. All lots are subject to the Articles of Incorporation, By-Laws and rules and regulations of the said Deerwood Lake Land Company as they presently exist and as they may from time to time be modified, altered or changed in any way.

Each and every owner of any lot located in the Deerwood Lake Subdivision, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree, for each lot owner, to pay to Deerwood Lake Land Company: (1) Annual Assessments, and (2) Special Assessments, such Assessments to be established, made and collected as provided for in the By-Laws of Deerwood Lake Land Company. The Annual and Special Assessments, together with interest thereon, costs of

collection thereof, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such Assessment, interest, costs and fees, shall also be the obligation of each individual lot owner at the time when such assessment became due and payable.

Each individual lot owner shall pay any and all utility fees, including water tap-on fees to the Westover Water System. The cost of the water service line from the meter to a dwelling will be paid by such lot owner.

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

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

FISHING: The privilege of fishing and use of Deerwood Lake and Turkey Hollow Lake shall be for the exclusive use of lot owners in this Subdivision, and their guests only.

MEMBERSHIP: The Architectural Control Committee is composed of the Board of Directors of Deerwood Lake Land Company. A majority of the Board may designate a representative to act for it. Neither the members of the committee, nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant.

PARK AREA: That certain area designated as Turkey Hollow Park on the recorded map lying Northerly of Lot 26 and bounded by Deerwood Lake and the road right-of-way is set aside and designated for the exclusive use of Lots 35, 36, 37, 38, 39 and E-3 for access to Deerwood Lake. Piers and boathouses may be constructed by the owners of the foregoing lots with the approval of the Architectural Control Committee as provided herein.

PROCEDURE: The Committee's approval or disapproval as required in these covenants shall be in writing. In the event the Committee or its designated representative fails to approve or disapprove within thirty days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

TERM: These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-five years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten years unless an instrument signed by a majority of the then owners of the lots has been recorded, agreeing to change said covenants in whole or in part.

AMENDMENT: The Architectural Control Committee reserves the right to amend or alter these covenants at such times as it is deemed in the best interest of the property owners.

ENFORCEMENT: Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain violation or to recover damages.

SEVERABILITY: Invalidation of any one of these covenants by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

IN WITNESS WHEREOF, Deerwood Lake Land Company, an Alabama General Partnership, has caused these presents to be executed by its general partners on this the _____ day of _____, 1995.

DEERWOOD LAKE LAND COMPANY,
an Alabama general partnership

By: _____
General Partner

By: _____
General Partner

By: _____
General Partner

WITNESS:

Inst # 1996-16595

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316666.

05/22/1996-16595
11:32 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
016 MEL 47.00