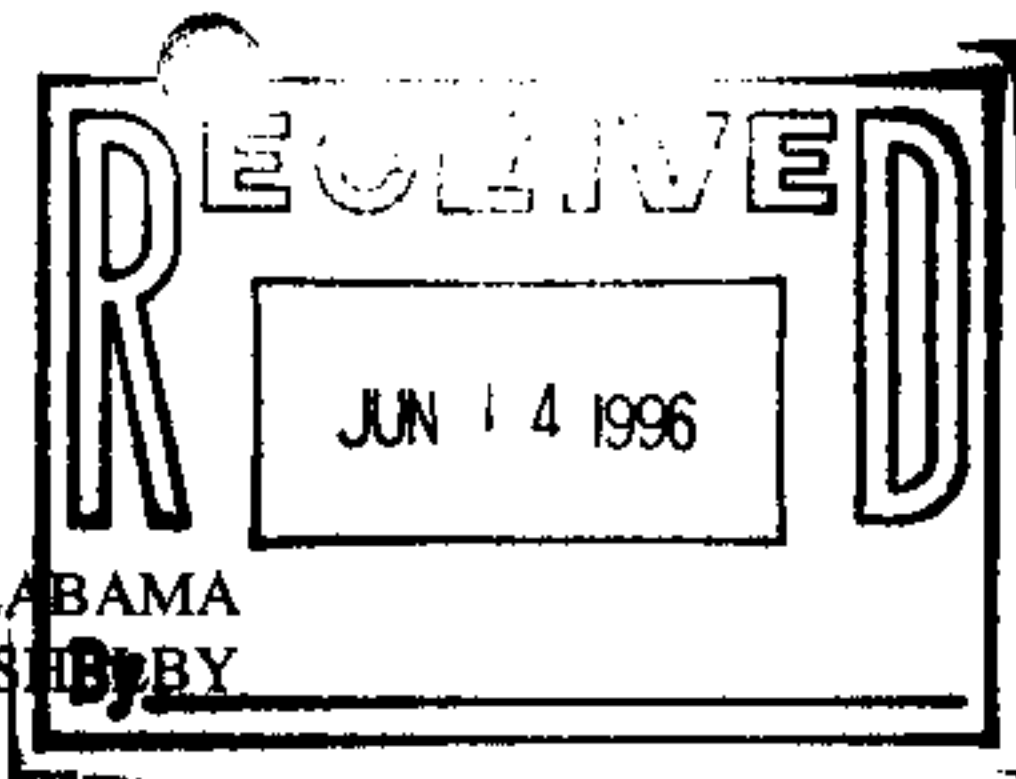


STATE OF ALABAMA
COUNTY OF SHELBY



THIS INSTRUMENT PREPARED BY:
Stell E. Benefield
P. O. Box 540
Clanton, AL 35046-0540

PROTECTIVE COVENANTS
FOR ALABAMA POWER COMPANY SUBDIVISIONS

THIS DECLARATION made this 22nd day of April, 19 96,

by ALABAMA POWER COMPANY, a corporation, hereinafter called Developer.

WITNESSETH:

WHEREAS, Developer is the owner of the following described real property situated in Shelby County, Alabama (the "Property"), to wit:

Lay Lake
Alabama Power Company Recreational Cottage Site Sector 1

Lots 338 through 364, inclusive of Alabama Power Company Recreational Cottage Site Sector 1 as recorded in Plat Book 21, Page 96 A, B & C in the Office of the Judge of Probate of Shelby County, Alabama.

WHEREAS, Developer desires to create a residential development on said Property; and

WHEREAS, Developer desires to provide for the preservation of the values and amenities in said development and, to this end, desires to subject the Property described above to the covenants and restrictions hereinafter set forth, each and all of which is and are for the benefit of said Property and each owner thereof.

NOW, THEREFORE, the Developer hereby declares that the Property described above is and shall be held, transferred, sold, conveyed and occupied subject to the covenants and restrictions hereinafter set forth.

1. The lots in the Property shall be used for single-family residential purposes only. No more than one single family dwelling house may be erected on each lot; provided, however, that on each lot there may be constructed a garage and accessory storage building.

2. Buildings shall be neat in appearance, and no building or structure shall be moved, constructed or erected on any lot in the Property that may be considered detrimental to a high class residential development. All buildings shall be constructed of

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new materials and of the type and quality that would meet the specifications of the Federal Housing Authority.

3. No outside toilets or privies shall be constructed or maintained on any lot in the Property.

4. No waste or garbage shall be permitted to enter the Lay Reservoir or its backwaters. Sanitary arrangements must comply with local and state health laws and regulations. Septic tanks will be required for each lot, unless such lot is being served by a central sanitary sewage treatment system. No such system is provided by Developer.

5. 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.

6. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage, or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

7. No house or residence of less than twelve hundred (1200) square feet, excluding the porch and garage area, shall be erected or constructed on any such residential lot.

8. No building, porch, or projection thereof shall be erected or placed nearer than fifteen (15) feet to any lot line. No septic tank field lines shall be extended outside of any lot line without the specific written consent of the adjoining property owner.

9. No tents, trailers, mobile homes or temporary type structures of any kind may be erected or placed on any lot, whether temporarily or permanently.

10. All conveyances of lots in the Property are made subject to all rights necessary or convenient for utilities to service, maintain and improve existing electric, cable television and communication lines, and gas, sewer and water mains, if any, under, over and upon any and all lots, streets, rights-of-way, beaches or recreation areas, and further subject to an easement for utility lines, along with all rights necessary or convenient for the operation, service and maintenance thereof, for the benefit of firms, corporations, associations or other entities providing utility services, lying ten feet (10') inside and adjacent to the lot lines, which said easements are created hereby.

11. All conveyances are made subject to the right of Developer, its successors or assigns to locate and install drains where necessary and to cause or permit drainage of surface waters under, over, and/or through any of the aforesaid lots.

12. No animal or fowl shall be kept or maintained on said Property, but nothing herein shall be construed to prevent or prohibit the owner from keeping as a domestic pet, cats, dogs or birds.

13. All driveways and driveway pipe shall be approved by the county engineer or a representative of said engineer.

14. No road ditches may be filled or stopped up at any time. The right is reserved for the storm drainage water from roads, streets and lots to run over or across said lots as it now runs as the natural flow.

15. These covenants and restrictions are intended to and shall run with the land and shall be binding on all parties who acquire any lot or lots in the Property and on all persons claiming under them for a period of twenty (20) years from the date of recording of the subdivision plat of the Property, at which time said covenants and restrictions shall be automatically extended for successive periods of ten (10) years each unless by a vote of the majority of the then owners of the lots it is agreed to change these covenants and restrictions in whole or in part. This shall not prevent the lot owners from changing or reviving these covenants and restrictions at any time by a unanimous vote of all owners of lots in the Property.

16. If any owner of a lot in the Property, or his heirs, assigns, guests or permittees shall violate or attempt to violate any of the covenants or restrictions herein, it shall be lawful for any person owning any other lot in the Property to prosecute by proceedings at law or in equity against the person or persons violating or attempting to violate said covenants or restrictions, and either to prevent him or them from so doing or to recover damages for such violations.

17. Notwithstanding anything herein to the contrary, all houses and other permanent structures situated on the Property on the date hereof shall be deemed in full compliance with the architectural design, setback and construction provisions of these restrictions and covenants.

18. No lot or parcel may be split, divided or subdivided for sale, resale, gift, transfer or any other purpose whatsoever; provided that this paragraph shall not apply to the subdivision of a lot or parcel where it is necessary or convenient to convey a portion of a lot to a public utility for the purpose of providing utility services.

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

IN WITNESS WHEREOF, Alabama Power Company has caused this instrument to be executed by Susan N. Story, its Vice President on this 22nd day of April, 1996.

WITNESS

ALABAMA POWER COMPANY

Charles B. Neff

By: Susan N. Story
Its: Vice President

STATE OF ALABAMA
COUNTY OF SHELBY

I, Mary E. Brown, a Notary Public in and for said County in said State, hereby certify that Susan N. Story, whose name as Vice President of Alabama Power Company, a 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 the instrument, she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this the 22nd day of April, 1996.

NOTARIAL SEAL

Mary E. Brown
Notary Public

My commission expires: 5-24-98

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