

STATE OF ALABAMA)

COUNTY OF SHELBY)

RESTRICTIONS APPLYING TO SUNSET LAKE SUBDIVISION, PHASE 3 ACCORDING TO THE MAP THEREOF AS RECORDED IN THE OFFICE OF THE JUDGE OF PROBATE OF SHELBY COUNTY, ALABAMA IN MAP BOOK 33, PAGE 22.

The undersigned Shady Hollow Development, Inc., owns SUNSET LAKE SUBDIVISION, PHASE 3 as recorded in Map Book 33, Page 22, in the office of the Judge of Probate of Shelby County, Alabama, and does hereby adopt the following restrictions and covenants as to the use of said property:

1. No structure other than one detached single family dwelling with private garage shall be erected, placed, altered, or permitted to remain on any lot embraced in said subdivision.
2. Said property shall be used for residential purposes only, and not for any purpose of business or trade.
3. No temporary buildings, servant's house, stable, garage or other building shall be built and used for residential purpose prior to the completion of the dwelling house on any of said lots in accordance with these restrictions.
4. No dwelling shall be erected of less than the following square footages of finished floor area, exclusive of basements, garages and porches:
 - A. One story homes, 1600 square feet; the minimum width of home facing the street shall be 50 feet.
 - B. One and one half story homes, 1000 square feet on the first floor and 700 square feet on the second floor.
 - C. Two story homes, 900 square feet on the first floor and 900 square feet on the second floor.
 - D. Split foyer / split entry homes, 1600 square feet on the main living level; the minimum width of home facing the street shall be 50 feet.
5. No fence or walls above the grade of the lot shall be erected, nor growing hedges planted and maintained on said property nor in-ground swimming pools permitted unless prior written approval is obtained from Shady Hollow Development, Inc., its successors or assigns. No above ground swimming pools shall be permitted.
6. No lot may be subdivided or reduced in size by voluntary alienation, judicial sale or other proceeding, except with the written consent of Shady Hollow Development, Inc., its successors or assigns.
7. All exterior building materials and exterior colors for any Dwelling must be approved by Shady Hollow Development, Inc.. All roofs in the subdivision must be of earth tone colors. All exposed foundation walls, retaining walls or other concrete block or poured concrete walls above grade shall be brick veneered; no concrete block foundations, retaining walls or other concrete block or poured concrete walls will be exposed on the front, on the sides, or the rear of the residence of any structure in this subdivision. Only side entry garages are permitted.

8. No animals, fowl, livestock or insects of any kind or description except the usual household pets shall be kept on any lot in the subdivision; provided however, that no household pet may be kept on any lot for breeding or commercial purposes; provided further, that any household pets shall be confined to the said premises of the owner thereof.

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

10. No satellite dish, television or radio antennas may be placed on any lot within the subdivision nearer to the street than the rear building line of the residence, and said satellite dish, radio or television antennas shall not be visible from any street within the subdivision.

11. All residences must have front yards of grass sod, not less than four hundred (400) square yards. All residences must have shrubs in the flowerbeds along the front of the residence of such size and variety as is commensurate with the other residences in the subdivision. All yards must be maintained in a manner customary with a majority of the other residences in the area and within Sunset Lake Subdivision. SHOULD SHADY HOLLOW DEVELOPMENT, INC., ITS SUCCESSORS OR ASSIGNS DETERMINE THAT THE YARD OF ANY LOT IN SUNSET LAKE SUBDIVISION IS NOT BEING MAINTAINED AS AFOREMENTIONED, THEN, AFTER REASONABLE NOTICE TO THE OWNER OF THE PROPERTY (LOT), HAVE THE SAID MAINTENANCE DONE AND ANY CHARGES FOR THE SAID MAINTANENCE WILL BE BILLED TO THE OWNER OF THE PROPERTTY (LOT), AND IF NOT PAID WHEN DUE, AND IN A TIMELY MANNER BY THE LOT OWNER, THEN SUCH CHARGES SHALL BECOME A LIEN ON THE PROPERTY (LOT) OF THAT RESPECTIVE LOT OWNER.

12. No unsightly garbage or trash may be visible from any street or lot within the subdivision. All garbage or trash must be placed in proper garbage or trash containers. The said garbage or trash containers may be placed on the street only on those days that garbage or trash pick-up is designated by government authority or authorized franchise.

13. No recreational vehicles, junked vehicles or vehicles on which major repairs are in progress, boats, sporting equipment, business equipment, business materials or business articles, wood piles, barbecue grills, cookers, children's toys, swing sets, or any other outdoor and recreational equipment or unsightly refuse may be parked, placed or stored on any lot within the subdivision, which is visible from any street in the subdivision. Basketball goals are permitted and can be located no closer to the street than the rear building line of the residence.

14. No building shall be located on any lot in the subdivision nearer to the front line, or nearer to a sideline where there is a street, than thirty (30) feet. In any event, the dimensional regulations of the zoning ordinance of The City of Chelsea, Alabama, approved by the City Council of the City of Chelsea, May 7, 2001, for an R-1 Single Family Residential District, shall be adhered to. The developer retains the right to grant variances from any setback lines specified herein.

15. No trees greater than six (6) inches in diameter measured one (1) foot above the ground, nor any flowering trees may be removed from the said lots, except within twelve (12) feet of the building site or without the expressed written approval of Shady Hollow

Development, Inc., its successors or assigns.

16. Only one (1) mailbox shall be placed on any lot. All mailboxes shall be of the type, color, design and location as may be established or approved by Shady Hollow Development, Inc., its successors or assigns. Mailboxes shall contain only the house number of the Lot, and no further inscription, paintings, ornaments or artistry other than holiday or seasonal decorations, which shall be promptly removed no later than thirty (30) days following the date of such holiday.

17. No building, dwelling, outbuilding, garage or servants house shall be erected, begun, placed or altered on any lot until the plans, specifications and plot plan showing the location of such buildings have been approved in writing as to the conformity and harmony of external design with existing structures in said subdivision, and as to location of the building with respect to topography and finished ground elevation by an officer or representative, duly appointed for such purpose, of Shady Hollow Development, Inc., its successors or assigns.

In the event an officer of said development company, or its designated representative, fails to approve or disapprove such design and location within seventy-two (72) hours after said plans and specifications have been submitted to it, or in any event, if no suit to enjoin the erection of such building or the making of such alterations has been commenced prior to the completion thereof, such approval will not be required and this covenant will be deemed to have been fully complied with. The right to approve such plans may be terminated by the directors of Shady Hollow Development, Inc. at any time the said corporation shall own a minimum of ten percent (10%) of the lots and tracts in the said subdivision; otherwise, such rights shall cease ten (10) years from the date hereof.

After the directors of Shady Hollow Development, Inc. terminate its right to approve plans, the approval of plans and specifications described in this covenant shall not be required unless a written instrument shall be executed by the then record owners of a majority of the lots in this subdivision and duly recorded appointing a representative, or representatives, who shall thereafter exercise the same powers as previously exercised by the said company.

18. Homeowners Association: It is the intent of this section to set up a framework for the incorporation of a Homeowners Association at such time as a two thirds(2/3) majority of the lot owners in the subdivision elect to have such an association. It is hereby understood that Sunset Lake Subdivision will be developed in phases, and as those phases are developed, the owners of lots in those additional phases shall become members of any Homeowners Association incorporated by the property owners of Sunset Lake Subdivision. There shall be one vote per lot by the owners of the lots in all phases of the subdivision recorded in probate office of Shelby County, Alabama. The dues set by this association shall also be determined by a two thirds (2/3) majority of the then lot owners. The dues shall be used to pay for the upkeep of any common areas, parks and/or street lights, etc. THE DUES ARE THE OBLIGATION OF EACH LOT OWNER, AND IF NOT PAID WHEN DUE, AND IN A TIMELY MANNER BY THE RESPECTIVE LOT OWNER, THEN SUCH CHARGE SHALL BECOME A LIEN ON THE PROPERTY (LOT) OF THAT RESPECTIVE LOT OWNER.

19. It is understood and agreed that the foregoing conditions, limitations and restrictions shall attach to and run with the land for a period of twenty-five (25) years from APRIL 15,

2004, at which time these limitations and restrictions shall be automatically extended for successive ten (10) year periods, unless by a vote of the majority of the then owners of the lots in the subdivision, it is agreed to change said restrictions and limitations in whole or in part, during any successive ten (10) year period.

It shall be lawful for the said Shady Hollow Development, Inc., its successors or assigns, to institute and prosecute any proceedings at law or in equity against the persons, person, corporations or corporation violating or threatening to violate the said conditions, limitations and restrictions; and failure to institute legal action shall not be construed as a waiver of any right of action contained herein, for past or future violations of said restrictions.

Any and all of the foregoing covenants, terms and conditions, restrictions and limitations can be altered, changed, cancelled or amended at any time by Shady Hollow Development, Inc., its successors or assigns. Said corporation shall also have the right to grant variances from set back lines, or location of roads or right-of-ways on any lots owned by Shady Hollow Development, Inc.

For so long as Shady Hollow Development, Inc. (Developer) owns any lot, the Developer, and thereafter the Homeowner's Association, if formed under Item Number 17 of these covenants, on its own behalf and on the behalf of all Owners, who hereby appoint the Developer and/or the Homeowners Association, as the case might be, irrevocably, as their attorney-in-fact for such purposes, shall have the right to grant 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 Developer or the Homeowners Association shall deem necessary or desirable for the proper operation and maintenance of the Property, or any portion thereof, or for the general welfare or the Owners, or for the purpose of carrying out any provisions of this Declaration, provided (a) such new easements or relocation or existing easements will not, in the opinion of the Developer or 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 Developer or the Association, and after completing such work, the Developer or 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 same to be recorded in the Probate Office of Shelby County, Alabama. Such right of the Developer 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 of the Owners, their respective tenants, employees, guests, invitees, licensees and agents.

20. No signs or advertising posters of any kind (other than one (1) "for sale" or "for rent" sign in size and color approved by Shady Hollow Development, Inc., its successors or assigns) shall be maintained or permitted within any windows or on the exterior of any Dwelling or elsewhere on any portion of any Lot or within the Common Areas; provided, however, that prior to the Turn Over Date the foregoing shall not be applicable to Developer.

21. Enforcement shall be by proceeding brought by a property owner at law or equity against any person violating or attempting to violate any covenants either to restrain violation or to recover damages.

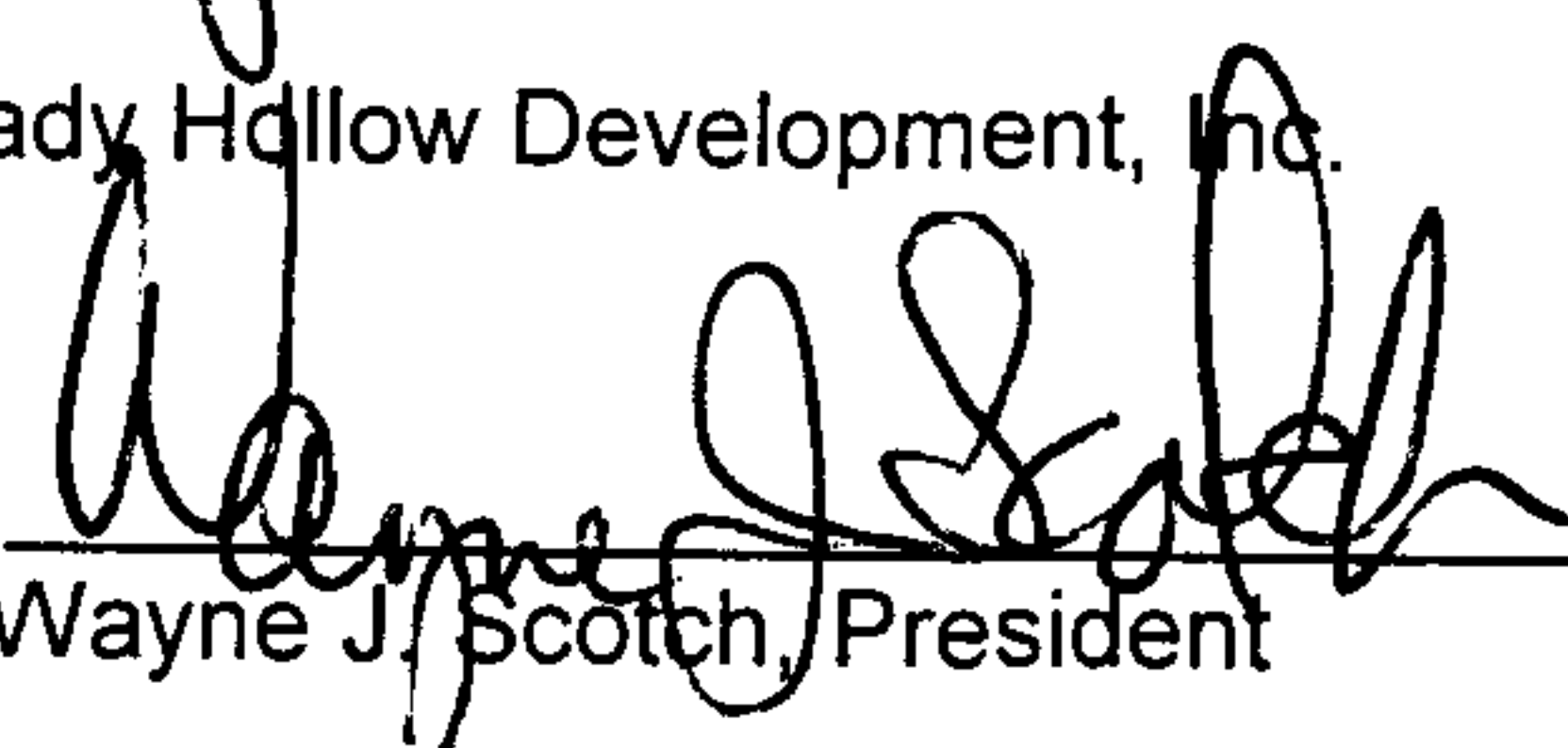
22. Invalidation of any one of these covenants, terms, conditions, or restrictions by judgement or court order shall in no wise effect any other provision, which shall remain in full force and effect.

23. ADDITIONAL COVENANTS APPLYING TO LOTS BORDERING THE LAKE AND USEAGE OF THE LAKE:

- A. DOCKS AND PIERS: Architectural committee must approve the location of and plans for docks and piers. No dock/pier constructed shall be larger than five (5) feet from the bank/shore to the outer edge of the dock/pier, and shall be no wider than eight (8) feet from side to side. No dock/pier shall be higher than one (1) foot above the top of the flow line of the spillway. No covered docks/piers shall be allowed. There shall be no handrails or fences on docks/piers higher than three (3) feet above the surface. Only pressure treated materials are to be used for construction of docks/piers.
- B. BOATS: Only flat bottom aluminum boats no more than sixteen (16) feet in length shall be placed on the lake. Only electric (battery) powered boat engines allowed on the lake. **NO GAS POWERED BOAT ENGINES ALLOWED ON THE LAKE.**
- C. BANKS / SHORES OF THE LAKE: Banks/Shores of the lake shall be kept free of all debris and trash and shall be maintained in accordance with Item Eleven (11) of the recorded restrictions.

IN WITNESS THEREOF, Shady Hollow Development, Inc. a corporation, has caused these presents to be executed in its name and on its behalf by Wayne J. Scotch, its president, this 13th day of April, 2004.

Shady Hollow Development, Inc.

BY: 

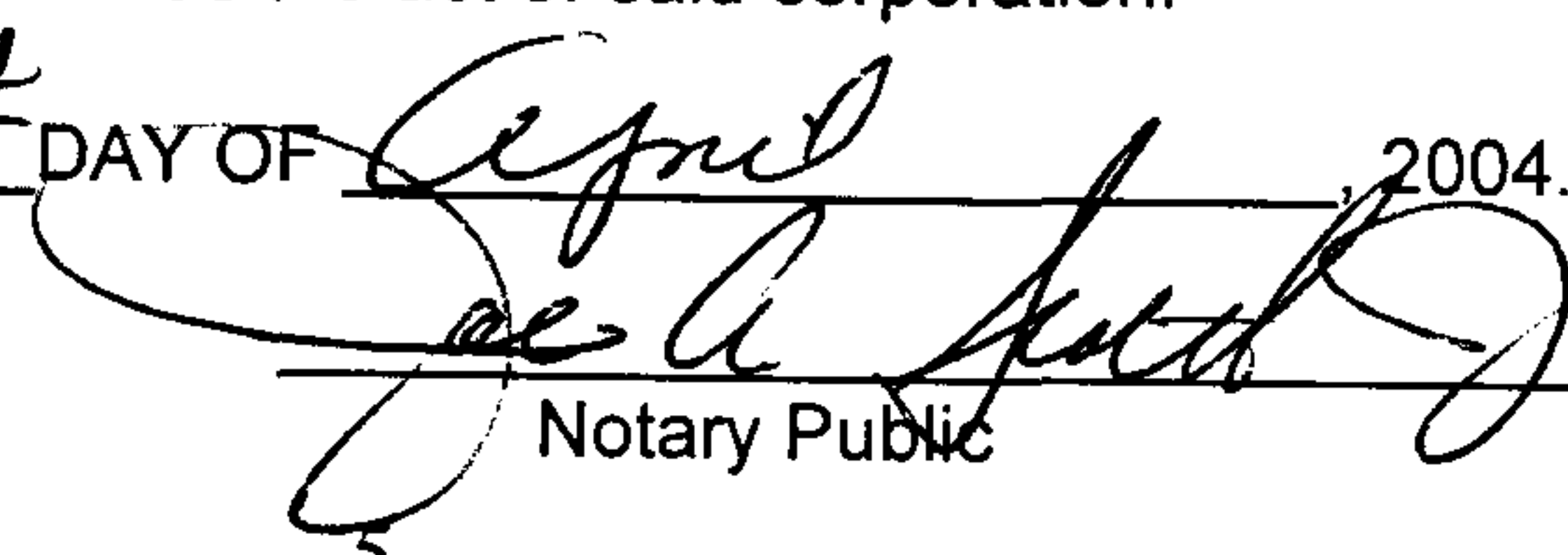
Wayne J. Scotch, President

STATE OF ALABAMA)

COUNTY OF SHELBY)

I, the undersigned notary public, in and for said County in said State, hereby certify that Wayne J. Scotch, whose name as President of Shady Hollow Development, Inc. a corporation, is signed to the foregoing, and who is known to me, acknowledged before me on this day that, being informed of the contents of the same, he, as such officer and with full authority, executed same voluntary for and as the act of said corporation.

GIVEN UNDER MY HAND THIS 1st DAY OF April, 2004.


Notary Public