

**DECLARATION OF PROTECTIVE COVENANTS
FOR WILLOW OAKS
(Herein The Protective Covenants)**

STATE OF ALABAMA)

COUNTY OF JEFFERSON)

KNOW ALL MEN BY THESE PRESENT THAT:

WHEREAS, the undersigned Highway 55 L.L.C., an Alabama limited liability company (which, together with its successors and assigns, is hereinafter referred to as "Developer") is the owner of all of that certain real property situated in Shelby County, Alabama which is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference (the "Property"). The Property is recorded in Map Book 38, Page 137C, Office of the Judge of Probate Shelby County, Alabama. For the purpose of these Protective Covenants, the term "Lot" or "Lots" means all lots shown on the Subdivision Plat and all Lots which may be included under these Protective Covenants in the future by the Developer, in the sole discretion of the Developer.

WHEREAS, the Developer desires to subject all of the real property located within the Subdivision Plat and each Lot located thereon to the easements, covenants, conditions, assessments, limitations and restrictions hereinafter set forth.

NOW THEREFORE, Developer does hereby expressly adopt the covenants and limitations for the Subdivision Plat as set forth in these Protective Covenants and does hereby declare that the real property located within the Subdivision Plat is subject to the following easements, covenants, conditions, assessments, limitations and restrictions.

**ARTICLE I
DEFINITIONS**

The following Terms shall have the following meanings as they related to these Protective Covenants:

- 1.01 Committee.** Means the Architectural Review Committee as set forth hereafter in Article IV.
- 1.02 Development.** Means the Subdivision Plat heretofore mentioned.
- 1.03 Association.** Means the Willow Oaks Residential Association, Inc. as hereafter referred to in Article V of these Protective Covenants.

- 1.04** Lot Owners. The record fee simple title owner(s) of lot(s).
- 1.05** Residents. Persons residing on a lot which are not Owners.
- 1.06** Common Area. Means parcels of land designated as "Common Area" on the Subdivision Plat, and any other real property which may become Common Area pursuant to paragraph 2.6 as hereinafter set out.
- 1.07** Association Land. Has the same meaning as the Common Area.
- 1.08** Lake. Means the Lake which is shown on the Subdivision Plat.
- 1.09** Members. All persons holding a fee simple interest in a Lot.
- 1.10** Owner. The record fee simple title owner(s) of a Lot.
- 1.11** Board. Means the Board of Directors of Willow Oaks Homeowners Association, Inc.
- 1.12** Subdivision Plat. Means the Subdivision Plat and any Subdivision Plat.
- 1.13** Lake Lot Owner. Means the Owner of any Lot which touches the Lake.

ARTICLE II

EXCLUSIVE RESIDENTIAL USE AND IMPROVEMENTS

2.01 All Lots shall be known and described as residential Lots and shall be used for single-family residential purposes exclusively. No Lot shall be subdivided or re-subdivided.

2.02 No structure shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single-family dwelling not to exceed two and one-half (2 ½) stories, or forty (40) feet in height, a private garage and other outbuildings incidental to and necessary for proper residential use of the Lot. No mobile home or modular housing is allowed. Separate garage buildings are permitted. Any outbuilding will be in conformity to the standards set herein and approved by the Architectural Review Committee (hereinafter referred to as "Committee"), established by Developer pursuant to Article IV hereof.

2.03 Notwithstanding anything provided to the contrary herein, Developer shall be permitted to construct and maintain on any Lot a structure and related facilities, which may be designed and used as a construction field office and as a sales/marketing office.

2.04 Subject to the provisions of Articles VII, VIII and IX below and the rights retained below by the Committee, each Lot and any dwelling, building or other structure constructed or placed thereon shall be subject to the following minimum setbacks:

Front: Thirty (30) feet from front property line;
Side: Eight (8) feet from each side Lot line;
Rear: Twenty-five (25) feet from the rear Lot line.

The Committee reserves and shall have the right to grant variances to the foregoing setback requirements. No structure (other than the residential dwelling and any attached garage or guesthouse) may be constructed closer to the ingress and egress road than the back of the residential dwelling. Any buildings of any nature, including gazebos, decks and outbuildings built on any Lot must conform to a residential nature and must be approved by the Committee. All building locations must comply with Shelby County regulations.

2.05 No Lot shall be used except for single-family residential purposes. No dwelling shall be erected on Lots 101 through 131, and on Lots 201 through 254, containing less than one thousand two hundred (1,200) square feet of living area for a one (1)-story dwelling. Story and one-half dwellings must have a minimum of one thousand five (1,500) square feet of living area. No dwelling shall be erected on Lots 301 through 344 containing less than one thousand five hundred (1,500) square feet of living area for a one (1)-story dwelling, and story and one-half dwellings must have a minimum of one thousand eight (1,800) square feet of living area. Square footage measurements shall include only the living (heated and cooled) areas of a dwelling but shall not include porches, garages, basements or decks.

2.06 The entrance ways to the Development, all areas on the Subdivision Plat which are depicted as common area or beautified easements, and any and all other areas or improvements within the Development which Developer may from time to time in its sole discretion designate as common areas, including without limitation, recreational amenities, parks and play areas within the Development, shall be for the purpose of maintenance and upkeep, considered common area (collectively the "Common Area"), and shall be maintained by the Willow Oaks Residential Association, Inc. (the "Association") as hereinafter provided.

2.07 Every Owner by reason of such ownership shall have a right and easement of enjoyment in and to Common Area or Association Land, and such easement shall be appurtenant to and shall pass with every Lot upon transfer. All Residents who are not Members shall have a non-transferable privilege to use and enjoy Common Areas and Association Land, for, as long as they are Residents within the defined meaning of that term. All such rights, easements, and privileges, however, shall be subject to the right of the Association to adopt and promulgate reasonable rules and regulations pertaining to the

use of Common Areas and Association Land which shall enhance the preservation of such facilities, the safety and convenience of the users thereof or which in the discretion of the Association shall serve to promote the best interest of the Lot Owners and Residents. The use of the Common Areas and Association Land including the Lake within the Development Property shall be restricted to Members, Residents and guests who are accompanied by a Member or Resident. No one shall have any right to fence any portion of the Common Area.

ARTICLE III

GENERAL REQUIREMENTS

3.01 It shall be the responsibility of each Lot Owner (which together with their respective heirs, executors, personal representatives, successors and assigns is herein individually referred to as an "Owner" and collectively as "Owners") to prevent any unclean, unsightly or unkempt conditions of any dwelling, buildings or grounds on such owner's Lot which may tend to decrease the beauty of the specific area or of the neighborhood as a whole. Any and all dwellings, buildings, structures and other improvements of any nature to nay Lot must be approved by the Committee.

3.02 No refuse pile or unsightly object, including firewood, shall be allowed to be placed or suffered to remain upon any part of any Lot, the Property including vacant Lots or Common Area. Developer, for itself and the Association reserves the right (after ten (10) days prior written notice to an Owner) to enter any Lot during normal working hours for the purpose of removing trash or refuse there from which, in the sole opinion of either Developer or the Association, detracts from the overall beauty and safety of the Development and may charge the Owner of such Lot a reasonable cost for such services, which charge shall constitute a lien upon such Lot enforceable by appropriate proceedings at law or equity or as hereinafter provided.

3.03 No animals, livestock, or poultry of any kind shall be bred, raised or kept on any Lot, except that dogs and/or cats and other indoor household pets may be kept on each Lot provided they are not kept, bred or maintained for any commercial purpose, subject to applicable zoning ordinances. No household pets shall be permitted to run at large and shall be kept on a leash at all times when they are allowed off of their owner's property.

3.04 No noxious or offensive trade or activity shall be carried on or upon any Lot nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood or to other Owners or which would be in violation of any applicable governmental law, ordinance or regulation.

3.05 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 oil or natural gas shall be erected, maintained or permitted upon any Lot.

3.06 No trash, garbage or other refuse shall be dumped, stored or accumulated on any Lot or Common Area. 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 within sight distance of any other 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 of a dwelling on such Lot, or with approval of or by the Fire Department have jurisdiction over the Property.

3.07 Except as authorized in Section 2.03 above, no structure of a temporary character, trailer, basement, tent or shack shall be used at any time as a residence either temporarily or permanently or otherwise allowed to remain on any Lot without the Committee's approval. There shall be no occupancy of any dwelling unit until the interior and exterior of the dwelling is completed and the appropriate governmental authorities have issued a Certificate of Occupancy for such dwelling.

3.08 Signs. No commercial signs, including political signs and other similar signs shall be erected or maintained on any Lot unless authorized in writing by the Committee. One sign advertising the Lot for sale or lease, not in excess of four (4) square feet and not greater than four (4) feet above ground level, shall be permitted without the consent of the Committee, except that during construction the builder shall be allowed to display a sign. If permission is granted, the Committee may restrict the size, color and content of all signs.

3.09 When the construction of any dwelling is once begun, work thereon must be prosecuted diligently and continuously and the dwelling on such Lot must be completed within twelve (12) months.

3.10 All garage doors shall be located on the side or at the rear of dwellings. Main level garages facing the road may be allowed if approved by the Committee.

3.11 Outside air conditioning units may not be located in the front yard or within any side yard adjacent to any street on corner Lots. Utility meters shall not be located on the front of a dwelling (unless required by any applicable governmental authority) and shall not be visible from any street or road. All, outside air conditioning units and utility meters shall be screened by appropriate landscaping so as not to be visible from any public street.

3.12 Wood frame, vinyl windows or solid vinyl windows will be used exclusively on the sides, front and rear of all dwellings constructed.

3.13 No concrete block work including foundations, concrete block steps, walkways, walls or any other concrete block work, whether painted or otherwise shall show above ground or from the exterior of any dwelling.

3.14 The exterior front and sides of all dwellings shall be made of materials approved by the committee. Such materials include brick, "Hardiboard" siding or a comparable product which is approved in advance by the Architectural Control Committee shall be permitted.

3.15 Wood fencing may be utilized on any Lot with prior written approval of the Committee. If fencing is not finished on both sides, the finished side must be to the outside if it faces any street, house or lake. No fence shall exceed 6 feet in height. Black vinyl coated chain link and wrought iron will be allowed, however only wood or vinyl shall face the street. All fencing shall be confined to the rear yard.

3.16 No individual water supply system shall be permitted on any Lot unless such system is located, constructed and equipped in accordance with the requirements, standards and recommendations of both state and local public health authorities. Approval of such system as installed shall be obtained from such authority.

3.17 No automobiles or other vehicles will be stored on any Lot or Common Area or kept on blocks unless in the basement or garage of a dwelling. Boats, utility trailers, recreational vehicles and travel trailers must either be parked or stored in the basement or garage of a Dwelling or within a completely enclosed structure on a Lot, which structure must be approved by the Committee. No tractor-trailer trucks, panel vans or other commercial trucks in excess of one (1) ton classification shall be parked or stored on any Lot or Common Area, except during initial construction of a Dwelling on a Lot. The prohibitions in this Section shall not apply to temporary parking of trucks and other commercial vehicles providing commercial services to the Lot or to the efforts and activities of Developer in connection with developing the Subject Property.

3.18 No satellite, microwave dishes or television or radio antennas shall be placed on any Lot unless first approved in writing by the Committee except that eighteen (18) inch digital receivers shall be permitted to be placed on the dwelling so long as it is not visible from any street.

3.19 No individual sewage disposal system shall be permitted on any Lot unless such system is designated, located and constructed in accordance with the requirements, standards and recommendations of both state and local public health authorities. Approval of such system as installed shall be obtained from such authority.

3.20 Upon the completion of a dwelling, all front and side yards, which are not left in a natural state will be landscaped with sod and other landscaping approved by the Committee. The rear yard may be seeded or sprigged. This includes all corner Lots.

3.21 The roof pitch on any dwelling shall not be less than eight (8) and twelve (12) unless first approved in writing by the Committee. All roof vents and pipes shall be painted as near the color of the roof as possible and shall be located on the rear of the dwelling and not visible from the front. No solar or other energy collection device or equipment shall be maintained on any Lot or dwelling if the same would be visible from the street. No projections of any type shall be allowed above the roof of any dwelling except for approved chimney and vent stacks.

3.22 All porches on the front and sides of any dwelling shall be supported by the foundation of the dwelling unless otherwise approved by the Committee.

3.23 No cantilevered chimney chases shall be allowed on the front of any dwelling. Front chimney chases shall be supported by the foundation of the dwelling.

3.24 All driveways visible from the street must be concrete finish.

3.25 No Lot shall be cultivated for crops of any sort except gardens of reasonable size, which are to be located at the rear of a dwelling and not visible from any public street.

3.26 No fence, wall, hedge or shrub planting which obstructs sight lines from any roadways within the Property shall be placed or permitted to remain on any Lot.

3.27 Developer reserves the right to make any road or other improvements within the Property to change or extend the present road or other street grades, if necessary, without liability to the Owners for any claims for damages; and further reserves the right to change or modify the restrictions on any Lots within the Property.

3.28 During all construction, all vehicles including those delivering supplies must enter each Lot on the driveway only as approved by the Committee so as not to unnecessarily damage trees, street paving and curbs. Any damage not repaired by the Owner or his contractor will be repaired by Developer or the Committee after ten (10) days written notice and will be charged to the Owner of such Lot at a reasonable cost for such services which charge shall constitute a lien upon such Lot enforceable by appropriate proceedings at law or equity of as hereinafter provided during construction. All Owners must keep the homes, garages and building sites clean and attractive. No construction debris will be dumped in any area of the Property or any Common Area.

3.29 Except with the prior written consent of Developer, no Lot shall be sold or used for the purpose of extending any public or private road, street or alley or to provide a means of access to any other real property situated adjacent to or in close proximity with the Property.

3.30 To insure the maintenance of the natural beauty, no Owner shall be allowed to dam up the creeks, which flow through the Development nor shall any Owner change the flow of said creek or any wet weather streams.

3.31 Motorized vehicular traffic of any type (including without limitation cars, trucks, motorcycles, and three or four wheel ATV's) is strictly prohibited on any Common Area except maintenance vehicles of the Association or its contractor as may be required by the Developer or the

Association for maintenance or construction, except that electric golf carts are allowed on any trail system constructed by Developer or the Association.

3.32 Firewood piles shall be located only at the rear of a Dwelling and should be screened from view from public streets and adjacent Lots. Children's toys, swing-sets, jungle-gyms, trampolines and other outdoor recreational equipment and appurtenances shall be allowed only at the rear or behind a Dwelling and shall be located so as not to be visible from any public street. The Committee must approve freestanding playhouses and tree houses; no above ground swimming pools shall be allowed on any Lot. No statues, water fountains, bird baths, flagpoles or furniture shall be placed or maintained on the front or side yard of any Lot without the approval of the Committee. All outdoor furniture for any Dwelling shall be kept and maintained only at the rear or behind the Dwelling. Outside clothes lines and other facilities for drying or airing of clothes are prohibited. No clothing, rugs or other items shall be hung, placed or allowed to remain on any railing, fence or wall. Barbeque grills and other outdoor cooking equipment and apparatus shall be located only at the rear of a Dwelling and should not be visible from any public street. No rocks, rock walls, fencing or other substance shall be placed on any Lot as a front or side yard border or to prevent vehicles from parking on or pedestrians from walking on any portion of such Lot or to otherwise impede or limit access to same. Seasonal or holiday decorations (e.g. Christmas trees and lights, pumpkins, Thanksgiving decorations) shall be promptly removed from any Lot or Dwelling within fifteen (15) days following such holiday.

3.33 A mailbox bearing the house number must be erected at the time of construction. All mailboxes and house numbers must be erected by the Lot Owner, in strict conformity with design criteria established by the Committee, which shall be common for every Lot.

3.34 All shutters shall be custom built and approved by the Committee.

3.35 The color(s) of the Dwelling shall be subtle and subdued. The front steps shall be brick, stone or architecturally treated concrete. No bright colors will be allowed.

3.36 Silt fences must be installed, maintained and roads cleaned of all dirt, silt and rocks as needed. During construction all curbing shall be lined with a silt fence supported by steel posts. A designated driveway with gravel will be excluded.

NO VARIANCES REGARDING 3.32 THROUGH 3.36 WILL BE GIVEN

ARTICLE IV
ARCHITECTURAL REVIEW COMMITTEE

4.01 The Committee will consist of no more than three (3) persons each of whom will be designated and may be removed at any time by the Developer, until such time as Developer relinquishes in writing the authority to appoint members to the Committee to the Association. At such time as Developer no longer owns any Lot within the Property or upon Developer's written notice to the Association that they no longer desire to exercise the right to appoint and remove members of the Committee, then the Board of Directors of the Association shall have the right to appoint and terminate with or without cause, all members of the Committee.

4.02 All plans and specifications, including plot plans, grading and drainage plans for any improvements to a Lot, exterior material, texture and color selections for any dwellings and the plans for entrance columns serving any Lot within the Property shall be first filed with and approved by the Committee before any construction is commenced on such Lot. The Committee shall have the authority to require modifications and changes in plans and specifications if it deems the same necessary.

4.03 The authority to review and approve plans and specifications as provided herein is a right and not an obligation. Owners (and their respective contractors) shall have the sole obligation to oversee and construct dwellings in accordance with the restrictions hereof and the plans and specifications approved by the Committee. No dwellings, buildings, structures or other improvements of any nature shall be constructed, erected, placed or maintained on any Lot until such time as the Committee has approved in writing the plans therefore. The Committee shall have the right to establish and amend from time to time written rules, regulations and standards governing policies, guidelines and minimum requirements relating to the construction and alteration of any dwellings or other improvements on any Lot, as well as the content and types of information required to be submitted to the Committee for its approval, each of which shall be in addition to the provisions and requirements set forth herein.

4.04 The Committee must approve any exterior remodeling, reconstruction, alterations or additions to an existing dwelling or any activity, which would change or alter the exterior appearance of a dwelling. Interior remodeling, reconstruction or alterations not affecting the exterior appearance of a dwelling shall not require the written approval of the Committee but shall comply with all restrictions and covenants set forth herein.

4.05 Neither the Committee or any architect or agent thereof nor 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. EACH OWNER BY ACCEPTANCE OF A DEED TO ANY LOT DOES HEREBY WAIVE AND RELEASE THE COMMITTEE AND DEVELOPER, ANY OF THEIR RESPECTIVE

AGENTS, OFFICERS, DIRECTORS, MEMBERS, SUCCESSORS AND ASSIGNS FROM ANY LIABILITY OF ANY NATURE WHATSOEVER ARISING FROM DAMAGE, LOSS OR EXPENSE SUFFERED, CLAIMED, PAID OR INCURRED BY ANY OWNER ON ACCOUNT OF ANY DEFECTS IN ANY PLANS AND SPECIFICATIONS SUBMITTED TO OR APPROVED BY THE COMMITTEE, ANY DEFECTS RESULTING IN ANY WORK DONE IN ACCORDANCE WITH SUCH PLANS OR OTHER DATA SUBMITTED PURSUANT TO THE REQUIREMENTS OF THIS ARTICLE III AND ANY INJURY TO PROPERTY OF PERSON INCLUDING DEATH, ARISING FROM ANY DEFECT IN ANY IMPROVEMENTS CONSTRUCTED ON SUCH OWNERS LOT.

4.06 The Committee shall in its sole discretion, determine whether the plans and specifications and other data submitted by any Owner for approval are acceptable. Any approval granted by the Committee shall be effective only if such approval is in writing. The Committee shall have the right to disapprove any plans and specifications upon any ground which is consistent with the objectives and purposes of the Protective Covenants including with limitations, purely aesthetic considerations, failure to comply with any of the provisions of the Protective Covenants, failure to provide requested information, objection to exterior design, appearances or material, objection on the ground of incompatibility with the overall scheme of development for the Property, objection to location of any proposed improvements on any Lot, objection to the color scheme, finish, proportions, style of architecture, height, bulk or appropriateness of any dwellings or other improvements on any Lot or any other matter which, in the sole and absolute judgment of the Committee would render the proposed dwelling or other improvements inharmonious with the general plan of development for the Property. The approval of plans, specifications and other data for any one specific dwelling shall not be deemed an approval or otherwise obligate the Committee to approve similar plans, specifications or data for any other dwelling to be constructed on any Lot within the Property.

4.07 THE PROPERTY MAY BE LOCATED IN AN AREA WHICH INCLUDES, UNDERGROUND MINES, TUNNELS, SINKHOLES AND SUB-SURFACE CONDITIONS. THE APPROVAL OF PLANS AND SPECIFICATIONS BY THE COMMITTEE SHALL NOT BE CONSTRUED IN ANY RESPECT AS A REPRESENTATION OR WARRANTY BY THE COMMITTEE OR DEVELOPER TO ANY OWNER THAT THE SURFACE OR SUB-SURFACE CONDITIONS OF ANY LOT ARE SUITABLE FOR THE CONSTRUCTION OF A DWELLING OR OTHER STRUCTURES THEREON. IT SHALL BE THE SOLE RESPONSIBILITY OF EACH OWNER TO DETERMINE THE SUITABILITY AND ADEQUACY OF THE SURFACE AND THE SUB-SURFACE CONDITIONS OF THE LOT. NEITHER DEVELOPER NOR THE COMMITTEE SHALL BE LIABLE OR RESPONSIBLE FOR ANY DAMAGE OR INJURY SUFFERED OR INCURRED BY OWNER OR ANY OTHER PERSON AS A RESULT OF SURFACE OF SUB-SURFACE CONDITIONS AFFECTING A LOT OR ANY PORTION THEREOF INCLUDING, WITHOUT LIMITATION, ANY SURFACE OR SUB-SURFACE DRAINAGE, UNDERGROUND MINES, TUNNELS, SINKHOLES OR OTHER CONDITIONS OR TYPES OF GROUND SUBSIDENCE OCCURRING ON OR UNDER ANY LOT.



4.08 The Committee shall have the right to establish, amend, change and modify from time to time reasonable charges and fees for the review of any plans and specifications submitted pursuant to the provisions hereof. Furthermore, the Committee shall upon request and at reasonable charges, furnish to any owner a written certificate setting forth whether all necessary Committee approvals have been obtained in connection with any dwelling or other improvements on any Lot.

4.09 Each and every covenant and restriction contained herein shall be considered to be an independent and separate covenant and agreement and in the event any one (1) or more of said covenants or restrictions shall for any reason be held to be invalid or unenforceable, all remaining covenants and restrictions shall nevertheless remain in full force and effect.

ARTICLE V

WILLOW OAKS HOMEOWNERS ASSOCIATION, INC.

5.01 Every Owner of a Lot within the Development is subject to assessments as hereinafter provided, and shall be a member of the Association (the Articles of Incorporation which are recorded in the Probate Office of Shelby County, Alabama). Membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot and shall be subject to the provisions of these Protective Covenants and the rules, regulations and bylaws of the Association as the same may be modified and amended from time to time.

5.02 The Association shall have one (1) class of voting membership. All Owners shall be Members of the Association and subject to the rights reserved by Developer in the Articles of Incorporation and Bylaws of the Association shall be entitled to one (1) vote for each Residential Lot owned. When more than one (1) person holds an interest in any Lot, all persons shall be Members; however the vote for such Lot shall be exercised as they determine but in no event shall more than on (1) vote be cast with respect to any Lot. Each Owner by acceptance of a deed to a Lot does hereby acknowledge and agree that (a) Developer, for so long as Developer owns any portion of the Development shall be exclusively entitled to take all actions and vote on all matters to be voted on by the Members of the Association in the manner set forth in the Articles of Incorporation and Bylaws of the Association, (b) if Developer elects to add additional Property to this Declaration or as part of the Association or modify the description of the Development to add or delete real property from such description, each Owner consents and agrees to the dilution of his voting interest in the Association as a result thereof.

5.03 The Association (with the prior written consent of Developer, for so long as Developer owns and portion of the Development) shall have the right at any time and from time to time to merge, consolidate or otherwise transfer all the rights and obligation of the Association to any other association which has been formed for the benefit of the Owners

of and of the Lots within the Property or any real properties situated adjacent to or in close proximity with the Development.

ARTICLE VI

COVENANT FOR ASSESSMENTS

6.01 Each Owner of a Lot within the Property, by acceptance of a deed to such Lot agrees to pay to the Association: (i) annual assessments or charges levied each year by the Association (ii) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided (iii) individual assessments which may be levied against any Lot and the Owner thereof as a result of such Owners failure to comply with the terms of these Protective Covenants. The annual, special and individual assessments together with interest, late charges, costs and reasonable attorney fees shall also be a charge on each Lot and shall be a continuing lien upon each Lot against which such assessment is made, which lien may be enforced in the manner hereinafter provided. Each such assessment together with interest, late charges, costs and reasonable attorney fees shall also be the personal obligation of the person who was the Owner of such Lot at the time the assessment fell due or was due.

6.02 The annual and special assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the owners and residents of the Development for the improvement and maintenance of the Common Area within the Development and the payment of any and all costs and expenses incurred from time to time by the Association including, without limitation, any "Common Expenses" as defined in the Bylaws of the Association.

6.03 Any expenses incurred by the Committee or the Association in enforcing any of the provisions of these Protective Covenants against a specific Owner shall be deemed an individual assessment against the Owner and the respective Lot owned by such Owner. Such individual assessment shall be levied by the Association and shall be specified to the Owner which notice shall also specify the due date for the payment of it. The Association is solely responsible for and shall assume all maintenance responsibilities with respect to all Common Area and the Lake within the Development.

6.04 The Association in accordance with its rules, regulations and Bylaws shall establish the annual assessment. Lots owned by the Developer shall not be subject to any assessment by the Association, be it annual, special or individual.

6.05 In addition to the annual assessments the Association may levy in any assessment year a special assessment applicable to that year only for the purpose of defraying in whole or in part the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, provided that any such assessment must have the assent and approval of (a) at least fifty-one percent (51%) of

the total votes in the Association whether voted in person or by proxy at a meeting duly called for this purpose and (b) for so long as Developer owns any portion of the Development, the approval of the Developer.

6.06 Written notice of any meeting called for the purpose of taking any action authorized under Section 6.05 above shall be sent to all Owners as prescribed in the By Laws. At the first such meeting called, the presence, either in person or by proxy, of the holders of at least fifty-one (51%) or more of all votes in the Association shall constitute a quorum. If the required quorum is not present another meeting may be called subject to the same notice requirements and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

6.07 Both annual and special assessments for all Lots within the Property shall be fixed at a uniform rate. The Board of Directors of the Association shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner. The Board of Directors shall establish the due date for payment of annual assessments in such notice (but such due date shall be at a minimum thirty (30) days from the date of such notice).

6.08 The Association shall upon demand and for a reasonable charge furnish a certificate signed by an officer of the Association setting forth whether the assessment on a Lot has been paid. A properly executed certification of the Association as to the status of the assessment on a Lot is binding upon the Association as of the date of its issuance.

6.09 Any assessment (whether annual, special or individual) which is not paid on or before the due date of the same shall bear interest from and after such due date at a rate equal to the amount prescribed in the By Laws. In addition to interest any assessments not paid by the due date for the same shall be subject to a late charge, which the Board of Directors of the Association may from time to time establish. In the event any assessments or other amounts due to the Association are not paid by any Owner when the same comes due then in addition to all other rights and remedies provided by law or in equity, the Association acting through the Board of Directors or through any of its duly authorized officers or representatives may undertake any of the following remedies:

(a) The Association may commence and maintain a suit at law against the Owner for a personal money judgment to enforce all such charges and obligations for assessments and other amounts due to the Association, which amounts shall include the late charge and interest specified above as well as all attorney fees, court costs and all other expenses paid or incurred by the Association in connection therewith and/or

(b) The Association may enforce the lien created pursuant to Section 6.01 above as provided in the By Laws. No Owner (other than Developer) may waive or otherwise be exempt from the liability to pay the assessments provided herein.

6.10 The lien for assessments and other charges provided herein with respect to any Lot shall be subordinate to the lien of any first mortgage encumbering such Lot. The sale or transfer of any Lot shall not affect any lien retained by the Association on a Lot provided however that the sale or transfer of any Lot pursuant to mortgage foreclosure or any similar proceedings shall extinguish the lien of such assessment as to payments which become due prior to such sale or transfer.

6.11 In addition to the rights and remedies set forth above, if any Owner (or his contractor, family Members, guests or invitees) shall violate or attempt to violate any of the covenants and restrictions set forth herein then Developer, the Association or the Committee, jointly and severally shall each have the right to prosecute proceedings at law for the recovery of damages against such Owner as a result of such violations or maintain a proceeding in equity against such Owner to enjoin such violation, provided that the rights and remedies set forth herein shall be deemed to be cumulative of all other rights and remedies available at law or in equity. In any such proceedings, Developer, the Association or the Committee, jointly and severally shall be entitled to recover all costs and expenses, including reasonable attorney fees incurred by any of them in such proceedings as well as interest on all unpaid amounts as specified in Section 6.09 above. The failure of Developer, the Association or the Committee to institute proceedings for any one (1) or more violations of these Protective Covenants shall not constitute approval of the same or be construed as a waiver of any right of action contained herein for past or future violations of said covenants and restrictions.

6.12 Notwithstanding anything to the contrary, in the event the provisions of these Protective Covenants conflict with By-Laws of the Association, the By-Laws, as the same now exists, or as they may be amended from time to time shall control.

ARTICLE VII

EASEMENTS

7.01 Developer does hereby establish and reserve for itself the Association, the Committee and their respective successors and assigns, a permanent and perpetual non-exclusive easement over, across, through and upon each Lot for the purpose of inspecting each Lot and any dwelling constructed thereon in order to determine the compliance with the provisions of these Protective Covenants and to otherwise perform any of their duties or undertake any of the action authorized or permitted to be taken by any of them pursuant to these Protective Covenants.

7.02 Developer does hereby establish and reserve for itself, its successor and assigns a permanent and perpetual non-exclusive easement over, across, through, upon and under those portions of any Lot upon which the Developer has reserved an easement as reflected on the recorded Subdivision Plat for such Lot which easements may be used for the purpose of installing, erecting, maintaining and using above and below ground utility

and cable television lines, poles, wires, cables, conduits, storm sewers, sanitary sewers, conveniences, appurtenances and other utilities.

7.03 Developer does hereby establish and reserve for itself, its successors and assigns a permanent and perpetual non-exclusive easement over, across, through, upon and under all portions of the Common Area for the purpose of installing, erecting, maintaining and using thereon, above and below ground, utility and cable television lines, pipes, poles, wires, cables, conduits, storm sewers, conveniences and other utilities.

7.04 Subject to any applicable rules and regulations adopted from time to time by the Association and the payment of any fees and charges which may from time to time be established by the Association, Developer does hereby grant to the Association and each Owner, the non-exclusive right, privilege and easement of access to and the use of the Common Area in common with Developer, its successors and assigns.

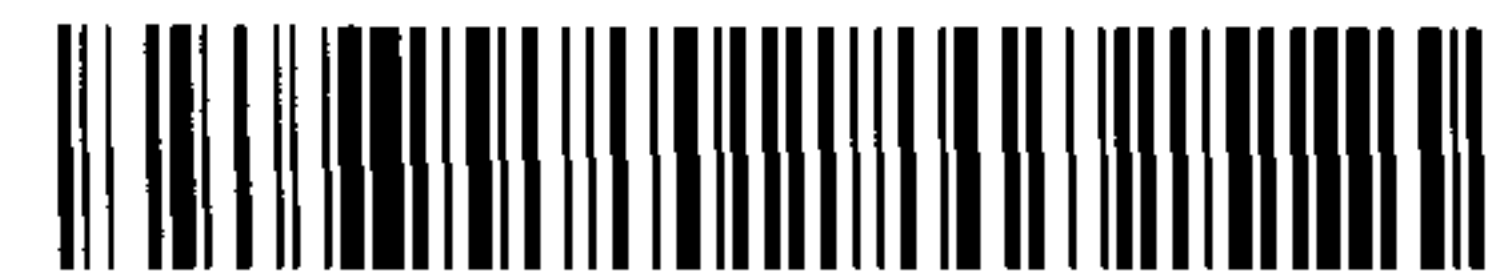
ARTICLE VIII

THE LAKE

8.01 Common areas of the Development include a Lake. Use of the Lake, water area, and Common Areas associated therewith (Lake Areas) shall be subject to such rules and regulations, which may be adopted and amended from time to time by the Association. Such restrictions may prohibit or limit the type of boating and other recreational activities in or upon such Lake Areas and may require that any improvement on or adjacent to such lake areas to be approved by the Committee. Every Owner by reason of such ownership shall have a right and easement of enjoyment in and to Lake Areas and such easement shall be appurtenant to and shall pass with every Lot upon transfer. All Residents who are not Members shall have a non-transferable privilege to use and enjoy Lake Areas for as long as they are Residents within the defined meaning of that term. All such rights, easements, and privileges however shall be subject to the right of the Association to adopt and promulgate reasonable rules and regulations pertaining to the use of Lake Areas which shall enhance the preservation of such facilities, the safety and convenience of the users thereof or which in the discretion of the Association shall serve to promote the best interests of the Lot Owners and Residents. The use of the Common Areas and Association Land, including the Lake Areas within the Property shall be restricted to Members and Residents and guests who are accompanied by a Member or Resident. No one shall have any right to fence any portion of the Common Area. No piers or other structures shall be allowed on the lake and no boats of any kind or nature shall be allowed on the lake. The purpose of the Lake is for quiet enjoyment for all. The Association will fertilize the Lake in accordance with the recommendations of Southeastern Pond Management.

8.02 THE OWNER OF ANY LOT OR DWELLING WITHIN THE DEVELOPMENT, FOR HIMSELF, ANY OCCUPANT OF THE SAME AND THEIR RESPECTIVE INVITEES, HEIRS, EXECUTORS, PERSONAL REPRESENTATIVES, ADMINISTRATORS, SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "RELEASING PARTIES"), BY ACCEPTANCE OF A DEED TO SUCH LOT, DO HEREBY WAIVE ALL CLAIMS AGAINST AND RELEASE DEVELOPER, THE ASSOCIATION AND THE COMMITTEE, THEIR RESPECTIVE OFFICERS, DIRECTORS, PARTNERS, SHAREHOLDERS, SUCCESSORS AND ASSIGNS, FROM AND AGAINST ANY AND ALL LIABILITY OF ANY NATURE ARISING OUT OF OR ON ACCOUNT OF ANY LOSS, DAMAGE OR INJURY TO PERSONAL PROPERTY, INCLUDING DEATH AS A RESULT OF ANY ENTRY ONTO THE LAKES OR WATER AREAS BY ANY OF THE RELEASING PARTIES, THE RISE AND FALL OF THE WATER LEVEL OF ANY LAKE OR ANY WATER AREA INCLUDING WITHOUT LIMITATION THE FLOW OF WATER ONTO AND OUT OF LAKES WHICH COULD RESULT IN OR CAUSED DAMAGE, BY FLOODING, SOIL EROSION OR OTHERWISE TO THE LAND OF ANY OWNER, THE IMPROVEMENTS ON ANY LOT OR ANY PERSONAL PROPERTY SITUATED ON ANY PORTION OF ANY LOT OR WHICH WOULD RESULT IN OR CAUSE ANY IMPROVEMENTS SITUATED OR ADJACENT TO THE LAKES OR WATER AREAS TO BE UNUSABLE DUE TO LOW WATER LEVELS. FURTHERMORE THE RELEASING PARTIES DO HEREBY ACKNOWLEDGE AND AGREE THAT (I) NEITHER DEVELOPER, THE ASSOCIATION OR THE COMMITTEE NOR ANY OF THEIR RESPECTIVE AGENTS, EMPLOYEES, REPRESENTATIVES, SUCCESSORS AND ASSIGNS SHALL PROVIDE ANY LIFE GUARD OR ANY OTHER SUPERVISORY PERSONNEL OR ASSISTANCE IN THE CONDUCT OF ANY ACTIVITY ON OR ABOUT ANY OF THE LAKES WITHIN THE DEVELOPMENT (II) THE USE OF THE LAKES AND WATER AREAS WITHIN THE DEVELOPMENT BY ANY OF THE RELEASING PARTIES SHALL BE AT THE SOLE RISK AND EXPENSE OF THE PERSON OR ENTITY USING THE LAKES OR WATERWAYS AND (III) NEITHER DEVELOPER, THE ASSOCIATION OR COMMITTEE NOR ANY OF THEIR RESPECTIVE AGENTS, EMPLOYEES, REPRESENTATIVES, SUCCESSORS AND ASSIGNS SHALL BE OBLIGATED TO TAKE ANY ACTION TO MAINTAIN A SPECIFIC WATER LEVEL FOR ANY OF THE LAKES OR WATERWAYS WITHIN THE DEVELOPMENT.

8.03 No products that are listed on any current stipulated hazardous or toxic materials list of the Environmental Protection Agency or the Alabama Department of Environmental Management or any other Governmental Agency shall be stored or used on any Lot except that gasoline and other petroleum products, pesticides and fertilizers may be stored and used on a Lot for the purpose of normal and routine maintenance of grounds and the normal routine construction, repair, maintenance and operation of Dwelling and other improvements located on a Lot including construction materials which are stored and/or used during construction if in the opinion of the Board such products or items are not stored or used in quantities or in a manner which are likely to endanger the Lake. Notwithstanding the foregoing, no pesticides or other toxic, hazardous or harmful chemicals shall be used whatsoever within fifty, (50) feet of the Lake. Any such chemicals used or applied more than fifty, (50) feet from the Lake shall be so used and applied to prevent their spread or dissemination into the Lake.



8.04 In the event that an Owner or occupant of a Lot or dwelling violates any of the restrictions and limitations set forth and such violation causes damage to the Lake or the fishing conditions thereof, such Owner shall be liable to the Association for the cost of curing the damage to the lake caused by such violation which may include without limitation the cost of draining and restocking the lake if recommended by a professional consultant. In the event that any such violation causes personal injury to any person or to the property of any person, the Owner shall indemnify and hold the Association and/or the Developer and their respective directors, officers, employees, successors and assigns, harmless from and against any liability they may have to such person.

8.05 Any person by his use of the Lake pursuant to the easement granted hereunder or otherwise shall be deemed to have constructively agreed that the Developer and/or the Association shall have not duty of care to keep the lake safe for entry and use by such persons or to give any warning of hazardous conditions, use of structures or activities on or about the lake and the Developer and the Association and their respective agents, employees, officers, directors and their respective successors and assigns shall have not liability for any injury to persons or property caused by any act or omission of Developer or the Association or any other person relating to or arising out of the use of the lake by any person.

ARTICLE IX

MISCELLANEOUS

9.01 Developer reserves the right in its sole and absolute discretion at any time and from time to time to add and submit any additional property (the "Additional Property") situated adjacent to or in close proximity to the Property or the Future Development Property to the terms and provisions of the Protective Covenants. Additional Property may be submitted to the provisions of these Protective Covenants by an instrument executed solely by Developer and filed for record in the Probate Office of Shelby County, Alabama which instrument shall be deemed an amendment to these Protective Covenants which need not be consented to or approved by any Owner or his mortgagee and which may contain different terms, conditions, restrictions and provisions from those set forth herein. From and after the date on which an amendment to these Protective Covenants is recorded in the Probate Office of Shelby County, Alabama submitting an Additional Property to the terms and provisions hereof (a) all references herein to Owner shall include Owners of all Lots within the Subdivision Plat and the Owners of all Lots within such Additional Property, (b) all references herein to the Development shall include the Additional Property and (c) the number of votes in the Association shall be increased by the number of Lots within the Additional Property so that there shall continue to be one (1) vote in the Association per Lot within the Development. In no event shall Developer be obligated to submit any Additional Property to the provisions of the Protective Covenants or

to otherwise impose any covenants, conditions or restrictions set forth herein upon any other real property owned by Developer situated adjacent to or in close proximity within the Property.

9.02 The terms and provisions of these Protective Covenants shall be binding upon each Owner and their respective heirs, executors, administrators, personal representatives, successors and assigns of each Owner and shall endure to the benefit of the Developer, the Committee, the Association and all of the Owners of any of the Lots within the Development. These Protective Covenants shall be deemed covenants running with the land and any Lot shall be held, owned, sold, transferred, conveyed, hypothecated, encumbered, leased, occupied, built upon and otherwise used, improved and maintained subject to all of the terms and provisions of these Protective Covenants.

9.03 It is understood and agreed that the foregoing covenants and restrictions shall attach to and run with the land for a period of fifty (50) years from the date hereof at which time these covenants and restrictions shall be automatically extended for successive periods of ten (10) years unless by a vote of at least fifty-one percent (51%) all votes in the Association, it is agreed to change the same in whole or part.

9.04 Subject to the provisions of **9.01** and **9.09** hereof, these covenants and restrictions may be amended or altered (a) solely by Developer during such periods of time as the Developer owns Lots within the Property, and so long as such amendment does not materially and adversely affect or alter any Owners right to use his Lot or (b) by the (i) vote of fifty-one percent (51%) of all votes in the Association and (ii) written agreement of the Developer.

9.05 All personal pronouns used herein whether used in masculine, feminine or neuter gender shall include all genders. The use of the singular tense shall include the plural and vice versa.

9.06 Each Owner hereby waives any right to seek or obtain judicial partition of any portion of the Property.

9.07 Notwithstanding anything provided herein to the contrary, no sale, transfer, conveyance, lease, pledge, encumbrance or other hypothecation of any Lot by Developer to any third party shall constitute or be deemed a transfer of any of the rights reserved herein to Developer unless express reference is made in such instrument of conveyance to the specific rights created in these Protective Covenants which Developer is transferring to such third party.

9.08 Whenever in these Protective Covenants Developer, the Association or the Committee has the right to approve, consent to or require any action to be taken, such approval consent or required action shall, except as otherwise specifically provided herein to the contrary, be given or withheld in the sole and absolute discretion of Developer, the Association or the Committee, as the case may be.

9.09 Developer reserves the right in its sole and absolute discretion, at any time and from time to time without any obligation or requirement to obtain the consent or approval of any Owners or any of their Mortgagees to (a) add any additional real property to the Development to the extent the same may be developed for Residential Lots. (b) alter, change or extend any roadways within the Development or alter any street grades of any roads within the Development without liability to Owners for any claims for damages resulting from such alterations or changes and (c) change, modify or adopt different covenants and restrictions which would affect the Residential Lots within other portions of the Development which covenants and restrictions may be different from those set forth in these Protective Covenants. Developer may undertake any of the actions set forth in this Section **9.09** including, without limitation, executing and recording amendments to these Protective Covenants with respect to any of the matters described in items (a) through (c) above, without consent or approval of any Owner or his mortgagee. The Protective Covenants shall be applicable only to the Subdivision Plat as described in Exhibit "A" hereto and shall not extend to or be binding upon any other real property owned by Developer or any portion of the Development unless expressly subjected to the terms and provisions of these Protective Covenants by an instrument duly executed by Developer and recorded in the office of the Judge of Probate of Shelby County, Alabama.

The Development shall not include any real property, which may be developed for schools, golf courses, commercial uses, or any other uses which are not residential. (collectively, "Non-Residential Uses").

9.10 Subject to the conditions, restrictions and other provisions of this Declaration all agreements, actions and determinations lawfully authorized by the Board shall be binding upon Owners, their heirs, executors, personal representatives, administrators, successors, assigns and all others having any interest in the Development. In performing its responsibilities hereunder the Association through the Board shall have the right and authority to delegate to such persons of its choice such duties of the Association as may be determined by the Board. In furtherance of the foregoing and not in limitation hereof the Association may obtain and pay for the services of any person or entity to manage its affairs or any part thereof to the extent it deems advisable as well as such other personnel as the Association shall deem necessary or desirable for the proper operation of any portion of the Development, whether such personnel are furnished or employed directly by the Association or by independent contract with the Association. All costs and expenses incurred incidental to the employment of a manager of the Development or any of the Common Areas shall be a Common Expense. During the term of any such management agreement entered into by the Association with a third party, such manager may if authorized by the Board exercise all the powers and shall be responsible for the performance of all of the duties of the Association excepting any of such powers or duties specifically and exclusively reserved to the Board or the duties specifically and exclusively reserved to the Board or the officers of the Association, by the Declaration the Articles of Incorporation or the Bylaws. Such manager may be an individual, corporation or other legal entity and may be bonded in such manner as the Board may require with costs of such bond to be a Common Expense. In addition to the foregoing, the Association may

pay for the Board may hire and contract for such legal and accounting services as are necessary or desirable in connection with the operation of the Development or the enforcement of the Declaration, the Articles of Incorporation, the Bylaws or any rules and regulations of the Association.

9.11 The Association shall and does hereby indemnify, defend and agree to hold each and every officer, agent, representative and Member of the Board of the Association including the Developer harmless from and against any and all expenses, including court costs and reasonable attorney fees suffered, paid or incurred by any such officer, agent, representative or Member of the Board in connection with any action, suit or other proceedings (including the settlement of any suit or proceedings if approved by the Board) to which such person may be made a party by reason of being or having been an officer, agent, representative or Member of the Board of the Association. The officers, agents, representatives and Members of the Board of the Association shall not be liable for any mistake in judgment, negligence or otherwise except for their own willful misconduct or reckless disregard of duty as finally determined by a court of competent jurisdiction.

The officers, agents, representatives and Members of the Board of the Association shall have no personal liability with respect to any contract or other commitment made by them in good faith on behalf of the Association and the Association shall and does hereby indemnify, defend and agree to forever hold each such officer, agent, representative and Member of the Board harmless from any and all liability to others on account of any such contract or commitment. The indemnification obligations and rights provided for herein shall not be exclusive of any other rights to which any officer, agent, representative or Member of the Board of the Association may be entitled, including anything provided to the contrary contained in the Articles of Incorporation or the Bylaws. The Association shall maintain adequate general liability and officers and directors liability insurance in order to fulfill its obligations under this section and the costs of such insurance shall constitute a Common Expense.

9.12 Servisfirst Bank, Mortgagee of the Property has executed these Protective Covenants in order to indicate that its mortgage is subordinate to these Protective Covenants, the Articles of Incorporation of the Association and the By-Laws of the Association.

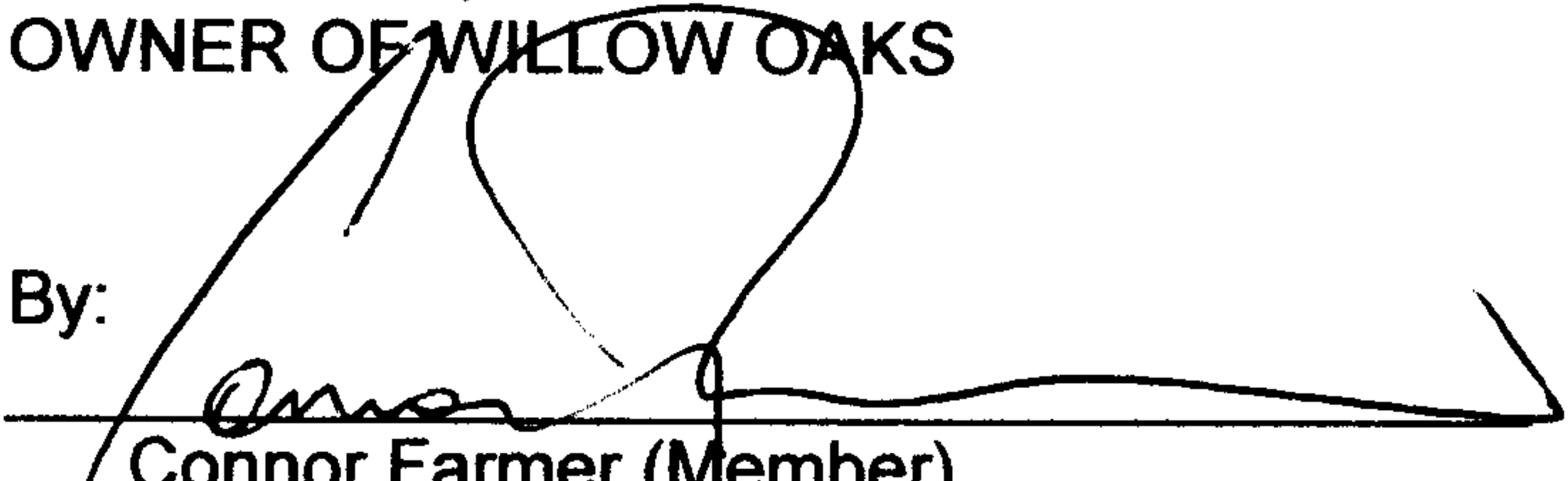
9.13 The Developer does hereby confer upon Highway 55, LLC (the owner of the real property described on Exhibit A, attached hereto) or it's successors or assigns to the real property described on Exhibit A, the right to include the real property described on Exhibit A within the Development.

IN WITNESS WHEREOF, the Developer has executed this instrument on the 24th day of July, 2007.



HIGHWAY 55, LLC.
OWNER OF WILLOW OAKS

By:


Connor Farmer (Member)

ServisFirst Bank

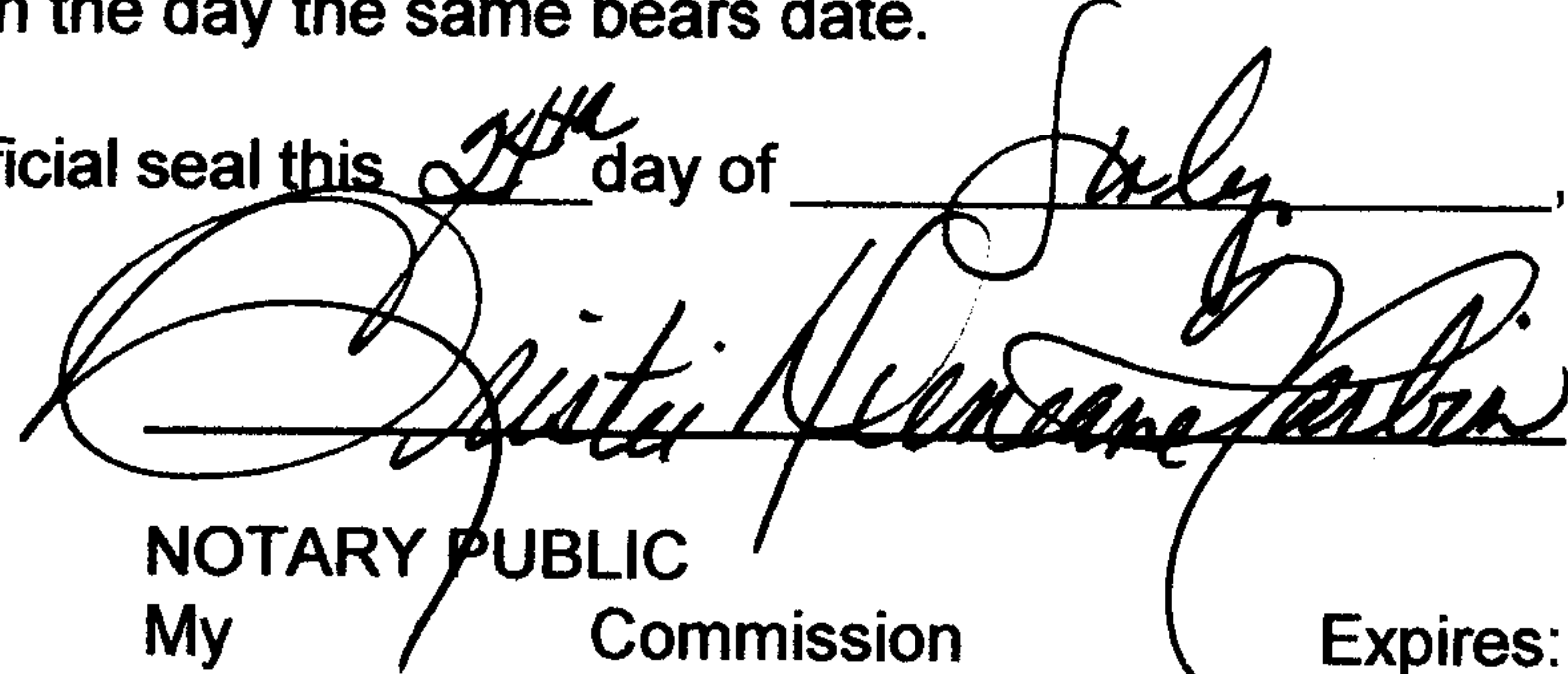
By:


Its: Ryan Ramage
Vice President

STATE OF ALABAMA)
COUNTY OF SHELBY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Connor Farmer as Member of Highway 55, LLC, whose name as Member of Highway 55, L.L.C., 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, they as such Member and officer of the Members, and with full authority to do so, executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 24th day of July,
2007.


NOTARY PUBLIC

My

Commission

Expires:

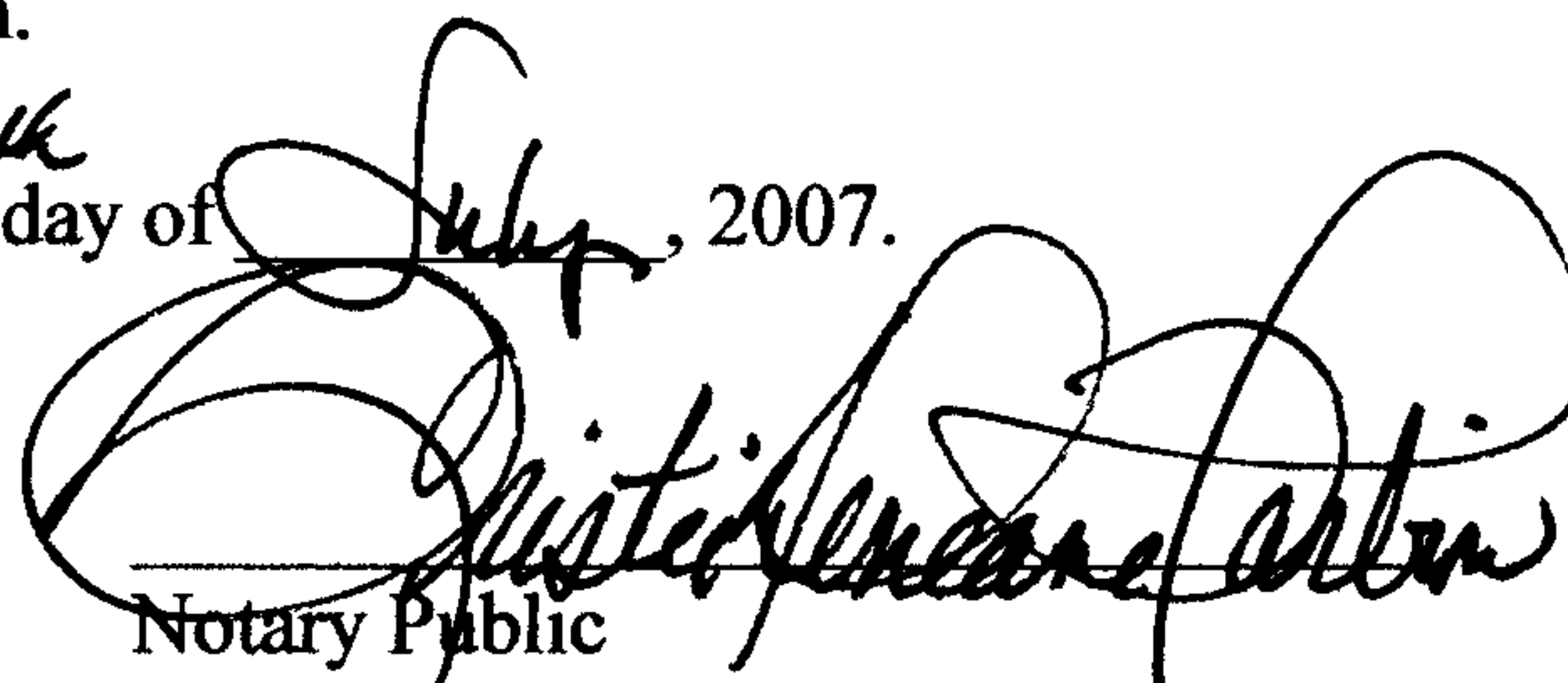
**MY COMMISSION EXPIRES
03/15/2011**

STATE OF ALABAMA)
Shelby COUNTY)

CORPORATION ACKNOWLEDGMENT

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Ryan Ramage, whose name as President of ServisFirst Bank, a corporation is signed to the foregoing instrument, and who is known to me, acknowledged before me this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of the corporation.

Given under my hand and official seal this 24th day of July, 2007.


Notary Public
My Commission Exp. _____

**MY COMMISSION EXPIRES
03/15/2011**

