

BY-LAWS
OF
OAK HOLLOW ESTATES HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME, OFFICE AND DEFINITIONS

- A. **NAME:** The name of the Association shall be OAK HOLLOW ESTATES HOMEOWNERS ASSOCIATION, INC., (hereinafter referred to as the "Association").
- B. **REGISTERED OFFICE:** The initial registered office of the Association is 100 North Three Notch Street, Troy, Alabama 36081 unless and until otherwise relocated.
- C. **DEFINITIONS:** The words used in these By-Laws shall have the same meaning as set forth in or compatible with that recorded document identified as "Declaration of Protective Covenants for OAK HOLLOW ESTATES Subdivision." (Said Declaration, as amended, renewed or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), as shown on the recorded residential plats and corrections thereof, unless the context shall prohibit such interpretation, and shall otherwise be interpreted in accordance with their common meaning and in light of their context. Wherever the words "owner", "property owner", "developer" or "Declarant" are used herein, they shall mean SOUTH ALABAMA PROPERTIES, L.L.C., its successors and assigns (which shall never include bona fide purchasers of a lot). Declarant directors shall be those initial directors named by the Declarant, which directors shall serve as the Board of Directors, until such time as said Declarant may turn over the Association and the election of directors to the membership of the Association, which shall be no later than sixty (60) days after 75% of all residential lots within OAK HOLLOW ESTATES Subdivision are sold, or at such earlier time prior to full and total development of the subdivision, as Declarant deems appropriate.

ARTICLE II

ASSOCIATION: MEMBERSHIP

A. **MEMBERSHIP:** The Association shall have one (1) class of voting membership. The voting members will be the fee owners of each residential lot within the residential portions of the OAK HOLLOW ESTATES Subdivision, but will not include builders or developers who are constructing residences on said lots, with the exception of the Developer, who shall have one vote for each lot until 75% of all lots have been sold. Each said fee owner is subject to the Declaration as reflected on the various recorded plats and corrected plats for the residential portions of the OAK HOLLOW ESTATES Subdivision. Said members shall have such voting rights and such other rights and responsibilities as are more fully set forth in the Declaration, the terms of which, pertaining to membership, are specifically incorporated herein, by reference, except as further restricted herein or in the Articles of Incorporation for this Association.

ARTICLE III

MEETINGS, QUORUMS, VOTING RIGHTS AND PROXIES

A. **PLACE OF MEETINGS:** Meetings of the Association shall be held at such suitable place convenient to the voting members as may be designated by the Board of Directors.

B. **ANNUAL MEETINGS:** There shall be no annual meeting of the membership required until such time as the Developer, in accordance with the terms and provisions of these By-Laws, the Articles of Incorporation, and the Declaration, turns over, to the membership, the right to elect a Board of Directors, which shall in no event be later than sixty (60) days after 75% of the lots are sold. Such directors shall, when elected, replace the Declarant Director. However, the Declarant Director may call an annual meeting or special membership meeting prior to the occurrence of said event, if the Declarant Director determines the same to be necessary or appropriate.

The first required meeting of the Association, whether a regular or special meeting, shall be held within sixty (60) days from the date as referred to above. Meetings of the Association shall be of the voting members or their alternates as provided herein. There shall be an annual meeting at a time and place set by the Board, the same to occur within thirteen (13) months after the initial meeting. Subsequently, annual meetings of the voting members shall be held annually, within thirty (30) days of the same day of the same month of each year thereafter, at an hour to be set by the Board. Subject to the foregoing, the annual meetings of the Association shall be held at a date, place, and time as set by the Board of Directors.

C. SPECIAL MEETINGS: The President may call special meetings. In addition, it shall be the duty of the President to call special meetings of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by voting members representing at least twenty-five percent (25%) of the total votes of the Association. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose therefor. No business shall be transacted at a special meeting except as stated in the notice thereof.

D. NOTICE OF MEETINGS: A written or printed notice stating the place, day and hour of any meeting of the Association shall be delivered, either personally or by mail, to each voting member entitled to vote at such meeting, not less than ten (10) days nor more than thirty (30) days before the date of such meeting, by or at the direction of the President and/or the Secretary of the Association. If mailed, the notice of such meeting shall be deemed to be delivered when deposited in the United States Mail addressed to the voting member at his address as it last appeared on the records of the Association, with postage thereon prepaid.

E. WAIVER OF NOTICE: Waiver of notice of meetings of the Association shall be deemed the equivalent of proper notice. Any voting member may, in writing, waive notice of any meeting of the voting members before or after such meeting. Attendance at a regular or special meeting by a voting member shall be deemed a waiver by such member, of notice of the time, date and place thereof, unless such voting member specifically objects to the lack of proper notice at the time said meeting is called to order.

F. ADJOURNMENT OF MEETINGS: If any meeting of the Association cannot be held because a quorum is not present, a majority of the voting members who are present at said meeting, either in person or by their official alternate, may adjourn the meeting to a time not less than ten, (10) nor more than thirty (30) days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to the voting members in the manner prescribed for notice for regular meetings.

The voting members present at a duly called or held meeting at which a quorum is present, may continue to do business until adjournment, notwithstanding the withdrawal of enough voting members to result in less than a quorum being present, provided that at least twenty percent (20%) of the total votes of the Association remain present, in person, and provided further that any action taken shall be approved at least a majority of the voting members required to constitute a quorum.

G. VOTING: The voting and membership rights of the members shall be set forth in these By-Laws, the Articles of Incorporation and the Declaration, and such voting and membership rights provisions are specifically incorporated herein as though fully and completely set out. Fee ownership of a residential lot entitles the owner thereof to the rights of one voting membership, except as otherwise set forth herein with respect to the developer. In the event a lot is owned by multiple owners, said multiple ownership shall only be entitled to participate in or vote on any questions considered and acted upon at any meeting, in which case the voting member shall be designated by the various owners. In the absence of such designation, the first owner who shall register as representing such lot shall be recognized as the designated representative.

H. PROXIES: Voting members may not vote by proxy and may only vote in person, however, the voting member may name his or her spouse or another co-owner of the property as his or her alternate voting member, in the event the voting member is not present at a meeting. Each member may name his or her official alternate, which can only be the spouse of or the co-owner with said voting member and same shall be reflected on the official records of the Association.

I. MAJORITY: As used in these By-Laws, the term "Majority" shall mean that number of votes, lot owners, or official alternates as the context may indicate, totaling more than fifty percent (50%) of the total number of qualified votes, attending said meeting wherein a vote is taken, so long as a quorum is present originally and so long as other provisions of these By-Laws are adhered to.

J. QUORUM: Except as otherwise provided in these By-Laws, the Articles of Incorporation or the Declaration, the presence of voting members, in person or by official alternate, representing one-fifth (1/5) of the Association shall constitute a quorum at all meetings of the Association. However, until such time as the Declarant Director is replaced by elected directors, then no action may be taken by the membership of the Association without the presence of a representative of the Declarant, his successors or assigns, and without the approval of said representative. For so long as Declarant, his successors or assigns, is the owner of any lot within the total property, and until sixty (60) days after the sale of 75% of the lots within the subdivision, or until the Declarant otherwise voluntarily terminates his rights hereunder, whichever first occurs, then Declarant shall be given written notice of all meetings and proposed actions of the Association. Such notice must be actually delivered to the Declarant and such delivery may be proved either by an appropriately endorsed return receipt from a certified mail delivery or by personal delivery at the address the Declarant has registered with the Secretary of the Association. No other form of notice, including first class mail, will be adequate unless there is specific proof of delivery of same to Declarant. Declarant or his designated representative shall be given the opportunity, at any such meeting, to join in discussion from the floor, or any prospective action, policy or program to be implemented by the Association. The Declarant is specifically given the right and privilege to be represented

by a designated representative at any meeting.

K. CONDUCT OF MEETINGS: The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted at said meetings, as well as recording of all other business transactions occurring thereafter.

L. ACTIONS WITHOUT A MEETING: Any action required by law to be taken at a meeting of the Association, or any action which may be taken at a meeting of the Association, may be taken without an official meeting if a consent, in writing, setting forth the action so taken shall be signed by all of the voting members entitled to vote with respect to the subject matter thereof and such consent shall have the same force and effect as a unanimous vote of the Association.

ARTICLE IV

BOARD OF DIRECTORS: NUMBERS, POWERS, MEETINGS

A. COMPOSITION AND SELECTION: The affairs of the Association shall be governed by a Board of Directors. Directors, except for Declarant Directors, including Declarant's original appointees or their replacements, must be lot owners within the subdivision and members of the Association, provided, however, no person and his or her spouse may serve on the Board at the same time, and except that until such time as the Declarant's rights and membership in the Association has terminated, in accordance with other provisions of these By-Laws, the Declaration, and the Articles of Incorporation of the Association, then the Declarant will have the sole right to elect, reelect, or remove the directors of the Association, and there shall be no necessity of a meeting of the membership for these purposes.

B. NUMBER OF DIRECTORS: The number of directors of the Association, who shall be elected or appointed, as the case may be, shall be determined by the Declarant. The initial directors shall be elected by the Declarant acting in his sole discretion and shall serve at the pleasure of the Declarant. The Declarant shall have the right to appoint the Board of Directors until no later than sixty (60) days after 75% of the lots are sold or at such earlier time as Declarant may voluntarily turn over these rights to the voting members. Declarant Directors need not be lot owners, residents or members of the Association but all other elected directors must be members of the Association, after the Declarant's rights in the Association. The Board of Directors of the Association may, by resolution of a majority of the existing directors, change the number of directors from time to time.

C. NOMINATION OF DIRECTORS: Except with respect to directors elected by Declarant, nominations for election to the Board of Directors shall be made by any voting member and

shall be made to the President and/or to the Secretary of the Association at least ten (10) days prior to the annual meeting where said directors are to be elected, or ten (10) days prior to any special meeting where a director is to be elected to fill a vacancy on said Board. Nominations shall not be permitted from the floor at any meeting. Any candidate for director may have access to the mailing list of the Association for the purpose of communicating his or her qualifications to voting members and to solicit their votes, upon request for same to the Secretary of the Association.

D. ELECTION AND TERM OF OFFICE: Directors shall be elected by majority vote of qualified voting members. The term of office of each elected director shall be three (3) years, except that the original elected director(s) shall be elected for one, two and three-year staggered terms respectively, and thereafter, at each annual meeting, one (1) (or (2), as the case may be), directors will be elected to serve a full three-year term, thus allowing continuity on the Board of Directors with there always being a director who has served a term of at least two prior years and a director who has served a term of at least one prior year, in addition to the newly elected director. No director shall serve more than two successive terms, except that the two initial directors elected to a one-year term and a two-year term respectively, may serve two additional successive three-year terms. A director's term shall automatically be terminated and the office of director vacated upon the death of a director, upon said director selling his or her lot or otherwise ceasing to be a lot owner and thus, a member of the Association, or upon voluntary resignation by a director, or upon said director becoming delinquent in the payment of any assessment or indebtedness to the Association. In such case, that vacancy shall be filled by election at a specially called meeting of the membership, or at the next regular annual meeting of the membership, in the discretion of the President of the Board.

E. REMOVAL OF DIRECTORS: Directors (other than declarant Director) may be removed for cause or without cause. Any director whose removal is sought will be given notice prior to any meeting called for that purpose or prior to a meeting where such action is contemplated to be taken. Such director (other than the Declarant Director) may be removed from office by a majority vote of the voting members voting at a meeting where a quorum has been declared present, in the same manner as any other legal action of the Association is taken.

Any director elected to fill a vacancy is elected and shall serve only the remainder of the unexpired term of the predecessor director whose term is being filled, unless otherwise elected and reelected to an additional term.

F. ORGANIZATIONAL MEETING: The first meeting of the original elected Board of Directors shall be held within thirty (30) days after the meeting at which said original elected Directors were elected, at such time and place as shall be fixed by the Board.

G. REGULAR MEETINGS: Regular meetings of the Board of Directors may be held at such

time and place as shall be determined from time to time by a majority of the directors, but at least four (4) such meetings shall be held during each fiscal year with at least one meeting being held per quarter. Notice of the time and place of the meetings shall be communicated to the directors not less than seven (7) days prior to these meetings, provided, however, that notice of such meetings need not be given to any director who has signed a waiver of notice or written consent to the holding of said meetings, provided however, if a meeting is scheduled by the Board at a prior Board meeting, then no formal notice of said meeting shall be required.

H. SPECIAL MEETINGS: Special meeting of the Board of Directors may be held when called by written notice signed by the President or by a majority of the directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Such notice shall be given to each director at least forty-eight (48) hours prior to said special meeting and may be given by any of the following methods:

- (a) personal delivery
- (b) telephone communication, directly and in person to the director; or
- (c) certified mail, return receipt requested.

All such notices, if not in person, shall be given at the director's address shown on the records of the Association. All such notices must be given in such fashion as to be delivered at least forty-eight (48) hours before the time set for the meeting.

I. WAIVER OF NOTICE: Any regular or special meeting of the directors and action taken with respect thereto, shall be valid so long as properly held and notice properly given or so long as either before or after said meeting each director signs a written waiver of notice or a consent to the holding of said meeting or an approval of the minutes of said meeting. Notice of a meeting shall also be deemed to be given to any director who attends said meeting and who fails to protest lack of notice at the commencement of said meeting.

J. QUORUM OF DIRECTORS: At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, provided that the Declarant Director must be in attendance at all director meetings, until such time as he is replaced by elected directors, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute a proper decision of the Board. If a quorum is initially present, the meeting may continue to transact business regardless of the withdrawal of a member, so long as any action taken is approved by at least a majority of the required quorum for that meeting. The chairman of the Board shall have a vote on all questions before the Board.

K. ADJOURNED MEETINGS: If any meeting of the Board cannot be held because a quorum is not present, a majority of the members of the Board who are present may adjourn the

meeting to a time not less than three (3) nor more than thirty (30) days from the time such meeting was originally called. At such adjourned meeting, so long as a quorum is present, any business may be transacted that could have been transacted at the original meeting.

L. COMPENSATION: No director shall receive any compensation from the Association as a director unless approved by a majority vote of voting members representing at least fifty-one percent (51 %) of the total votes of the Association, taken at a regular or special meeting of the Association.

M. CONDUCT OF MEETING: The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book of the meetings, recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meeting.

N. ACTIONS WITHOUT FORMAL MEETING: Any action of the directors may be taken without a formal meeting if a consent, in writing, setting forth the action so taken, shall be signed by all of the directors and such consent shall have the same force and effect as a unanimous vote.

O. POWERS OF BOARD: The Board of Directors shall be responsible for the affairs of the Association and shall have all the powers and duties necessary for the administration of the Association's affairs and may do all acts not otherwise prohibited by law or by the Declaration, By-Laws, or Articles of Incorporation of the Association. In particular, the Board shall have power and authority to contract with third parties to provide maintenance and repair to the common areas which are or will be managed and controlled by the Association and shall have the power and authority to contract for insurance coverage on behalf of the Association to protect the Association and the lot owners from liability regarding said common areas, if they deem such to be advisable.

P. BOOKKEEPING, ACCOUNTS AND REPORTS: Through the Treasurer of the Association, the Board will see to it that the bookkeeping, accounts and reports of the Association are accurately handled. No enumeration will be paid for bookkeeping or accounting services unless approved by a vote of the membership of the Association. Accrual accounting, as defined by GAAP, shall be employed. After Declarant relinquishes his control of the Board, accounting and control should conform with established AICPA guidelines and principles, which require, without limitation, a segregation of accounting duties, and cash disbursements being limited to Twenty-Five Dollars (\$25.00) or less. Cash accounts of the Association shall not be commingled with other accounts. Financial Reports should be prepared for each regular Board meeting, including both income statements and expense statements, which statements shall be available for review by a member at any reasonable time upon request to the President or the Treasurer of the Association. An annual statement

reflecting the financial condition of the Association in all material respects shall be completed annually within sixty (60) days following the end of the Association's fiscal year and shall be distributed to each Association member within thirty (30) days thereafter.

Q. MAINTENANCE, REPAIR, RESTORATION: The Board of Directors shall have the power to borrow money for the purpose of repair, restoration or maintenance to the common areas and facilities, without direct approval of the membership, provided, however, that membership approval must be had if the total amount to be borrowed exceeds or would exceed ten percent (10%) of the budgeted gross expense for the Association for that fiscal year.

R. HEARING PROCEDURE: The Board shall not impose a fine or suspend the voting rights of any member unless and until the following procedure is followed:

(a) A written demand is made to the member to cease and desist from the alleged violation which demand shall be served upon the alleged violating member stating the alleged violation, the action required to abate the violation and the time period which shall not be less than ten (10) days during which the violation must be abated without further sanction, if such violation is a continuing one, or a statement that any further violation of the same rules may result in the imposition of a sanction after notice and hearing if the violation is not of a continuing nature.

(b) Notice of hearing at any time within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board shall serve the violator with written notice of a hearing to be held by the Board in executive session. This notice shall contain the nature of the violation, the date time and place of the hearing, which time shall be not less than ten (10) days from the date the notice is given, an invitation to attend the hearing and present any statement, evidence, or witnesses on behalf of the alleged violator, and the proposed sanctions to be imposed.

(c) The hearing shall be held by the Board in executive session pursuant to the notice, and the member shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the board member, officer of the Association, or an agent of same who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction imposed, if any.

(d) Following the hearing and the ruling of the Board, the alleged violator shall have

the right to request a rehearing if further facts or evidence are determined to be available for presentation which were not present at the original hearing. Other than reconsideration, there will be no appeal from the original board action. Reconsideration will be discretionary by the Board, and if the Board does not act within thirty (30) days after a request for reconsideration, then the reconsideration will be deemed to have been denied. In the event the reconsideration is allowed, the Board will notify the alleged violator who has requested such reconsideration of the date, time and place of the reconsideration hearing, which time shall not be less than ten (10) days from the date said notice is given.

ARTICLE V

OFFICERS

A. **OFFICERS:** The officers of the Association shall be a President, a Secretary, and a Treasurer and will be elected by the Board. The President will also automatically be the Chairman of the Board and the Secretary will automatically be Secretary of the Board. The Board may elect such other officers as it may deem desirable and the officers will have such powers and authorities as are delegated to them by the Board. Any two or more offices may be held by the same person excepting the offices of President and Secretary.

B. **ELECTION, TERM OF OFFICE AND VACANCIES:** The officers of the Association shall be elected every 2 years by the Board of Directors. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the respective term. *

C. **REMOVAL:** Any officer may be removed by a majority vote of the Board of Directors whenever, in the judgment of a majority of the Board, it is in the best interest of the Association.

D. **POWERS AND DUTIES:** The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, unless otherwise limited or restricted by the Board, as well as such powers and duties as the Board may delegate to them. The Treasurer shall have the primary responsibility for preparation of the budget, financial statement, and tax returns.

E. **RESIGNATION:** Any officer may resign at any time by notifying the Board of Directors, the President or the Secretary. Such resignation shall take effect either on the date stated or on the receipt of such notice, whichever is later, and unless otherwise required, the acceptance of such resignation shall not be necessary to make it effective.

F. AGREEMENTS, CONTRACTS, DEEDS, LEASES AND CHECKS, ETC. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by at least two officers or by the President and a board member or designee of the Board.

ARTICLE VI

COMMITTEES

A. FISCAL YEAR: The initial fiscal year of the Association and any changes therein shall be set by resolution of the Board of Directors.

B. PARLIAMENTARY RULES: Except as may be modified by Board resolution establishing modified procedures, Robert's Rules of Order (Current edition) shall govern the conduct of the Association's meetings when not in conflict with Alabama law, the Articles of Incorporation, the Declaration or these By-Laws.

C. CONFLICTS OF LAW: If there are any conflicts or inconsistencies between the provisions of Alabama law, the Articles of Incorporation, the Declaration and these By-Laws, then the provisions of Alabama law, the Declaration, the Articles of Incorporation, and these By-Laws (in that order) shall prevail.

D. BOOKS AND RECORDS: The Declaration, Articles of Incorporation, By-Laws, Membership roster, books of account, minutes of meetings of the Association, the Board and committees thereof and any other legal documents of the Association shall be made available for inspection and copying by any mortgagee, any member of the Association, or by his or her duly appointed representative at reasonable times and for purposes reasonably related to interests of the requesting party, at the office of the Association or at such other place as the Board shall prescribe. The Board may establish reasonable rules for the inspection of such documents, the copy of such documents and the usage of such documents, but in no event will the membership roster be made available to any individual for commercial purposes. Every director shall have the absolute right, at any reasonable time, to inspect and/or copy any of said documents.

E. NOTICES: Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by first class mail with postage prepaid.

(1). If to a member, at the address to which the member has designated in

writing and filed with the Secretary or, if no such address has been designated at his or her lot address; or

(2). If to the Association, the Board of Directors, or the President, then at the principal office of the Association, if any, or at such other address as shall be designated for said entity or individuals on the records of the Association.

F. AMENDMENTS TO BY-LAWS: These By-Laws may be amended by proper action of the Board of Directors, as long as all legal requirements are complied with. However, the percentage of votes necessary to amend any specific clause or provision hereof shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

These By-Laws were adopted on the 10th day of September, 2002.

OAK HOLLOW ESTATES HOMEOWNERS
ASSOCIATION, INC.

By: Scott L. Hill

and

By: Ernest Earl Ellis, Jr.

ITS DIRECTORS

Corp.6:KW/af

**OAK HOLLOW ESTATES DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS**

STATE OF ALABAMA
DALE COUNTY

KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, South Alabama Properties, L.L.C. is the owner of real property known as Oak Hollow Estates Subdivision (hereinafter referred to as "Subdivision"), located in Dale County, Alabama, a more particular description of which appears on Exhibit "A" attached hereto and made a part hereof and

WHEREAS, South Alabama Properties, L.L.C. desires to subject said property and each lot to be located in said Subdivision to and impose upon said lots mutual and beneficial restrictions, covenants, terms and conditions and limitations (herein for convenience sometimes referred to collectively as "Restrictions") for the benefit of all the lots in said Subdivision, the future owners of said lots, and any other party as may be specified herein;

NOW, THEREFORE, South Alabama Properties, L.L.C. does hereby proclaim, publish and declare that all of the said lots in said Subdivision (herein "Lot" or "Lots") are subject to, held and shall be held, conveyed, hypothecated or encumbered, rented, used, occupied and improved subject to the following Restrictions which shall run with the land and shall be binding upon all parties having or acquired any title or interest in and to the real property or any part or parts thereof subject to such Restrictions. The Restrictions contained herein shall apply only to the Lots in Oak Hollow Estates Subdivision and shall not apply to any other land owned by South Alabama Properties, L.L.C.

ARTICLE I

DEFINITIONS

Unless otherwise expressly provided, the following words and phrases when used herein shall have the meanings hereinafter specified:

Section 1. "Architectural Review Committee" shall mean the committee created pursuant to Article III hereof.

Section 2. "Articles" shall mean the Articles of Incorporation of Oak Hollow Estates Homeowners Association, Inc., an Alabama not-for-profit corporation, which have been filed in the office of the Judge of Probate of Dale County, Alabama, a true copy of which is attached hereto, marked Exhibit "A" and incorporated herein by reference, as such Articles may be amended from

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time to time.

Section 3. "Association" shall mean Oak Hollow Estates Homeowners Association, Inc., an Alabama not-for-profit corporation, and its successors and assigns.

Section 4. "Assessment" shall mean any of the types of assessments defined below and in this Section.

(a) "Common Assessment" shall mean the charge against each owner and his Unit representing a portion of the total costs incurred by the Association in owning, maintaining, improving, repairing, replacing, insuring, managing and operating any Common Properties.

(b) "Special Assessment" shall mean a charge against one or more (but not necessarily all) Owners and their Units equal to the cost incurred by the Association in connection with the enforcement of the provisions of this Declaration and/or a non-periodic assessment deficit in operating and maintenance expenses resulting from inadequate periodic assessments.

(c) "Reconstruction Assessment" shall mean a charge against each Unit representing a portion of the cost incurred by the Association for reconstruction of any portion or portions of the Improvements on the Common Properties pursuant to the provisions of this Declaration.

(d) "Capital Improvement Assessment" shall mean a charge against each Unit representing a portion of the cost incurred by the Association for instillation or construction of any Improvements on any portion of the Common Properties which the Association may from time to time authorize.

Section 5. "Board" shall mean the Board of Directors of the Association elected in accordance with the By-Laws of the Association.

Section 6. "By-Laws" shall mean the By-Laws of the Association, which have been or shall be adopted by the Board substantially in the form of Exhibit "B" attached hereto and made a part hereof by this reference, as such By-Laws may be amended from time to time.

Section 7. "Common Expenses" shall mean the actual and estimated costs of ownership, maintenance, management, operation, repair, and replacement of the Common Properties (including unpaid Special Assessments, Reconstruction Assessments and Capital Improvement Assessments and including those costs not paid by the Unit responsible for payment thereof); costs of management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys, and employees and costs of insurance bonds covering those personnel; the costs of all utilities, gardening and other services benefitting the Common Properties including the recreational facilities, the costs of fire, casualty and liability insurance, workmen's compensation insurance, and other insurance covering the Common Properties; the costs of bonding of the members of the Board and any management body; taxes paid by the Association, including real property taxes for the Common Properties; amounts paid by the

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Association for the discharge of any lien or encumbrance levied against the Common Properties, or portions thereof; expenses incurred by the Association for any reason whatsoever in connection with its obligations regarding either the Common Properties; and reserves for capital improvements and deferred maintenance of the Common Properties.

Section 8. "Common Properties or Common Areas" shall mean those portions of the Properties shown as "Common Areas", "out parcels", "playgrounds", or "medians" on the plat of Oak Hollow Estates and made a part hereof and as amended hereafter and any additional property or easements which the Homeowners Association is required to maintain by recorded instrument of government action.

Section 9. "Declaration" shall mean this instrument as it may be amended from time to time.

Section 10. "Developer" shall mean South Alabama Properties, L.L.C. and its successors and assigns (which shall never include a bona fide purchaser of a lot). Any assignment of Developer's rights hereunder must be in writing, acknowledged by assignee and recorded in the public records of Dale County, Alabama, to be effective.

Section 11. "Family" shall mean: (a) a group of natural persons related to each other by blood, by marriage or adoption, or who maintain a monogamous relationship between adults and the children of the parties to such relationship; or (b) a group of not more than two (2) persons not so related who maintain a common household in a Dwelling Unit.

Section 12. "Improvement" shall mean all structures or artificially created conditions and appurtenances thereto of every type and kind located upon the Common Properties or individual site planned Lot.

Section 13. "Institutional Mortgage" shall mean a mortgage upon a Unit held by an Institutional Mortgagee.

Section 14. "Institutional Mortgagee" shall mean any bank, savings and loan association, insurance company mortgage company, real estate investment trust, agency of the United States government, Federal National Mortgage Association (FNMA) or a lender generally recognized in the community as an institutional lender, as well as the Developer, and any assignee of a loan made by one of the foregoing to finance the purchase of a Unit.

Section 15. "Lot" shall mean each numbered Lot shown on the Plat of Oak Hollow Estates as recorded, together with the improvements thereon.

Section 16. "Management Company" shall mean the person, firm or corporation, if any, which may be appointed by the Association hereunder as its agent to accept certain delegated duties, powers or functions of the Association.

Section 17. "Member" shall mean any person or entity holding a membership in the Association as provided herein.

Section 18. "Notice and Hearing" shall mean written notice and a public hearing before a tribunal appointed by the Board, at which time the Owner concerned shall have an opportunity to be heard in person or by counsel at owner's expense, in the manner further provided for in the By-Laws.

Section 19. "Owner" shall mean and refer to the person or persons or other legal entity or entities holding the fee simple interest of record to any Lot, including the Developer and sellers under executory contracts of sale, but excluding those having such interests merely as security for the performance of an obligation or debt and excluding purchasers under executory contracts of sale for a Lot. For purposes of Restrictions Use, unless the context otherwise requires, owner shall also include the family, invitees, guests, licensees and tenants and subtenants of any Owner, and any other permitted occupants of a Unit.

Section 20. "Properties" shall mean the property described in Exhibit "C" (including all improvements thereon).

Section 21. "Record", "Recorded", and "Filed" shall mean, with respect to any document, the recordation of such document in the office of the Judge of Probate of Dale County, Alabama.

Section 22. "Recreational Facilities" shall mean such amenities that Developer may construct on the common property in the future and designated as such by the Association.

Section 23. "Supplemental Declaration" shall mean any instrument recorded by the Developer or its successor in interest or the Association in the Public Records of Dale County, Alabama for the purpose of supplementing or amending this Declaration.

Section 24. "Unit" shall mean and refer to a constructed single family detached dwelling for which a Certificate of Occupancy has been issued.

Section 25. "Water Resources" shall mean and refer to all of the lakes, ponds, water retention areas, swales and all structures, pipes, conduits and other connectors among any of them.

ARTICLE II

MUTUALITY OF BENEFIT AND OBLIGATION

The Restrictions and agreements set forth herein are made for the mutual and reciprocal benefit of each and every Lot in the subdivision and are intended to create mutual and equitable servitudes upon each of said Lots in favor of each and all other Lots herein, to create reciprocal rights between the respective owners of said Lots; and to create a privity of contract and estate

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Probate Judge
Dale County, Alabama

between the grantees of said Lots, their heirs, successors and assigns.

ARTICLE III

ARCHITECTURAL REVIEW COMMITTEE AND REQUIREMENTS OF CONSTRUCTION

Section 1. Concept. It is intended that the Subdivision development will be a residential community of high esteem and quality homes in a delightful environment. The concept of Oak Hollow Estates Subdivision is to provide harmony of architectural standards but not absolute conformity.

Section 2. Architectural Review Committee Membership. The Architectural Review Committee (herein referred to as the "Committee") shall be composed of not less than two (2) members. Developer, its successors or assigns, reserves the right to appoint the initial and successor members of the Committee, none of whom need be an owner of a Lot in the Subdivision, until 75% of lots in all phases of Oak Hollow Estates have been sold, or until Developer, its successors or assigns, elect to terminate its control of the Committee, whichever shall first occur. After terminating control of the Committee by Developer as aforesaid, then the record owners of a majority of the Lots in this Subdivision shall have the power, through a duly recorded written instrument, to change the number of members of the Committee. Neither the Committee members nor its designated representatives shall be entitled to any compensation for services performed pursuant to this covenant. A majority of the Committee may designate one or more representatives to act for it.

Section 3. Architectural Review Committee Purpose. The primary authority of the Committee shall be to examine and approve or disapprove all initial and subsequent plans, including site plans, for construction of improvements on the Lots within this Subdivision, in accordance with the provisions of these Covenants. The Committee shall have such other responsibilities, duties and authority as provided for herein, but the Committee shall not have any responsibility, duty, power or authority not provided herein.

Section 4. Meetings of the Committee. The Committee shall meet from time to time as necessary to perform its duties hereunder.

Section 5. Non-Liability of Committee Members. Neither the Committee nor any member thereof, shall be liable to any person or entity for any loss, damage, or injury arising out of or in any way connected with the performance of the Committee's duties hereunder, unless due to willful misconduct or bad faith. The Committee shall review and approve or disapprove all plans submitted to it for any proposed Improvement, alteration or addition, solely on the basis of aesthetic considerations, such as architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor

shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes.

Section 6. Approval By Government. No construction or reconstruction of Improvements shall be performed without compliance with applicable building codes and appropriate Building Permits.

Section 7. Plan Approval. All plans and specifications for any structure, outbuilding, or improvement whatsoever to be erected on or moved upon or to any Lot, and the proposed location thereof, all finishes, the roofs, landscaping, and later changes or additions, after initial approval thereof, and any remodeling, reconstruction, alterations or additions thereto on any Lot shall be subject to and shall require the approval in writing of the Committee before any work is commenced. The scope of review by the Committee shall be limited to appearance only and shall not include any responsibility or authority to review for structural soundness, compliance with building or zoning codes or standards, or any other similar or dissimilar factors. Commencement of construction prior to the receipt of a Letter of Approval of the Committee, a copy of which must be signed by the Builder or Owner and returned to the Committee for retention, is strictly prohibited.

Section 8. Review Documents. One set of prints of the drawings and specifications (herein referred to as "plans") for each house or other structure proposed to be constructed on each Lot shall be submitted for review and approval or disapproval by the Committee. A sketch plan and a plot plan shall be retained by the Committee. Said plans shall be delivered to such location as may be designated by the Committee, at least three (3) working days prior to the date construction is scheduled to commence. The Committee shall review and respond with an approval or disapproval of the plans within three (3) working days. All plans for structures shall be not less than 1/8" = 1' scale.

Section 9. Design Criteria and Structure.

(a) It is the intent of Oak Hollow Estates Subdivision to generally present a sound architectural environment; however, the elevation and exterior appearance of no two houses shall be permitted to be the same. The following types of exterior materials, among others, are acceptable, subject to final approval of the actual appearance of such materials by the Architectural Review Committee:

Brick, stone, stucco, synthetic plaster (e.g., dryvit). White roofing of any material is NOT acceptable. Exterior colors must be approved by the Committee. Roof color and materials must be approved by the Committee.

(b) Pins for site of dwelling (footprint of house) must be in and approved by the Committee before construction may begin.

(c) All surfaces for driveways must be concrete. No garage or carport shall open to the street which the house faces.

(d) This Subdivision will have mailboxes of like design as designated by the Committee and all Lot owners will conform to this design.

(e) Windows, Window Treatments and Doors.

(1). Reflective glass shall not be permitted on the front exterior of any dwelling. No foil or other reflective materials shall be installed on any windows or used for sun screens, blinds, shades or other purposes.

(2). No aluminum colored windows shall be utilized on the front or sides of any dwelling. Screen doors shall not be used on the front or side of any dwelling. No aluminum colored doors with glass fronts (e.g., storm doors) shall be allowed on the front of any dwelling.

(3). Appropriate window treatments shall be used on all windows. Sheets, bed linens, blankets and paper or plastic bags are not appropriate window treatments.

(f) All fences, including fences for backyards, swimming pools, dog pens, gardens or for any other purpose, must be approved by the Committee prior to construction. No fences shall be placed in front yards unless approved by the Committee.

(g) No sign of any kind shall be displayed to the public view on any parcel except for professional signs or not more than four square feet to advertise the property for sale or rent, or a service rendered, or a builder to advertise the property during the construction or sales period. No signs are to be nailed to any trees. All builders' and contractors' signs must be removed from the lot within 30 days after the house has been sold.

(h) Outside lighting shall be approved by the Committee.

Section 10. Construction Obligations.

(a) During construction, all vehicles, including those delivering supplies, must enter the building site only on driveways approved by the Committee and such vehicles must be parked on the building Lot where the construction is under way so as to not unnecessarily damage grass or trees outside of driveway right-of-way.

(b) All building debris, stumps, trees, etc. must be removed from each Lot by builder as often as necessary to keep the house and Lot attractive.

(c) During construction, builder must keep homes and garages clean and yards cut. Builders must not place building materials, trash, or excess equipment in street. Silt fencing must be installed ✓

along street at locations where erosion is possible to prevent dirt from washing onto street.

(d) All proposed exterior decorating or redecorating, including color changes, must be approved by the Committee or its successors or assigns.

(e) **Underground Utilities.** All utility lines, pipes, conduits and wiring for electrical, gas, telephone, water, sewer, cable television, security and any other utility service for any portion of the Subdivision shall be installed and maintained below ground.

(f) Roof pitch on the roof sections of the house shall be no less than 7/12. Gables or dormers shall have a minimum roof pitch of 10/12.

ARTICLE IV

OWNER'S PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every owner shall have a non-exclusive, common right and easement of ingress and egress over, enjoyment in, and use of the Common Properties, which right and easement shall be appurtenant to and shall pass with title to his unit subject to reasonable regulations as may be enacted by the Association from time to time and to the following specific conditions and limitations:

(a) The right of the Association to establish uniform rules and regulations pertaining to the use of the Recreational Facilities, including, but not limited to, the right to limit the number of guests of an Owner using such facilities.

(b) The right of the Association to suspend the rights to use the Recreational Facilities by an Owner and his guests for any period during which any assessment against his unit remains unpaid and delinquent; and for a period not to exceed thirty (30) days for any single infraction of the published Rules and Regulations of the Association, provided that any suspension of such voting rights or right to use the Recreational Facilities shall be made only by the Board of Directors of the Association, after notice and an opportunity for a hearing.

(c) The right of the Developer and of the Association, after the Developer has conveyed the Common Properties to the Association, to grant easements for utilities and other common use purposes.

(d) The right of the Developer to the non-exclusive use of portions of the Common Properties without charge, for sales, display, access, ingress, egress, construction and exhibit purposes so long as it shall own any Lot within Oak Hollow Estates.

(e) The right of the Association (by action of the Board) to reconstruct, replace or refinish any improvement or portion thereof upon the Common Properties, in accordance with the original

design, finish or standard of construction of such Improvement, or of the general Improvements within the Common Properties, as the case may be.

(f) The right of the Association to replace destroyed trees or other vegetation and to plant trees, shrubs and ground cover upon any portion of the Common Properties.

(g) An easement for ingress and egress over those portions of Common Walls and Common Areas to perform any duties under the Declaration.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Properties and facilities to the members of his family, or to the tenants who reside in his Dwelling Unit, subject to the Rules and Regulations of the Association in effect and any which may become effective in the future.

Section 3. Parking. Parking for each Unit shall be limited to the garage constructed with the Unit and the portion of the driveway on the Owner's Lot. Except for the limited guest parking not exceeding twelve (12) at any one time, no vehicles shall be parked on the unpaved portion of any Lot or on Shady Grove Lane or Broadleaf Way. Subject to the foregoing, the Association, through its officers, committees and agents, shall be entitled to establish regulations concerning parking on any portion of the Common Properties and may make provision for the involuntary removal of any vehicle violating them.

Section 4. Easements for Vehicular and Pedestrian Traffic. The Developer hereby reserves, grants and conveys for itself and all future owners, lessees, guests, invitees, and institutional Mortgagees of the properties (or portions thereof), a perpetual, non-exclusive easement for vehicular traffic over all streets.

Section 5. Easements for Public Service Use. The Developer hereby reserves easements over, under and through the Common Properties for cable TV, municipal and private utility companies and governmental public services, including, but not limited to, police, fire, health, sanitation and other public service personnel to enter upon (with or without vehicles or animals) any part of the Common Properties for the purposes of carrying out their duties and the right of all utility companies to install, maintain, replace or supplement their equipment and facilities.

Section 6. Easements for Association. The Developer hereby reserves for the Association such easements of access over, upon and through the Lots as the Association may reasonably require in order to perform its duties as set forth in this Declaration.

Section 7. Waiver of Use. Every Owner shall have personal liability for Assessments duly levied by the Association on his Unit. No Owner may release the Unit owned by him from the liens and charges hereof by waiver of the use and enjoyment of the Common Properties and the facilities thereon or by abandonment of his unit.

Section 8. Water Resources Use Restrictions and Covenants. In connection with the use of any Water Resources, the following restrictions shall apply:

(a) No gasoline powered boats shall be permitted on any Water Resources with the exception of boats used for maintenance thereof;

(b) No bottles, trash, cans or garbage of any kind or description shall be placed in any Water Resources;

(c) No activity shall be permitted on any Water Resources which may become an annoyance or nuisance to the adjacent property and the Owners thereof. The Association's determination whether any activity constitutes an annoyance or nuisance shall be dispositive;

(d) No person or entity, except Declarant or the Association, shall have the right to pump or otherwise remove any water from any Water Resources for the purpose of irrigation or other use;

(e) Individual Water Resources may only be used by Declarant, Association, maintenance forces of any of the foregoing or of the government and Parcel owners around that individual Water Resource;

(f) Only Owners and guests shall be permitted to fish in the Water Resources and only in areas so designated and only in accordance with government regulations and Association Rules and Regulations; and

(g) The Board of Directors of the Association shall be entitled to establish, amend, or modify rules and regulations governing the use of the Water Resources.

Section 9. Indemnification. In connection with the platting of the Property or obtaining permits necessary to develop the Property, the Declarant may assume or may be required to assume certain obligations for the maintenance of the Water Resources. The Declarant hereby assigns to the Association and the Association hereby assumes all the obligations of the Declarant under the Plat, applicable permits or under any applicable governmental regulations and for any and all obligations for the maintenance of Water Resources. Association further agrees that subsequent to the recording of this Declaration, it shall indemnify and hold Declarant harmless from suits, actions, damages, liability and expense in connection with loss of life, bodily or personal injury or property damage or other damage arising from or out of occurrence, in, upon, at or from the maintenance of the Water Resources occasioned wholly or in part by any act or omission of the Association or its agents, contractors, employees, servants or licensees but not including any liability occasioned wholly or in part by the acts of the Declarant, its successors, assigns, agents or invitees.

ARTICLE V

EXCLUSIVE RESIDENTIAL USE AND IMPROVEMENTS

Section 1. All Lots in the Subdivision shall be known and described as residential Lots and shall be used for single family residential purposes exclusively. No lot may be altered in size unless a majority vote of the Oak Hollow Estates Homeowners Association approves a change.

Section 2. Heated and air conditioning living areas shall have a minimum of 2800 square feet of floor space for Lot 1; 2000 square feet for Lots 2-14; and 2500 square feet for Lots 15-27. First floor levels must have a minimum of 1500 square feet of heated and air conditioning living area.

Section 3. No more than a single family unit shall occupy any dwelling house. Detached auxiliary buildings are not permitted without prior written approval of the Committee. All dwellings must be built within the building lines shown on the recorded plat of Oak Hollow Estates Subdivision. All guest houses, pool houses, storage houses or garages must be approved by the Committee and follow the architectural style of the dwelling. No auxiliary buildings shall be permitted in the front yard of any Lot.

ARTICLE VI

GENERAL PROHIBITIONS AND REQUIREMENTS

Section 1. It shall be the responsibility of each Lot Owner to prevent the development of any unclean, unsightly or unkept conditions of building or grounds on such Lot which shall tend to decrease the beauty of the specific area or of the neighborhood as a whole.

Section 2. All occupied lots, and any improvements placed thereon, shall at all times be maintained in a neat and attractive condition and in such manner as to prevent them from becoming unsightly by reason of unattractive growth on such Lot or the accumulation of rubbish or debris thereon. In order to implement effective control of this item, the Committee reserves the right, after ten (10) days notice to any Lot Owner, to enter upon any Lot with such equipment and devices as may be necessary for the purpose of mowing, removing, clearing or cutting underbrush, weeds or other unsightly growth and trash which, in the opinion of the Developer or the Committee, detracts from the overall beauty and safety of the Subdivision. Such entrance upon such property for such purposes shall be only between the hours of 7:00 A.M. and 6:00 P.M. on any day except Sunday and shall not be a trespass. Developer or Committee may charge the owner a reasonable cost for such services, which charge shall constitute a lien upon such Lot enforceable by appropriate proceedings at law or in equity. The provisions of this paragraph shall not be construed as an obligation on the part of the Developer or Committee to mow, clear, cut or prune any Lot nor to provide garbage or trash removal services.

Section 3. No trash, garbage or other refuse shall be dumped, burned, stored, or accumulated on any Lot. Trash, garbage or other waste shall not be kept on any Lot except in the sanitary containers or garbage compactor units. Garbage containers, if any, shall be kept in a clean sanitary condition. The owner of each Lot shall contract with the proper authorized agent in the City of Dothan for the collection of trash, refuse and garbage.

Section 4. Only dogs and cats may be kept as household pets and each household is limited to a total of four (4) pets. All pets must be on a leash or lead while walking and not permitted at any time to roam free.

Section 5. No noxious, offensive or illegal activity shall be carried on upon any Lot nor shall anything be done on any Lot which may be or may become an annoyance or nuisance to the neighborhood. No commercial or business activity shall be conducted on any Lot unless approved in writing by the Committee.

Section 6. No oil or natural gas mining or explorations such as drilling, refining, quarrying or mining operations of any kind shall be permitted upon any Lot and no derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any Lot; nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted on any Lot.

Section 7. No structure of a temporary character, including recreational vehicle, trailer, basement, tent or shack shall be used at any time as a residence either temporarily or permanently. There shall be no occupancy of any dwelling until the interior and exterior of the dwelling are completed and a certificate, or other satisfactory evidence of completion, is received by and approved by the Committee.

Section 8. Any dwelling or other structure on any Lot in the Subdivision which may be destroyed in whole or in part for any reason must be rebuilt within one (1) year. All debris must be removed and the lot restored to a sightly condition with reasonable promptness, provided that in no event shall such debris remain on any Lot longer than ninety (90) days.

Section 9. No boat, boat trailer, house trailer, camper or similar equipment or vehicle shall be parked in public view or stored on any road, street or driveway located in the Subdivision for any period of time in excess of 48 hours except in garages or on the rear part of the Lot. Also, no unkept or otherwise unattractive vehicle or piece of equipment may be parked or stored on any road street, driveway, yard or Lot except in garages, storage house or carport. The statement "in public view" shall be determined and/or interpreted by the Committee.

Section 10. No window air conditioners shall be permitted unless specifically approved as to location by the Committee.

Section 11. All outside radio and T.V. antennas shall be installed in such a way as to be non-visible from the main road, and where possible it should be placed on the back side of the chimney;

otherwise, they must be placed on the back side of the roof. All satellite dishes must be no greater than 18" and in the rear yard screened from view.

Section 12. No plumbing or heating vent shall be placed on the front side of the roof. All vents protruding from roofs shall be painted the same color of the roof covering.

Section 13. No individual sewage disposal system, grease traps, field lines or extension of field lines shall be permitted on any Lot unless such system is designed, 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.

Section 14. Existing drainage shall not be altered in any manner, and specifically shall not be altered in such a manner as to divert the flow of water onto an adjacent Lot or Lots.

Section 15. No above-ground pools shall be allowed.

Section 16. No concrete block retainer walls shall be allowed.

Section 17. Each lot will have and maintain a minimum of five (5) trees with a 2" diameter (dbh) and a minimum height of ten feet, to be in place no later than the granting of a certificate of occupancy. No existing living place trees shall be removed without approval of the Architectural Review Committee. Dead and diseased trees shall be removed, and replaced within two (2) months thereafter.

ARTICLE VII

HOMEOWNERS ASSOCIATION

The Oak Hollow Estates Homeowners Association, Inc., a not-for-profit corporation, will be formed under the laws of the State of Alabama, and each person, partnership, corporation or other entity that purchases a Lot in this Subdivision is deemed to be and is a member of such Homeowners Association and by acceptance of such deed obligates himself to all requirements, commitments, restrictions and obligations set forth in the Articles of Incorporation and By-Laws of such Homeowners Association. Each and every Lot owner and future Lot owner, by accepting a deed to the Lot or Lots in this Subdivision agrees to pay to the Homeowners Association all charges and fees levied by such Homeowners Association in accordance with the terms of the Articles of Incorporation and the By-Laws. It is agreed that the regular and special assessments together with the interest and cost of collection, shall be charged on the land and constitute a continuing lien upon the Lot against which the assessment is made, except that such lien shall be subordinate to all recorded bona fide mortgages on the Lot or Lots to finance the purchase thereof. It is the sole responsibility of the Oak Hollow Estates Homeowners Association, Inc. for maintenance of the Common Areas, the power bills, and the liability for street lamps located on all roads and streets in the Subdivision owned by the Association. Each assessment for monthly dues to pay the cost of

street lights, insurance, sign, power bills and rights of way, together with such interest thereon and cost of collection thereof, shall be the personal obligation of each person owning such property at the time the assessment came due.

ARTICLE VIII

ENFORCEMENT

Section 1. In the event of a violation or breach of any of these Restrictions, or any amendment thereto by any property owner, or family of such owner, or agent for such owner, the owner(s) of Lot(s), the Committee, the Oak Hollow Estates Homeowners Association, Inc., or any other party to whose benefit these inure, shall have the right to proceed at law or in equity to compel compliance with the terms and conditions hereof, to prevent the violation or breach of said Restrictions, to sue for and recover damages or tether dues, or take all such courses of action at the same time, or such legal remedy it may deem appropriate. No delay or failure on the part of an aggrieved party to invoke an available remedy set forth herein shall be held to be a waiver of that party or an estoppel of that party or of any other party to assert any right available to him upon the recurrence or continuation of said violation or the occurrence of a different violation. Neither the Committee nor any architect or agent thereof, nor the Developer shall be responsible in any way for any delay or failure by any or all of such entities, their successors and assigns, to enforce or seek to enforce any violation or breach of any of these Restrictions or amendments thereto.

Section 2. Each and every lot owner and future Lot owners, in accepting a deed or contract for any Lot or Lots in Oak Hollow Estates Subdivision agrees to adhere to these Covenants governing Oak Hollow Estates Subdivision. If said Lot owner(s) does not adhere to said Restrictions and legal action is taken against the party in violation of said Restrictions, then the Lot Owner(s) in violation agrees to pay all attorney fees and other associated costs incurred by other parties in pursuing legal action to remedy violation of these Restrictions.

ARTICLE IX

GRANTEE'S ACCEPTANCE AND INDEMNIFICATION AGREEMENT

Section 1. The grantee of any Lot subject to the coverage of these Restrictions, by acceptance of the deed or other instrument conveying an interest in or title to, or the execution of a contract for the purpose thereof, whether from Developer or a subsequent owner of such Lot, shall accept such deed or other contract upon and subject to each and all of these Restrictions and the agreements herein contained.

Section 2. Each and every Lot owner and future Lot owner, by accepting a deed or contract for any Lot or Lots in Oak Hollow Estates Subdivision, whether from Developer or a subsequent owner of such Lot, agrees to indemnify and reimburse Developer or the Oak Hollow Estates Homeowners Association, Inc., for any damage caused by such Lot owner or the contractor, agent

or employees of such Lot owner, to roads, streets, gutters, walkways or other aspects of public ways, including all surfacing thereon, or to water, drainage or storm sewer line or sanitary sewer lines owned by Developer, the city or the county, or for which either has the responsibility, at the time of such damage.

Section 3. Each and every Lot owner and the future Lot owner, by accepting a deed or contract for any Lot or Lots in Oak Hollow Estates Subdivision, whether from Developer or a subsequent owner of such Lot, agrees and covenants to release, indemnify, protect and hold harmless Developer its successors and assigns, and its agents, directors and employees, from and against any and all claims and demands by such owner, any member of his or her family, their employees, agents, guests, invites, licensees, contractors and employees or for damages to property or injury or death, including but not limited to Developer's contributory negligence, which may arise out of or be caused directly or indirectly by such owner's Lot or Lots and/or the use of or construction on said Lot or Lots by said owner, any member of his or her family, their guests, agents, invites, licenses, contractors or employees or subcontractors of such contractors or by any other person whomsoever. The indemnification by such owner as set forth above shall cover any and all expenses of Developer, its successors and assigns, including attorney fees resulting from any claims or demands.

Section 4. Each and every Lot owner and future Lot owner, in accepting a deed or contract for any Lot or Lots in Oak Hollow Estates Subdivision, whether from Developer or a subsequent owner of such Lot or Lots agrees, in connection with the construction of any improvements on such Lot or Lots, to exercise due care and will comply with any and all governmental rules, regulations and codes and ordinances relating to safety, so as to protect the safety and health of the public, and the safety and health of such owner, his or her family, and such contractor and its employees and subcontractors.

ARTICLE X

TERM AND MODIFICATION

These Restrictions shall run with the land and can be changed, modified, amended, altered or terminated only by a duly recorded written instrument, executed by Developer, its successors and assigns, until 75% of lots are sold, and thereafter by the then record owners of at least sixty-seven percent (67%) of the number of votes of the Association members in good standing.

ARTICLE XI

SEVERABILITY

Section 1. Every one of the Restrictions is hereby declared to be independent of, and severable from, the rest of the Restrictions and of and from every other one of the Restrictions and of and from every combination of the restrictions. Invalidation by any court of any Restriction in

this instrument shall in no way affect any of the other restrictions which shall remain in full force and effect.

Section 2. Developer may include until 75% of the lots are sold, in any contract or deed hereinafter made or entered into, such modifications and/or additions to these Restrictions which will by their nature raise the standards of the Subdivision. Higher standards would not apply to lots sold previously to the increase in standards.

ARTICLE XII

CAPTIONS

The captions preceding the various paragraphs and subparagraphs of these Restrictions are for the convenience of reference only, and none of them shall be used as an aid to the construction of any provision of the Restrictions. Wherever and whenever applicable, the singular form of any word shall be taken to mean or apply to the plural, and the masculine form shall be taken to make or apply to the feminine or the neuter.

IN WITNESS THEREOF, South Alabama Properties, L.L.C. has caused this instrument to be properly executed on this 10th day of September, 2002.

SOUTH ALABAMA PROPERTIES, L.L.C.

By: Scott L. Hendricks

and

By: Emory Earl Ellis Sr.

Its Members

STATE OF ALABAMA
COUNTY OF Pike

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify that Scott L. Hendricks and Emory Earl Ellis Sr., whose names as Members of South Alabama Properties, L.L.C., are signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they as such Directors and with full authority, executed the same for and on behalf of said company.

Given under my hand and seal this 10th day of September, 2002.

Yale... Day
Notary Public
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Eunice Hasler, Probate Judge, Dale County, Alabama

Recording Fee 50.00, TOTAL 50.00

ARTICLES OF INCORPORATION
OF
OAK HOLLOW ESTATES HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME

The name of the corporation is and shall be OAK HOLLOW ESTATES HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association".

ARTICLE II

REGISTERED OFFICE

The initial registered office of the Association is 100 North Three Notch Street, Troy, Alabama 36081.

ARTICLE III

REGISTERED AGENT

The initial registered agent shall be Scott L. Hendricks , whose address is 100 North Three Notch Street, Troy, Alabama 36081.

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Ernice Hagler
Probate Judge
Bald County, Alabama

ARTICLE IV

PURPOSES AND POWERS OF THE ASSOCIATION

This Association is organized as a non-profit corporation and does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the maintenance, preservation, architectural control, and other residential areas of the planned unit development known as Oak Hollow Estates Subdivision, as the same shall become subject to the Conditions and Restrictions for Oak Hollow Estates Subdivision, as reflected on the plat(s) and any corrections or amendments thereto, recorded in the Office of the Judge of Probate of Dale County, Alabama and to promote the general welfare, pleasure and general benefits of the lot owners and residents within the above-described property and any additions thereto, as may hereafter be brought within the jurisdiction of this Association, and for these purposes to:

- (a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in those certain documents, including Plat(s), corrections to Plat(s), and Declaration of Covenants, Conditions and Restrictions of Oak Hollow Estates Subdivision, hereinafter jointly referred to as the "Declaration," applicable to the property and recorded in the Office of the Judge of Probate of Dale County, Alabama, and as the same may be changed, corrected, modified or amended from time to time as therein provided, said Declaration being incorporated by reference herein as if fully set forth at length;
- (b) Fix, levy, collect and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the Declaration, or pursuant to the terms of the by-laws of the Association; pay all expenses in connection therewith and all office and operational expenses and other expenses incidental to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;
- (c) Have and exercise any and all powers, rights and privileges which a non-profit corporation organized under the Non-Profit Corporation Act of Alabama and any amendments thereto, by law, may now have or hereafter may have the legal right to exercise.

ARTICLE V

MEMBERSHIP

A. This Association will be a membership association. The individual fee owners within the residential areas of the Oak Hollow Estates Subdivision, will be the members of the

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Association.

Each residential lot within said subdivision is subject to the Declaration of each respective plat and any amendment thereto of the Oak Hollow Estates Subdivision. Said Declaration, by its terms, declares that the fee owners of said lots will be members of the Association, will be subject to the jurisdiction of the Association, will be subject to pay assessments by the Association and are otherwise subject to the jurisdiction of this corporation. The membership privileges and obligations are not intended to include mortgagees or other holders of security interests in said lots. The members of the Association shall enjoy only such rights as are fixed in the said Declarations, including entitlement to voting rights and manner of exercising same.

B. Change of membership in the Association shall be established by recording in the office of the Judge of Probate of Dale County, Alabama, a deed or other instrument establishing record title to a lot within said subdivision, subject to the aforementioned Declarations and written notice to the Association of such change in title ownership. The owner designated by such instrument thereby becomes a member of the Association, and the membership of the prior owner is terminated. There shall be only one vote per lot, regardless of the number of owners of said lots.

C. The share of a member in the funds and assets of the Association cannot be sold, transferred, assigned, or hypothecated in any manner, except as an appurtenance of the lot to which the member holds title.

ARTICLE VI

INITIAL BOARD OF DIRECTORS

A. The corporation powers, business and affairs of this Association shall be managed under the direction of the Board of Directors. The number of directors shall be fixed by or in the manner provided in the by-laws. All officers and directors shall hold office until their successors are elected and qualified, in accordance with the by-laws, provided, however, that any officer or director elected or appointed by the Board of Directors or by the members may be removed from office at any time, in such manner as shall be provided for in the by-laws of the corporation. In the event of death, resignation or removal of a director, the remaining directors, even if less than a quorum, shall have the authority to elect a successor director.

B. The initial directors, who are to act in the capacity of directors until the election of their successors according to the by-laws, are:

NAME
Emory Earl Ellis, Sr.

ADDRESS
100 North Three Notch Street
Troy, AL 36081

Scott L. Hendricks

100 North Three Notch Street
Troy, AL 36081

C. The Board of Directors shall have all rights, powers and authorities conferred by statute and shall have such powers, rights and authorities as are otherwise granted to them in the by-laws of the Association.

D. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly empowered and authorized:

(a) to sell, lease, exchange, mortgage, pledge or otherwise dispose of any part of the property and assets and cause to be executed conveyances, mortgages, and liens upon any and all of the real and personal property and other assets provided that if any such transaction involves all, or substantially all, of the property and assets the same shall be authorized by a vote of a majority of the directors then in office and no member, as such, shall have any right to vote thereon.

(b) to make, alter, or repeal the by-laws of the Association, provided, however, that the by-laws may provide that the voting members may also amend, change or repeal the by-laws or enact other by-laws inconsistent with the Articles of Incorporation at any annual or special meeting, in accordance with such provisions as shall be contained in the by-laws.

E. The directors, officers, employees and members of the Association shall not, as such, be liable for the obligations of the Association.

No director of the Association shall be personally liable to the Association or its members for monetary damages for breach of duty as a director of the Association, except for acts of omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or for any transaction from which the director derived an improper personal benefit, or such other act, omission or misconduct for which the law of Alabama prohibits exculpation of such liability.

The Association shall indemnify any director or former director or officer of the Association, or any person who may have served at its request as a director or officer of another corporation, whether for profit or not, in which it owns shares of capital stock or which it is a creditor, against expenses (including attorney's fees) actually and reasonably incurred by

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such person in connection with the defense of any action, suit or proceeding, civil or criminal, in which said person is made a party by reason of being or having been such director, or officer, except in relation to matters as to which such person shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his or her duty. If the Alabama Non-Profit Corporation Act is hereafter amended to provide for more liberal indemnification of such expenses, such indemnification to the fullest extent then permitted by the Alabama Non-Profit Corporation Act, as amended, shall be provided such person.

The Association shall further indemnify any person who was or is a director or officer or former director or officer of the Association or any person who may have served at its request as an officer, director, partner, employee or agent of another corporation, whether for profit or not, against judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with any action, suit or proceeding, civil or criminal, in which he or she is made a party by reason of being or having been such director or officer, if such person acted in good faith and in a manner that such person reasonably believed to be in and not opposed to the best interest of the Association, and with respect to any criminal action or proceeding had no reasonable cause to believe that his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner that he or she reasonably believed to be in and not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful. To the extent that such person has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to herein or any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys fees) actually and reasonably incurred by him or her in connection therewith, notwithstanding that such person has not been successful on any other claim, issue or matter in any such action, suit or proceeding. Any indemnification hereunder shall be made by the Association only as authorized in the specific case upon a determination that indemnification of such person is proper in the circumstances because such person has met the applicable standard of conduct set forth herein. Such determination shall be made by (a) Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or even if obtainable a quorum of the disinterested directors so directs, by independent legal counsel in a written opinion, or (c) the members if at that time the Association has members. Expenses (including attorney's fees) incurred in defending any such action or proceeding may be paid by the Association in advance of the final disposition of such action or proceeding upon receipt of any undertaking by or on behalf of such person to repay such amount, if any, that shall ultimately be determined that such person is not entitled to be indemnified for by the Association as authorized herein. When not advanced, such expenses incurred shall be paid upon such terms and conditions, if any, as the Board of Directors deems appropriate. The

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indemnification and advancement of expenses herein provided shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such person.

The Association shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association or is or was serving at the request of the Association as a director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in such capacity or arising out of such person's status as such, whether or not the Association would have the power to indemnify such person against such liability.

ARTICLE VII

BY-LAWS

The By-laws of the Association shall be adopted by the Board of Directors and may be altered, modified, amended, or rescinded in the manner provided by said by-laws. The By-Laws shall govern matters not addressed in these Articles.

ARTICLE VIII

DURATION

This Association shall exist and operate perpetually or until otherwise terminated according to law.

ARTICLE IX

AMENDMENTS

Amendments of the Articles of Incorporation may be proposed and adopted as provided in Article 4 of the Alabama Non-Profit Corporation Act, provided that no amendment may be in conflict with the above-referenced Declaration, or Declaration as amended, and provided further that no amendment shall be effective to impair or dilute any rights of members that are governed by such Declaration.

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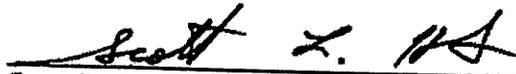
ARTICLE X
DISSOLUTION

The Association may be dissolved only after the adoption of a resolution of the Board of Directors recommending such dissolution and with consent in writing and signed by members representing not less than two-thirds of the votes entitled to be cast by the membership. Upon dissolution of the Association, other than as incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate governmental agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is not accepted, such assets shall be granted, conveyed, and assigned to any non-profit corporation, association, trust or other organization devoted to such similar purposes.

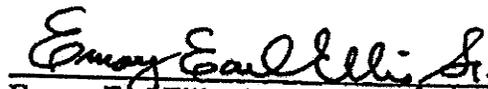
ARTICLE XI
INCORPORATORS

Scott L. Hendricks, whose address is 107 Sherwood Avenue, Troy, Alabama 36081 and Emory Earl Ellis, Sr., whose address is 100 North Three Notch Street, Troy, Alabama 36081, are the incorporators.

Done this 10th day of September, 2002.



Scott L. Hendricks



Emory Earl Ellis, Sr.

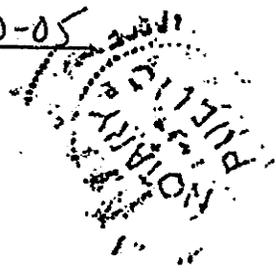
STATE OF ALABAMA,
COUNTY OF DALE.

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Before me, the undersigned authority, personally appeared Scott L. Hendricks and Emory Earl Ellis, Sr., who, after being duly sworn, depose and say that the facts averted in the above Articles of Incorporation of Oak Hollow Estates Homeowners Association, Inc., are true and correct to the best of their knowledge, information and belief.

Sworn to and subscribed to before me this 10th day of September, 2002.

Warren Day
NOTARY PUBLIC
MY COMMISSION EXPIRES: 7-10-05



PREPARED BY:
Keith Watkins
CALHOUN, FAULK, WATKINS & FAIRCLOTH, L.L.C.
Troy, AL 36081
Corp. 6:KW/af

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