

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
SCARLET OAKS SUBDIVISION**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Declaration") is made this _____ day of August, 2007, by **SPC Development, LLC, an Alabama limited liability company** (the "Declarant").

Declarant is the owner of the real property located in Houston County, Alabama, which is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference and known as "Scarlet Oaks Subdivision" as shown by the plat of said property recorded in Plat Book _____, Page _____, in the Office of the Judge of Probate of Houston County, Alabama (the "Subdivision"), and desires to place certain restrictions on the use of said property as to the size of dwellings and related matters, and in order to restrict said property does hereby covenant and agree as follows:

Article I

Subdivision Development and Declaration

1.1 Subdivision Development. The development of the Subdivision and the division of individual lots (each a "Lot", and collectively the "Lots") shall be subject to the covenants and conditions set forth in this Declaration which shall apply in their entirety to the entire Subdivision and all Lots therein.

1.2 Purpose. This Declaration imposes upon the Subdivision mutually beneficial restrictions under a general plan of development and improvement for the benefit of the owners of each Lot in the Subdivision and establishes a procedure for the development, maintenance and preservation of the integrity of the Subdivision.

1.3 Declaration. Declarant hereby declares that the Subdivision and any additional property subjected to this Declaration shall be purchased, held, used, sold and conveyed subject to the easements, restrictions, covenants and conditions set forth in this Declaration, which shall run with the title to the Lots subject to this Declaration. This Declaration shall be binding upon all parties having any right, title or interest in a Lot or any portion thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner or the owners of any Lot in the Subdivision.

1.4 Division of Lots Prohibited. No Lot may be divided or subdivided or its boundary lines changed after the initial conveyance of a Lot by the Declarant to an owner.

Article II

Use Restrictions

2.1 General Use Restrictions; Architectural Control. This Article sets forth certain minimum use restrictions which must be complied with by all owners and occupants of any Lot. The Subdivision shall be used only for residential, recreational and related purposes consistent with this Declaration. No building, swimming pool, fence, wall, satellite dish, or other structure may be erected, placed or altered on any Lot in the Subdivision without the prior written approval of the Architectural Control Committee as to

conformity and harmony of external design and location with existing structures in the subdivision as specified in Article III of this Declaration.

2.2 Residential Use. Each Lot shall be used exclusively for residential purposes and shall not be used to conduct business or trade. No building shall be constructed, erected, altered, placed or permitted to remain on any Lot other than one (1) detached single family dwelling, not to exceed two (2) stories in height, and attached garages. No commercial or business structure shall be constructed, erected, placed or permitted to remain on any Lot at any time, temporarily or permanently.

2.3 Size and Quality. It is the intention and purpose of this Declaration to assure that all dwellings shall be of a quality of workmanship and material substantially the same or better than that which can be produced on the date of these covenants are recorded. The heated and cooled area of the main structure of each dwelling on every Lot, exclusive of porches, decks and garages, shall be a minimum of 1,300 square feet. The heated and cooled area of the first floor of any dwelling of two (2) stories shall be a minimum of 800 square feet, exclusive of porches, decks and garages.

2.4 General Material Specifications. Each building shall consist of 100% brick veneer on the front exterior wall from bottom plate line to top plate line, provided that indentions for porches and similar areas are excluded from this requirement. No roof pitch shall be lower than 5/12 pitch and roofing is limited to asphalt or other shingle roofing approved by the Architectural Control Committee.

2.5 Building Location. No building shall be located on any lot nearer than 30 feet to the front lot line, 30 feet to any side street, 5 feet to any interior lot line or 30 feet to any rear lot line. For the purpose of this covenant, eaves, steps and fireplace chases shall not be considered as a part of a building, provided, however, that this shall not be construed to permit any portion of a building or a lot to encroach upon another Lot.

2.6 Utilities; Easement. All utility services to any improvements located on each Lot shall be installed underground. Easements for the installation and maintenance of utilities and drainage facilities serving the Subdivision are reserved as shown on recorded plat of the Subdivision.

2.7 Garages. Each house shall have a minimum of one single-car garage. Carports, awnings or similar parking structures, temporary or permanent, are prohibited.

2.8 Outbuildings; Location. Storage buildings and similar outbuildings other than the main residential dwelling and garage are permitted, but must be located no nearer than the main residential dwelling to any side boundary line and shall otherwise be out of view front the street in front of the main dwelling; provided, however, that no portable storage buildings are allowed. Such outbuildings must be similar in architecture and design to that of the main residential dwelling and must be constructed with the same kinds of materials and workmanship as used in the main dwelling; and the design, construction and location of the building shall be expressly approved in writing by the Architectural Control Committee.

2.9 Landscaping. All landscaping shall be consistent with the overall design maintained in the Subdivision; provided, however, that each purchaser of a Lot shall plant and maintain a minimum of four hardwood trees - two (2) in the front yard and two (2) in the back yard.

2.10 Temporary Structures. No mobile home (single or double wide), modular home, house trailer, travel trailers or motor homes, camper, tent, or other temporary structure shall be erected, placed, kept or permitted on any Lot or in the Subdivision at any time, temporarily or permanently.

2.11 Building Materials. No buildings materials of any kind or character shall be placed or stored on a Lot until the owner is ready to commence improvements, and then such material or temporary building shall be placed within the property line of the Lot where improvements are to be erected and shall not be used for other than construction purposes; and provided further, such temporary structures or buildings shall not be used for residential or sales office purposes either during construction or within one year after such temporary building was placed thereon, whichever is sooner.

2.12 Walls and Fencing. No fence or wall may be erected or placed upon any Lot without the prior written approval of the Architectural Control Committee, but in no case shall a fence be closer to the front street than the rear wall of the main residential dwelling. Any fence or wall visible from the street shall be constructed of wood or other material approved by the Architectural Control Committee, with the decorative or "good" side facing the street.

2.13 Satellite Dishes and Antennas. No towers, conductors, converters, satellite dishes, or other facilities or equipment for the reception of audio or video broadcasts directly from satellites or otherwise shall be erected or maintained on any Lot unless the same shall be located directly behind the main dwelling and the structure shall not exceed eight (8) feet tall.

2.14 Drying of laundry. No structure or apparatus, temporary or permanent, may be constructed, erected or used for outdoor drying of laundry or wash.

2.15 Pets and Livestock. Dogs, cats and other household pets may be kept by an owner, provided that they are not kept, bred or maintained for commercial purposes; and provided further that Lot owners shall be responsible for keeping their property in a neat and orderly manner and shall further be responsible for any pets should they become a nuisance within the meaning of section 2.16 hereof.

2.16 Nuisances. It shall be the responsibility of each owner and occupant of a Lot to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her property. The Lots shall not be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will disturb the peace, quiet, safety, comfort or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done which may be or may become an annoyance or nuisance to other property owner. No plants, animals or device or thing of any sort shall be kept or maintained on any Lot whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Subdivision.

2.17 Refuse. No garbage, trash, refuse or inoperable vehicles (that have been inoperable for more than 30 days), or any waste shall be thrown or dumped on any Lot or street in the Subdivision or permitted to remain thereon. All garbage cans, incinerators or other equipment used for the storage or disposal of such material, shall be kept in a clean and sanitary condition.

2.18 Excavations, etc. No excavations of any kind, except as may be necessary for the construction of improvements, are permitted. No oil or other mineral development or mining operations of any kind shall be permitted upon or in any Lot.

2.19 Signs. No sign of any kind shall be displayed to the public view on any lot except on a professional sign of not more than five square feet advertising the property for sale or rent, or one sign used by a builder to advertise the property during construction and sales period.

2.20 Sight distance at roadway. No fence, wall, or shrub planting or other structure which obstructs sight lines on any street or at any intersection will be permitted.

Article III

Architectural Control Committee

3.1 Membership. The Architectural Control Committee shall be composed of Scott Chatham and Charles E. Exum, Jr., both of whom reside in Dothan, Alabama. Either committee member may designate a representative to act for him. In the event of death or resignation of any member of the committee, the remaining member shall have full authority to designate a successor. Neither the members of the Committee, nor their designated representatives, shall be entitled to any compensation for services performed pursuant to this covenant.

3.2 Procedure. The Committee's approval or disapproval as required in this Declaration shall be in writing. In the event the Committee, or its designated representative, fails to approve or disapprove within thirty (30) days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

3.3 Term. The powers and duties of the members of the Architectural Control Committee shall cease on or after December 31, 2027. Thereafter, any approval required by this Declaration shall be made by a representative or representatives appointed by the then record owners of a majority of Lots in the Subdivision who shall thereafter exercise the same powers previously exercised and given herein to the Architectural Control Committee.

Article IV

General Provisions

3.1 Duration.

(a) These covenants and restrictions are to run with the land, and shall be a part of all deeds and contracts or conveyances of any and all lots in this subdivision and shall be binding on all parties and all persons claiming under them until December 31, 2027, at which time said covenants and restrictions shall terminate. They may be extended for additional successive periods of ten years by written and recorded agreement of a majority of the record owners filed on or before December 31, 2027, and on or before each successive ten year anniversary date thereafter.

(b) Unless otherwise provided by Alabama law, this Declaration may only be terminated by an instrument signed by the owners of one hundred percent (100%) of the Lots in the Subdivision, which instrument is recorded in the public records of Houston County, Alabama.

3.2 Amendments. Unless otherwise provided by Alabama law, this Declaration may only be amended by an instrument signed by the owners of one hundred percent (100%) of the Subdivision, which instrument is recorded in the public records of Houston County, Alabama; provided, however, that so long

as the Declarant owns at least fifty percent (50%) of the Lots in the Subdivision, Declarant expressly reserves the right to vacate, alter, amend, modify or otherwise change any restriction, rule, regulation or provision of this Declaration without notice to or the consent of other Lot owners.

3.3 Proceedings Against Violators. If any owner, tenant or occupant of a Lot in the Subdivision shall violate or attempt to violate any of these covenants and restrictions while in force and effect, it shall be lawful for the Architectural Control Committee or any other person or persons having any ownership interest in any Lot in the Subdivision to prosecute any proceedings at law or in equity against any person violating or attempting to violate such covenants and restrictions and either to prevent them from doing so and/or to recover damages for such violation. In no event and under no circumstances shall a violation of any covenant or restriction herein contained cause a forfeiture or reversion of title.

3.4 Invalidation of any Covenants. Invalidation of any of these covenants or restrictions by judgment or court order shall in no way affect any other covenant, condition, restriction or provision which shall remain in full force and effect.

3.5 Attorneys Fees and Court Costs. If the party attempting to enforce these covenants and restrictions shall prevail in any proceeding at law or at equity, such party shall be entitled to recover reasonable attorney fees and court costs, which will be assessed against the party which is found to be in violation of such restrictions.

3.6 Abatement or Removal of Violations. Violation of any restrictions or covenant, except violations as have been waived by failure to take action as provided in paragraph 2 herein, shall give the Declarant, or its duly designated representative, the right to enter upon the Lot where such violation exists and summarily abate or remove the same at the expense of the owner, and such entry and abatement or removal shall not be deemed as trespass.

3.7 Deed Restrictions. The Declarant may make additional or other restrictions applicable to each Lot in any contract for deed or deed without otherwise modifying the general plan herein outlined, and such additional or other restrictions shall insure to the benefit of other owners of Lots in the Subdivision and shall bind the grantees and their respective heirs, successors, or transferees in the same manner as though they had been expressed herein.

3.8 Property Owners Organization. The Declarant may cause to be organized a non-profit corporation of property owners to provide an effective means for the application and enforcement of this Declaration and as a device for maintaining the character and long range value of this development. If such corporation is started, the Declarant and/or the Architectural Control Committee may transfer some or all of its duties and powers hereunder to such corporation.

IN WITNESS WHEREOF, the Declarant has executed this Declaration under seal on the day and date first above written.

[Signatures Appear on Following Page]

DECLARANT:

SPC Development, LLC
an Alabama limited liability company

By: _____
Scott Chatham
Its Manager

By: _____
Patti D. Exum
Its Manager

By: _____
Charles E. Exum, Jr.
Its Manager

ACKNOWLEDGMENT

STATE OF ALABAMA,

HOUSTON COUNTY.

Before me, the undersigned authority in and for said County in said State, personally appeared Scott Chatham, Patti D. Exum and Charles E. Exum, Jr., whose names as Managers of SPC Development, LLC, an Alabama limited liability company, are signed to the foregoing Declaration of Covenants, Conditions and Restrictions, and who are known to me, acknowledged before me on this day, that being informed of the contents of the Declaration, they, as such Managers and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal this ____ day of August, 2007.

[Notary Seal]

Notary Public
My Commission Expires:

EXHIBIT "A"

One tract or parcel of land in the City of Dothan, Houston County, Alabama, and being more particularly described as follows: Commencing at the intersection of the East line of NE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 6, Township 2 North, Range 27 East and the northeasterly R/W of Alabama Highway #53, Cottonwood Road and from said point run N53°-51'-32"W along the Northeasterly R/W of said Cottonwood Road a distance of 435 feet to the Southwesterly corner of the Dothan, Alabama Congregation of Jehovah's Witnesses, Inc., property and the Point of Beginning; thence N33°-59'-32"E along the Westerly line of said property a distance of 437.3 feet to the South line of Lot 5, Block A of the First Addition to Dothan's East Subdivision, as found recorded in Plat Book 8, page 100; thence N65°-32'-46"W along the South line of said Subdivision a distance of 748.95 feet to the Easterly line of the Graceville Oil Company property; thence S21°-20'-45"W along said Graceville Oil Company property a distance of 244.08 feet to the Northerly R/W of the above mentioned Cottonwood Road; thence S45°-59'-28"E along said R/W a chord distance of 294.55 feet; thence continue along said R/W S51°-40'-44"E a chord distance of 237 feet; thence continue along said R/W S53°-51'-32"E a distance of 158.59 feet to the Point of Beginning. Said land being located in the above mentioned forty and containing 5.7 acres. Less and Except any right of ways for public roads.