

AMENDED AND RESTATED
DECLARATION OF COVENANTS,
CONDITIONS, AND PROTECTIVE RESTRICTIONS
FOR
LEISURE LAKE, UNIT I AND UNIT II OF PHASE I

This Amended and Restated Declaration of Covenants, Conditions, and Protective Restrictions for Leisure Lake is executed by Leisure Lake, Inc., an Alabama corporation (hereinafter called "Developer") this the 5th day of December, 1997.

RECITALS

Developer is the developer of Leisure Lake, Unit I of Phase I ("Unit I"), as per the plat thereof recorded at Slide 1480-A in the records of the Office of the Judge of Probate of Baldwin County, Alabama. In that capacity, Developer executed and caused to be recorded that certain Declaration of Covenants, Conditions, and Protective Restrictions for Leisure Lake, Unit I of Phase I as recorded in Miscellaneous Book 79, Page 987 of said records. In the Declaration, Developer reserved the right to amend the provisions of the Declaration under certain circumstances, which currently prevail. Moreover, Unit I of Phase I of Leisure Lake Subdivision consists of thirty-one (31) lots, seventeen (17) of which are, as of the date of this Amendment, still owned by Developer. Developer caused provisions of the Declaration to be amended by and through that certain First Amendment dated as of September 8, 1994, and recorded at Miscellaneous Book 79, Page 1538; that certain Second Amendment dated as of April 25, 1995, and recorded in Miscellaneous Book 83, Page 1879; and that certain Third Amendment dated as of August 28, 1995, and recorded in Miscellaneous Book 84, Page 0813;

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and that certain Fourth Amendment dated as of May 15, 1996, and recorded in Real Property Book 688, Page 366. (Said Declaration, as heretofore amended, is hereinafter sometimes called "the Original Declaration.")

Further, Developer has reserved the right to bring other property within the scope of the Subdivision, in one or more additions, and in connection therewith, Developer may supplement, restate and amend the Original Declaration.

Developer has now caused Unit II of Phase I ("Unit II") to be developed. Unit II consists of Lots 32 through 69, as shown on the plat recorded at Slides 1772-B and 1773-A in the records of the Office of the Judge of Probate of Baldwin County, Alabama.

Developer intends by this instrument to supplement, restate and amend the Original Declaration so that reference to the Original Declaration is no longer necessary, so as to bring into one document all of the provisions that hereafter will govern the Subdivision, and so as to place certain requirements, covenants, restrictions, conditions and reservations upon the Subdivision in accordance with a general scheme or plan in order (a) to protect the Owners of each Lot of the Subdivision against improper use of surrounding Lots within the Subdivision as will depreciate the value of the property, (b) to preserve, as far as practicable, the natural beauty of each Lot, (c) to ensure the creation of attractive, well designed, properly proportioned and appropriate homes of suitable materials with appropriate locations on said Lots, (d) to ensure proper building setbacks from street and Lot lines, (e) to provide adequate free space between structures, and (f) in general, to ensure the best and most appropriate development and improvement of the Subdivision and each Lot thereon;

NOW, THEREFORE, Developer hereby imposes the following restrictions, conditions, covenants, and agreements, all of which shall run with the Lots and

shall be binding on all parties having or acquiring any right, title, or interest in said Lots or any part thereof;

ARTICLE ONE

DEFINITIONS

1.01 "Association" shall mean and refer to Leisure Lake Property Owners Association, Inc., its successors and assigns.

1.02 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Subdivision, excluding those having such interest merely as security for the performance of an obligation.

1.03 "Subdivision" shall mean and refer to Lots 1 through Lot 69 and the Common Areas together with such additions thereto, if any, as may hereafter be brought within the scope of this Declaration.

1.04 "Common Area" shall mean such property as is shown on the Plats as Common Area and any other property (including the improvements thereto) described in this Declaration as Common Area or owned by the Association for the common use and enjoyment of the Owners. No property shall be a Common Area until the property is conveyed to the Association.

1.05 "Lot" shall mean any of Lots 1 through 69 as shown on the Plats.

1.06 "The Plats" shall mean those certain plats recorded at Slide 1480-A (the "Unit I Plat") and Slides 1772-B and 1773-A (the "Unit II Plat") in the records of the Office of the Probate Court of Baldwin County, Alabama.

1.07 "Developer" shall mean and refer to Leisure Lake, Inc., its successors and assigns.

1.08 "Improvement" shall mean and include all buildings, roof structures, parking areas, loading areas, trackage, fences, walls, hedges, mass plantings, poles, driveways, grading and site preparation work, concrete or asphalt pads, ponds, lakes, swimming pools, tennis courts, signs, utility connections, exterior illumination, changes in any exterior color, shape, or materials and any new exterior construction or exterior improvement that may not be included in any of the foregoing. Improvement includes original improvements and later changes and improvements, including all changes in exterior color.

ARTICLE TWO

ARCHITECTURAL REVIEW COMMITTEE

2.01 Establishment and Composition. There is hereby established an Architectural Review Committee ("ARC"), which shall consist solely of Developer until Developer appoints three (3) regular members. Members of the ARC shall serve without salary or pay and none of the members shall be required to be an architect or to meet any other particular qualifications for membership.

2.02 Function of the ARC. No Improvement (as defined herein) shall be commenced, erected, placed, maintained or permitted to remain on any portion of any Lot until plans and specifications in such form and detail as the ARC may require shall be submitted and approved in writing by the ARC. The ARC shall have the power to employ professional consultants to assist it in discharging its duties and shall have the right to charge any applicant a reasonable fee to defray its cost of reviewing such plans and specifications. The decision of the ARC shall be final, conclusive and binding upon the applicant.

2.03 Action of the ARC. A vote or written consent of a majority of the regular members of the ARC at a meeting or otherwise shall constitute the act of the ARC.

2.04 Terms of Office. The term of each ARC member shall be for a period of six (6) years and thereafter until the appointment of a successor. Any new member appointed to replace a member who has resigned or been removed shall serve such member's unexpired term. Members who have resigned or whose terms have expired may be reappointed.

2.05 Appointment and Removal. Except as provided below, the right to appoint and remove all regular members of the ARC at any time, with or without cause, shall be, and hereby is, vested solely in the Developer. At such time as Developer no longer owns any portion of the property subject to this Declaration or at such time that the Developer records a waiver of the right herein retained, whichever event occurs first, then the Association shall appoint all regular members of the ARC in accordance with the Bylaws of the Association.

2.06 Vacancy. Any regular member of the ARC may resign at any time from the ARC by giving written notice thereof to the Developer or the Association as the situation requires. Vacancies on the ARC, however caused, shall be, except as provided in Section 2.05 of this Article, filled by the Developer. A vacancy shall be deemed to exist in the case of death, resignation, or removal of any regular member.

2.07 Transfer of Authority to the Association. The duties, rights, powers and authority of the ARC constituted hereby may be assigned at any time, at the sole election of a majority of the regular members of the ARC, to the Association, and from and after the date of such assignment, and the acceptance thereof by the Association, the Association shall have full right, authority and powers, and shall be obligated to perform the functions of the ARC as provided herein (and in the Bylaws of the Association).

2.08 Address. The address of the ARC shall be Post Office Box 909, Foley, Alabama 36536, or such other place as may be designated (from time to time) by

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the ARC by written instrument filed for record in the Office of the County Clerk of Baldwin County, Alabama, and the last instrument so recorded shall be deemed the ARC's proper address.

2.09 Duties. It shall be the duty of the ARC to receive, consider and act upon all proposals, plans, specifications, complaints, requests for determination, or other matters submitted pursuant to the terms of this Declaration, and to carry out all other duties imposed on it by this Declaration. The ARC, may, but need not, hire specialized consultants and incur reasonable expenses to aid it in reviewing plans and their incidents.

2.10 Meetings. The ARC shall meet from time to time as necessary to perform its duties hereunder. Subject to provisions of Section 2.03 above, and except as otherwise provided herein, the vote or written consent of a majority of the regular members at a meeting or otherwise, shall constitute the act of the ARC. The ARC shall keep and maintain written records of all actions taken by it at such meetings or otherwise.

2.11 Action Without Formal Meeting. The ARC, in accordance with Section 2.03 and 2.11 hereof, may take action without formal meeting by unanimously consenting in writing on any matter which they might consider at a formal meeting. Such unanimous written consent shall constitute the act of the ARC. For the purpose thereof, unanimous written consent shall mean a writing by the three (3) regular members of the ARC.

2.12. Procedure for Submission and Approval by ARC. Submission to and approval by the ARC of proposed Improvements shall be in accordance with the Rules promulgated by the ARC, as authorized by Section 2.14 hereof. If the ARC fails to approve or disapprove any material submitted to it hereunder within thirty (30) days after the date shown on the submittal receipt or to give notice of its actions as above required, the ARC's approval shall not be necessary,

provided, however, that the failure to approve or disapprove within such thirty (30) days shall not relieve submitting Owner from the obligation to conform the Improvement to the provisions contained in the other Articles of this Declaration.

2.13 Waiver and Estoppel. The approval of the ARC of any plan, specifications or drawings or any materials accompanying same for matters requiring approval of the ARC shall not be deemed a waiver of, or create any right of estoppel against, the ARC's right to withhold approval of any similar plan, drawing, specification or materials subsequently submitted for approval.

2.14 ARC Rules.

(a) The ARC shall have the authority to adopt, amend, add to, replace and rescind, from time to time, procedural or substantive rules to make more definite and certain, and to implement the purpose of and intent of the provisions of this Declaration. Any conflict between such rule and any provision of this Declaration shall be resolved in favor of the provision of this Declaration. A copy of such rules, as in effect from time to time, shall be provided to any Owner requesting the same in writing.

(b) Approval of plans and specifications shall be based on, among other things, adequacy of site dimensions, conformity and harmony of external design and of location with neighboring structures and sites, relation of finish grades and elevation to neighboring sites, conformity to both the specific and general intent of the Declaration and whether they reflect attractive, well-designed, properly proportioned houses of suitable materials, situated on lots landscaped to preserve, protect, and enhance the ecological and aesthetic environments. If plans and specifications are not sufficiently complete or are otherwise inadequate, the ARC may reject them totally or may approve or disapprove part, conditionally or unconditionally, and reject the balance.

2.15 Content of Plans and Specifications. Two sets of plans and specifications prepared by a licensed architect or qualified planner approved by the ARC shall be submitted and approved prior to commencement of construction. Plans and specifications to be submitted and approved shall include, as a minimum, the following:

(a) A site plan showing five-foot contour grades and showing the location of all proposed Improvements, structures, walks, patios, driveways, fences and walls or a lot grading plan. Existing and finished grades shall be shown at Lot corners and at corners of proposed Improvements. Lot drainage provisions shall be indicated as well as cut and fill details if any appreciable change in the Lot contour is contemplated;

(b) Exterior elevations, exterior materials, colors, textures and shapes;

(c) Landscaping plans, including walkways, fences and walls, elevation changes, watering systems; and

(d) Driveway size.

A copy of such plans may be kept by the ARC until construction is completed.

2.16. Decisions Conclusive. All decisions of the ARC shall be final and conclusive, and no Owner or any other person, association or entity shall have any recourse against the ARC, or any member thereof, for its or such member's approval or refusal to approve all or any portion of any submitted materials, or for any other decision rendered under the authority of this Declaration.

2.17 Liability. Neither the ARC nor any member thereof shall be liable to any Owner or any other person, association or entity, for any damage, loss or

prejudice suffered or claimed on account of: (i) the approval or disapproval of any submitted materials, whether or not defective; (ii) the construction or performance of any work, whether or not pursuant to approved materials; (iii) the development of the Lot; (iv) the structural capacity or safety features of any proposed Improvements; (v) whether or not the location of the proposed Improvement on the building site is free from possible hazards from flooding or from any other possible hazards whether caused by conditions occurring either upon or off the property located within the Subdivision; (vi) soil erosion causing sliding conditions; (vii) any decision made or action taken or omitted to be taken under the authority of this Declaration; or (viii) the execution and filing of any estoppel certificate, whether or not the facts therein are correct; provided, however, that with respect to the liability of a member, such member has acted in good faith on the basis of such information as may be possessed by such member. Without in any way limiting the generality of any of the foregoing provisions of this Section, the ARC, or any member thereof, may, but is not required to, consult with or determine the view of any other Owner with respect to any materials submitted to the ARC.

2.18 Modifications and Waivers. Upon such terms and conditions, upon the payment of such fees or expenses, and for such procedures as it may prescribe, the ARC may, but is not required to, adopt, review and approve or disapprove, in whole or in part, with or without conditions, applications for the modification or waiver of any requirement or restriction of either Article Two or Article Three of this Declaration, or of the ARC rules applicable to any Improvement or use of, in, on or abutting any Lot. Such applications shall contain such information as the ARC may prescribe and shall affirmatively show that the application of such requirements, under the circumstances, creates unnecessary and undue hardships, and that its modification or waiver will not be detrimental (aesthetically, economically, or otherwise) to the Owner of any other Lot. The ARC may decide the matter upon the application and any materials or written statements accompanying it, or may allow oral presentations in support of, or in

opposition to the application prior to the decision, at its discretion. The ARC shall render a decision in writing, which decision need not contain any reasons, findings, or conclusions for the decision and shall forward one (1) copy to the applicant, and retain one (1) copy in its records.

2.19 Governmental Agency Approval. Nothing in the Declaration shall relieve, or be interpreted as purporting to relieve, any Owner from also securing such approvals, certificates, or permits of any governmental agency or entity with jurisdiction as may be required by law as a condition to the commencement, construction, maintenance, addition, change or alteration to or of any Improvement, and the ARC may require that a copy of such approvals, certificates, or permits be provided to the ARC as a final condition to any approval, or as additional assurance to the ARC that the proposed Improvements and uses meet governmental requirements, or for both such purposes.

2.20 Construction/Developer's Right to Repurchase. All construction of any Improvements in the Subdivision must be by licensed contractors approved by the ARC. Each Improvement to be constructed on any Lot shall be completed within six (6) months from the date construction commences. Initially, each Owner, other than the Developer, of an unimproved Lot shall cause construction of a residential structure to be commenced on the Lot by an approved licensed contractor within six (6) months of the Developer's conveyance of such Lot. Should any Owner fail to cause construction to be commenced in the manner and time as provided, the Developer shall have the absolute right in its discretion to require such Owner to convey the Lot to Developer or Developer's assignee. This right, which may be exercised by Developer at any time after said six (6) months and prior to construction commencement, shall be deemed exercised by the Developer if the Developer deposits in the United States mail, certified-return receipt requested, a notice of such exercise addressed to such Owner at an address believed by the Developer to be such Owner's address. Closing of this sale to the Developer shall occur within ten (10) days following the exercise of

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such right. The purchase price for this sale shall be equal to the purchase price received by the Developer on the original sale of the Lot less the sum of (i) the costs incurred by Developer in connection with closing of the original sale by Developer of the Lot to Owner or Owner's predecessor, (ii) the amount of any real estate commission or fee paid by Developer in connection with the original sale of the Lot and (iii) the costs incurred by the Developer for deed preparation, recording fees, closing fee, title insurance and other costs in connection with the sale back to Developer. Such Owner shall transfer good and merchantable fee simple title to the Lot by warranty deed, which shall warrant that the Lot is free and clear of all liens and encumbrances, other than those included as exceptions in the original deed from the Developer.

ARTICLE THREE

PROTECTIVE RESTRICTIONS

3.01 Land Use and Building Type. All Lots shall be known and described as single-family residential lots and no such Lot shall be used except for residential purposes. No building may be erected on any Lot prior to the erection of a dwelling. No trailer home, mobile home, or travel trailer will be permitted as a residence on any Lot, and no premanufactured home shall be permitted as a residence. The ARC's determination that an item is a premanufactured home, trailer home, mobile home, or travel trailer shall be conclusive.

No building or structure shall be erected, altered, placed or permitted to remain on any Lot other than one detached single-family dwelling, not to exceed two stories in height (except an attic or basement floor under the ground surface shall not be considered a story for this purpose) and a private garage or carport and other appropriate outbuildings incidental to residential use. Any allowed outbuilding shall be constructed in a manner that is compatible with the main dwelling. Each Improvement to be constructed on any Lot shall be completed

within six (6) months from the date construction commences. No mobile homes or trailer shall be parked or placed on any Lot at any time without written consent from the ARC. No items detrimental to the appearance of the Subdivision (as determined by the ARC) shall be permitted on any Lot.

3.02 Dwelling, Quality and Size. None of the Lots shall contain any residential structure that has less than 1000 square footage of heated and cooled living area.

3.03 Building Location. No building located on any Lot shall be located nearer than 10 feet from the front road Lot line or any nearer than 10 feet to any side line. No building shall be located on any Lot nearer than 20 feet from the rear Lot line; however, subject to obtaining any required governmental approval, Developer, in its sole discretion, may, by the recording of a document supplementing this Declaration, provide that any building located on any of Lots 50 - 55 may be located no nearer than ten feet (10') to the rear line of such Lots. If the Subdivision is annexed into the City of Foley, the Developer reserves the right, at any time prior to January 1, 2008, to decrease minimum distances for building location relative to front, rear, and/or side Lot lines; any such reduction shall be effected by the filing of a supplement to this Declaration.

FURTHER SUBDIVISION OF LOTS: None of the Lots shall at any time be divided into as many as two building sites and no building site shall be smaller in area than the area of the smallest Lot in the subdivision. With the prior written consent of Developer and the obtaining of any required governmental approval, any three (3) contiguous Lots may be combined into two (2) separate building sites, each of which is larger than each of the original three (3) Lots, and for all purposes thereafter, such three (3) Lots shall be treated as two (2) Lots, the same as if those three (3) Lots were originally platted as two (2) Lots; further, with the prior written consent of Developer and the obtaining of any required

governmental approval, any two (2) contiguous Lots may be combined into one (1) building site, and for all purposes thereafter, such two (2) Lots shall be treated as one (1) Lot, the same as if those two (2) Lots were originally platted as one (1) Lot.

For the purposes of this covenant, eaves and steps shall not be considered (but open carports and porches shall be) as part of a building; provided, however, that this shall not be construed to permit any portion of steps or eaves to encroach upon another Lot.

The door of any garage on any Lot must be consistent with the decor of the residence. Garage doors must be kept closed at all times except during times when vehicles and equipment are being moved in or out.

3.04 Landscaping. Each Lot shall be landscaped by the Owner thereof in accordance with landscaping designs submitted to and approved by the ARC. Primary emphasis shall be placed on preservation of green, growing, and well-groomed areas. All planted materials shall be installed within ninety (90) days following the occupancy of a dwelling, unless this period is extended in writing by the ARC in the event of delays caused by adverse weather conditions or other causes beyond the reasonable control of the owner. The landscaping plan shall be designed to maintain or enhance, wherever possible, existing vegetation within drainage easements, to prevent erosion, siltation, or impediment of runoff as a result of urbanization. Neither replacement of original landscaping nor ordinary seasonal planting shall be subject to approval by the ARC. However, no landscaping shall be done which materially deviates from ordinary and customary landscaping for comparable subdivisions or which materially detracts from other Lots in the Subdivision.

3.05 Maintenance. The Owner of any Lot shall have the duty of and responsibility for keeping the premises, Improvements and appurtenances

(including any dock) and landscaping in a well-maintained, safe, clean and attractive condition at all times. If, in the opinion of the Developer or its assigns or successors, or the Association, any such Owner is failing in this duty and responsibility, then the Developer, its successors or assigns or the Association may give notice of such fact and such Owner shall within ten (10) days of such notice, undertake the care and maintenance required to restore said Owner's or lessee's Lot to a safe, clean and attractive condition. Should any such Owner fail to fulfill this duty and responsibility after such notice, the Developer or its successors or assigns or the Association shall have the right and power to perform such care and maintenance, and the Owner shall be liable for the cost thereof. If such Owner shall fail to reimburse the entity performing the work after written demand upon such Owner for payment, the amount of such charge shall constitute a lien upon the Lot and shall be enforceable and collectible in the same manner as assessments are to be collected as later set forth in this Declaration.

3.06 Garbage and Refuse Disposal and Other Protective Miscellaneous Restrictions. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers which must be in a screened (which means a decorative screen as opposed to window screen materials) area so that the containers will not be visible from the road or from neighboring property. All equipment used for the storage or disposal of such material shall be kept in a clean and sanitary condition. All containers will be of the pest proof variety so that the contents will not be spread around the area by animals or natural causes. Containers will only be displayed on the right-of-way on the assigned day for trash pickup.

No trade or business activity or noxious or dangerous activity of any kind whatsoever shall be carried upon any Lot or on the Common Area; nothing shall be done thereon which may be or become an annoyance, nuisance, health hazard or safety hazard to the neighborhood, and without limiting the foregoing, no garage

sales, rummage sales, or the like shall be allowed on any Lot or on the Common Area, and no hunting or firearms or explosives shall be used thereon.

No work shall be done on any Lot which, in the reasonable opinion of the ARC, would jeopardize the soundness and safety of the Subdivision, reduce the value thereof, or impair any easement thereto.

No clotheslines or drying yards shall be permitted on any Lot unless confined to the rear yards and concealed by hedges, lattice work or screening acceptable to the ARC.

No statues or other forms of art shall be visible from any street and erected on any Lot unless the ARC first gives its approval in writing.

No athletic equipment, including without limitation, basketball goals, shall be erected or situated on any Lot so that same is visible from any street.

Without the prior written approval of the ARC, no television antenna, radio receiver, satellite dish or other device for receiving or transmitting radio, television, or other signals shall be attached to or installed on any Lot, unless the same is entirely within the interior of a building or other structure. No radio signals, television signals, or other form of electromagnetic radiation shall originate from any Lot and unreasonably interfere with the reception of any television or radio signal on any other Lot.

3.07 Exterior Materials. No foil or other reflective materials shall be used on any windows for sunscreens, blinds, shades, or other purposes on any Lot; nor shall any window-mounted heating or air conditioning units be permitted on any Lot. The exterior of any building on any Lot must be vinyl siding, brick, any stucco-type material that is approved by the ARC, and/or such other material, if any, as the ARC may from time to time determine appropriate, and the color of

such siding, brick, stucco-type, and other material in each instance shall be subject to the prior written approval of the ARC.

3.08 Temporary Structures. No trailer, basement, tent, shack, garage, barn or other outbuilding erected on any Lot shall at any time be used as a residence, temporarily or permanently, and no structure of a temporary character may be used as a residence.

3.09 Signs. No sign or signboard of any kind shall be displayed to the public view on any Lot not owned by the Developer or from within any Improvement, except that one professionally lettered sign of not more than three square feet in size may be displayed advertising the Lot (and the Improvements thereon) for sale or may be erected and used by a builder while a residential building or structure is under construction.

3.10 Livestock, Poultry and Pets. No animals, livestock, birds, or poultry of any kind shall be raised, bred, or kept on any Lot or within any Improvement thereon, provided that a reasonable number of generally recognized house pets, and in no event more than two dogs and cats, may be kept within the residence on a Lot, subject to rules and regulations as may be determined by the ARC and provided further that such domestic pets are not raised or kept for any commercial use or purpose, and provided further that they do not become an annoyance or nuisance to the neighborhood. At all times, pets shall be under leash when walked or exercised in any part of the Subdivision, and no pet shall be permitted to leave its excrement on any portion of the Subdivision.

3.11 Sight Lines at Intersections. In addition to the limitations below on fences, no fence, wall, hedge or shrub planting shall be allowed on any Lot which materially obstructs sight lines on any corner Lot resulting in a traffic hazard as determined by the ARC.

3.12 Fences.

(A) The Subdivision is intended to be an open community, and this intention is generally inconsistent with privacy or closed fencing. Therefore, as a general rule, no fence of any description shall be allowed. The foregoing shall not prohibit the ARC from approving in one or more instances (i) fence-like improvements if the ARC finds that any such proposed structure does not threaten the openness of the community; or (ii) any fence that the ARC finds, in all respects, to be aesthetically appropriate to secure a swimming pool. The foregoing shall not prohibit landscaping, including hedges, unless the ARC determines in any instance that such threatens the openness of the community.

(B) The Developer has installed at its expense white "PVC" fencing on Lots 1 through 7 and Lot 31. The Owner of each of such Lots shall be responsible for maintaining in good condition such part of such fencing as is situated on the such Owner's Lot.

3.13 Driveways. All Lot residences must have a driveway constructed of concrete, and such driveway must be completed at such time as the residence is completed or occupied, whichever shall occur first. In no event shall dirt, gravel, shell, pine needles, asphalt or other material be acceptable for the surface of any driveway.

3.14 Pools. No swimming pool shall be located or installed on any Lot unless the same is surrounded by a fence (a) that would meet the requirements imposed by the City of Foley, Alabama if the Subdivision were located within said City, and (b) that receives specific ARC approval in accordance with paragraph 3.12 (A) above. Any such pool is likewise subject to obtaining ARC approval.

3.15 Mail Boxes. No mail boxes or newspaper boxes shall be allowed on any Lot except such as conforms to the specifications for same as determined by the ARC.

3.16 Security/Street Lights. The Owner of each Lot shall cause to be constructed on the Lot a security/street light with a timer system connected to the electrical supply servicing such Owner's Lot. Such light shall be in accordance with the specifications approved therefor by the ARC. Such light shall be erected not later than the time of construction of a residence on such Lot. The Owner of such Lot shall be responsible for keeping the light and pole in working order so that it operates during hours from dusk to dawn, and for paying as part of such Owner's regular electrical bill the cost of providing power to such light. Should any Owner acquire a Lot which already has thereon a security/street light, such Owner shall, though not responsible for the initial construction of such light, be responsible for keeping the light and pole in working order so that it operates during hours from dusk to dawn, and for paying as part of such Owner's regular electrical bill the cost of providing power to such light.

3.17 Excavation and Mining. No soil, rock, gravel or clay shall be excavated or removed from any property for commercial purposes. No oil, drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon the surface of any Lot; nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon, or within 500 feet beneath, the surface of any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained, or permitted upon any Lot.

3.18 Commercial, Recreational, or Other Vehicles (Including Motorcycles). Neither commercial or agricultural type vehicles, vans or trucks larger than three-quarter (3/4) ton pickup trucks nor recreational vehicles such as motorhomes, trailers, campers, boats or any trailered vehicles shall be stored or parked on any Lot or parked on any residential street in the Subdivision except while parked in a closed garage, except while engaged in transporting merchandise or goods to or from a residence in the Subdivision. No motorcycles

or all terrain vehicles ("ATV's") shall be stored or parked on any Lot or on any residential street in the Subdivision.

3.19 Leases. No Lot (or Improvements) shall be leased except pursuant to a bona fide written lease contract for not less than twelve (12) consecutive months; all leases and the tenants thereunder are subject to all provisions of this Declaration.

ARTICLE FOUR

UTILITIES

4.01 Utilities to Include Central Sewer. All residences on any Lot must be served by underground utilities including but not limited to sewer, water, electricity and telephone. No individual water supply system (for human consumption) or individual septic system shall be permitted on any Lot.

4.02 Utility Easement. A ten foot (10') utility and drainage easement is reserved by Developer, its successors and assigns, on the perimeter of all Lots.

ARTICLE FIVE

LAKE

5.01 Provisions With Respect to the Lake in the Subdivision. The Developer owns the lake shown on the Plats. Developer contemplates, initially, retaining ownership to the lake, the lake bed, and the dam area. Developer may in its discretion choose to convey the lake, the lake bed, and the dam area to the Association. At such time as the lake, the lake bed, and the dam area are conveyed to the Association, the Association shall have complete responsibility for the upkeep, maintenance, etc., and stocking of the lake and the dam. Until such time, however, the Developer shall cause such upkeep, maintenance, etc., and stocking to be done, and the Association shall reimburse Developer one-half (1/2) the cost thereof within ten (10) days following demand. Developer reserves the

right to use the lake, and allow the use thereof, for recreational and other reasonable purposes (including fishing) in connection with other real property which Developer owns in the vicinity of the Subdivision, such that Developer, its successors and assigns, including Owners of lots and/or other units constructed by Developer on said surrounding property, shall have the right to use said lake.

There is hereby reserved over a ten foot (10') wide strip around the perimeter of the lake an easement in favor of the Developer, its successors and assigns, to facilitate maintenance of the lake.

Subject to obtaining any required permits from applicable governmental authorities, the Owner of each Lot located on the lake shall be entitled to construct a dock which extends not more than eight feet (8') beyond the lake water's normal edge and which is not wider than twenty feet (20') or deeper than twelve feet (12'). Such dock must be of materials and finish as are approved by the ARC and shall be constructed so that same is safe and does not unreasonably interfere with the rights of other Owners. Each dock owner shall ensure that the same is kept in a good and safe condition and in a neat appearance. Docks may be used only for the personal recreational and relaxation purposes of the Lot Owner and a reasonable number of guests. No activity shall be conducted or allowed on any dock which constitutes a nuisance or otherwise unreasonably interferes with the reasonable enjoyment of the Subdivision by other Lot Owners. Only low level lighting that is consistent with any standards and/or specifications established by the ARC shall be allowed on any dock. The Developer may make such rules and regulations as it may deem appropriate restricting use, activities, and maintenance.

The lake may be used for reasonable and safe recreational activities; provided, however, no motorized (except electrical trolling motors) watercraft or other vehicle of any sort shall be allowed on the lake. Except as provided in this Declaration, no person other than Owners of one or more Lots, or their

reasonable number of invited guests, may use the lake. All use of the lake shall be at the risk of the user and subject to any applicable laws, rules and regulations, and ordinances of any governmental agency having jurisdiction. Developer, or its successors and assigns, is authorized to restrict or otherwise regulate use of the lake.

ARTICLE SIX

COMMON AREA AND PROPERTY RIGHTS

6.01 Common Area. (a) It is expected that the Common Area shall include the entrance way median (including the irrigation system therein) located on Lake South Drive; the 1.13 +/- acre parcel of land shown on the Unit I Plat as "Common Area No. 1"; the twenty foot (20') landscape buffer (0.24 acres +/-) as shown on the Unit I Plat; the temporary six foot (6') walkway easement to Common Area No. 1, which easement may be relocated by the Developer from time to time, and, at Developer's option, the lake and dam area. The Common Area shall include any other property Developer may elect to classify, build or provide as Common Area. The Developer intends to construct a clubhouse or activity center, which Developer intends to classify as Common Area. As of the date of this instrument, Developer has set aside an area along County Road 12 for the storage of RV's and trailers; Developer reserves the right to eliminate, relocate, remove, and/or expand this area and/or to classify it as Common Area.

(b) Developer intends to provide non-lake Lot Owners with access to the lake. This access will be in the form of a strip of land shown on the Unit II Plat as located between Lots 47 and 48, with a pier leading to a gazebo. Use of this access land and attached facilities shall be at all times subject to such rules and regulations as the Developer may deem appropriate. The Developer may designate this land and the facilities, wherever located from time to time, as Common Area.

6.02 Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) The right of the Association to suspend an Owner's voting rights and right to use the recreational facilities for any period during which any assessment against its Lot, as the case may be, remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions that may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds of the members has been recorded.

(d) The right of the Association to make rules and regulations regulating the use of the Common Area.

6.03 Delegation of Use. Any Owner may delegate in accordance with the Bylaws his right of enjoyment to the Common Area and facilities to the members of his family or permitted tenants who reside on the Lot.

ARTICLE SEVEN

ASSOCIATION AND AMENDMENTS

7.01 Property Owners Association. Developer has or will in the future establish Leisure Lake Property Owners Association, Inc., an Alabama non-profit

Corporation, which shall have duties and responsibilities typically associated with owners associations, to include, without limitation, the obligation for general maintenance and upkeep of the Common Area and shall be responsible for fire hydrants, drainage ditches, and, at the Developer's option, some or all of the street lights within the Subdivision, and may provide other services for the Subdivision. Each Owner should obtain and review a copy of the Articles of Incorporation for the Association and a copy of the Bylaws.

7.02 Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

7.03 The Association shall have two classes of voting membership:

(a) Class A. Class A members shall be all Owners of Lots, with the exception of the Developer, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

(b) Class B. The Class B member(s) shall be the Developer and shall be entitled to six (6) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first:

- (i) on January 1, 2008, or
- (ii) Developer records an instrument terminating the Class B membership.

7.04 Assessments. Each Owner, including Developer, by acceptance of a deed for the Lot, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association (1) annual assessments or

charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which such assessment is made. Such may be perfected by filing a statement of lien in the appropriate records of the Office of the Judge of Probate of Baldwin County, Alabama, setting forth the Lot upon which the lien is claimed, the amount for which the lien is claimed, and the name of the property owner. The lien shall be enforceable in accordance with Alabama law. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

7.05 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Subdivision and for the improvement and maintenance of the Common Areas.

7.06 Maximum Annual Assessment. The maximum annual assessment shall be not more than Three Hundred Sixty and No/100 Dollars (\$360.00) per Lot through December 31, 1999, without a vote of the majority of votes of both Class A and Class B stock.

The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

7.07 Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to the year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction,

repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, providing that any such assessment shall have the assent of two-thirds (2/3) of the votes of both classes members who are voting in person or by proxy at a meeting duly called for this purpose.

7.08 Notice and Quorum for Any Action Authorized Under Sections 7.06 and 7.07. Written notice of any meeting called for the purpose of taking any action authorized under Section 7.06 or 7.07 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

7.09 Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

7.10 Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots, including any Lot owned by the Developer, at such time as the Developer may designate but not before January 1, 1995. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. After the Class B stock ceases to exist, the Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. Annual assessments shall be made in twelve (12) monthly installments due and payable on the first day of each month. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the

assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

7.11 Effect of Nonpayment of Assessments: Remedies of the Association.
Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 12% per year. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

7.12 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE EIGHT
DEVELOPMENT RIGHTS

8.01 Additions to Subdivision. The Developer owns additional property near the Subdivision and may acquire in the future more additional property. The Developer, its successors and assigns, shall have the right, from time to time, but not the obligation, to bring within the scheme of the Subdivision in one or more additions any or all of said property without the consent or approval of Owners of any Lots. If and as additional properties are included, this Declaration may be supplemented, restated and amended as necessary or as appropriate for those properties. Upon the filing of any Supplemental

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Declaration, then and thereafter the owners of all lots and/or other units in the added property shall have the rights, privileges and obligations with respect to the Subdivision in accordance with the provisions of, and to the extent set forth in, this Declaration as supplemented, restated, and amended. If such supplemental Declaration provides, the owners, other than Developer, of lots and/or other units in the added property shall be Class A members of the Association, and Developer shall be the Class B member for lots and/or other units owned by Developer. Each lot or other residential unit in the newly-added property will be subject to assessments by the Association in the same manner and in the same amount as Lots 1-69 as shown on the Plats. Developer may provide in any supplemental declaration, in Developer's discretion, that some or all of the provisions of Article Two and/or Article Three of this Declaration may not apply to such lots or units and/or that variations of such provisions may apply. This right to add such additional properties to the scope of this Subdivision shall expire January 1, 2008.

Included with any of such additional property may be, at Developer's option, additional common areas, including without limitation, other land, a clubhouse and/or a pool. The initial cost of such land and/or construction of such additional common areas shall be the Developer's, but the responsibility for maintenance, upkeep, repair, replacement, etc. thereafter will be the Association's. Nothing herein shall prevent the formation of associations of one or more groups of owners in the Association. Developer reserves the right to construct common areas for the benefit of newly-added property only, but the Association shall have no responsibility for any such restricted common areas.

Any lots and/or other units within such additional property, if included with this Subdivision, shall be limited to residential purposes, but at the Developer's discretion, some or all of the included property may be used for multi-family purposes, including apartments, townhouses, etc. Except for any such additional property as the Developer elects to include in the Subdivision,

Developer reserves the right to utilize, develop, sale, etc. such additional property as the Developer deems appropriate (including for commercial purposes) and is not obligated to include any of such additional property, whether developed or not, within the Subdivision to any extent at all.

8.02 Developer Facilities. Developer shall have the right to maintain within the Subdivision (including within any clubhouse or activity center) such sales, management and other offices and storage and other facilities, including signage, as Developer deems appropriate for the sale, maintenance or management of property and other reasonable purposes. Any office maintained by Developer for Developer's purposes shall be furnished by Developer, which such furnishings shall remain Developer's property.

ARTICLE NINE

MISCELLANEOUS

9.01 Enforcement. If the parties hereto, or any of them, or any of their heirs, executors, successors, administrators or assigns, or any such future owner or owners of any lot or lots within the Subdivision or any of their heirs, successors, administrators or assigns, shall violate or attempt to violate any of the covenants, restrictions and/or limitations herein contained, it shall be lawful for the Association, the ARC and/or any person or persons owning any real property subject to this Declaration to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate the same to prevent such person or persons from so doing, or to recover damages for such violations or attempted violations, and in the event that the prosecuting party prevails, the other party shall be responsible for the prevailing party's costs of litigation, including reasonable attorney's fees.

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9.02 Severability. Invalidation of any one of the covenants and/or limitations, or any part thereof, by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

9.03 Term. The provisions of this Declaration shall run with the land and shall be binding on all lot Owners, or upon all parties and persons claiming under or through them, each of whom shall by virtue of his acceptance or acquisition of title or other interest, whether or not it be so expressed in the deeds or other instruments of conveyance, accepts and agrees to be bound by and to abide by all terms and provisions of this instrument, all of which shall be, and remain, in full force and effect until July 1, 2014, after which time this Declaration shall automatically be extended for successive periods of ten years unless an instrument signed by the Owners of not less than fifty percent (50%) of the Lots then subject to this Declaration has been recorded, agreeing to change said covenants in whole or in part.

9.04 Successors. Deeds of conveyance of any Lot within the Subdivision may contain the provisions, restrictions, covenants and conditions contained herein by reference to this Declaration; however, whether or not such reference is made in any or all of said deeds, by becoming an Owner of any Lot within the Subdivision, each such Owner, for himself or itself, his or its heirs, personal representatives, successors, transferees and assigns, binds himself or itself, and such heirs, personal representatives, successors, transferees, and assigns, to all the provisions, restrictions, covenants and conditions now or hereafter imposed by or under the authority of this Declaration and any amendments thereof.

9.05 Assignment of Rights and Obligations of Declarant. The rights of Developer hereunder are fully assignable to any person, association or entity and any and all obligations and duties of Developer are fully delegable and assignable to any person, association or entity.

9.06 Rights Reserved and Limitation on Restrictions. Nothing contained in this Declaration or on the plat of the Subdivision shall be deemed or interpreted to intend a gift or dedication of any portion of the Subdivision to the general public or for any public purpose whatsoever, such intent being hereby expressly disavowed. Nothing contained in or inferable from this Declaration shall ever be deemed to impose upon any of the land outside the Subdivision, even if shown on the Plats, and now owned or to be owned by Developer, or any related entity, any covenants, restrictions, easements or liens or creating servitudes, reciprocal negative easements or other interest in any such land in favor of Developer or any other party. Developer specifically reserves the right, from time to time, to make changes to the Plats, including vacations therefrom, except that no such change shall change the boundary of, or vacate, any Lot not owned by Developer. Nothing contained in this Declaration shall be construed to prevent the erection and maintenance by Developer of Improvements or signs necessary or convenient to the development, sale, operation, or other disposition of any property with the Subdivision or impair operation or maintenance of the Lake.

9.07 Captions and Headings. The captions and headings in this Declaration are for convenience only, and are not to be considered as defining or limiting in any way the intent of the provisions hereof or thereof.

ARTICLE TEN

AMENDMENTS

10.01 Amendments. In addition to Developer's rights under paragraph 3.03 and paragraph 8.01 above, Developer, in its sole discretion, without the necessity of consent or approval by any Lot Owners or other interest parties, may, from time to time, until January 1, 2008, amend any or all of this Declaration provided that such amendment(s) do not materially alter the scheme of development within the Subdivision or add material burdens to Lots no longer owned by Developer, unless the Owners of such Lots consent in writing.

Otherwise, this Declaration may be amended by the affirmative vote of at least two-thirds (2/3) of the votes then entitled to be cast by members of the Association present or represented by proxy at any Association membership meeting at which a quorum is present and which has been duly called for, among purposes, the purpose of amending this Declaration.

IN WITNESS WHEREOF, Leisure Lake, Inc., an Alabama corporation, by and through its duly authorized officer, has caused this Declaration to be executed as of the date provided above.

LEISURE LAKE, INC.

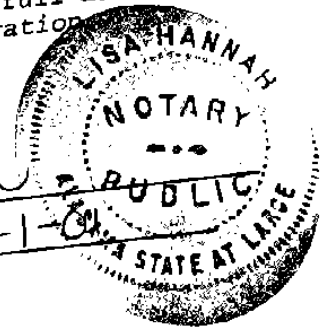
BY: [Signature]
President

STATE OF ALABAMA)
COUNTY OF BALDWIN)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that J. M. McElmurry, whose name as President of Leisure Lake, Inc., an Alabama corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

GIVEN under my hand this the 5th day of December, 1997.

Lisa Hannah
NOTARY PUBLIC
My Commission Expires: 7-1-01
(NOTARIAL SEAL)



THIS INSTRUMENT PREPARED BY:

RICHARD E. DAVIS, ESQUIRE
HELMSING, LYONS, SIMS & LEACH, P.C.
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12/04/97

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