

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR THE

ADDERLEY GARDENS SUBDIVISION 197817

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This Declaration of Covenants, Conditions and Restrictions For Adderley Gardens ("Declaration") is made on July 11th, 1996, by Miss-Georgia Corporation, a Mississippi corporation ("Declarant"). The Declarant has fee simple title to certain property located in the South half (S½) of Section 12, Township 7 North, Range 1 East, Madison County, Mississippi, acquired by warranty deed ("Deed") dated December 20, 1994 from Leslie H. Stephenson and John B. Stephenson, recorded in Deed Book 348 at Page 467 of the land records of Madison County, Mississippi, which property is more particularly described in Exhibit A ("Property"). Declarant desires to create and to develop a residential community on the Property which shall have designated common areas ("Common Area") for the benefit of the residential community. The Declarant desires to provide for the preservation of the values and amenities in, and the enhancement of the residential community, and for the designation, administration and maintenance of the Common Area. Therefore, the Declarant desires to subject the Property, including any and all improvements constructed or to be constructed on the Property, to the covenants, conditions, restrictions, uses, limitations, obligations, easements, servitudes, charges, assessments and liens contained in this Declaration which individually and collectively are for the benefit of the Property, each owner and the Declarant.

The Declarant desires the efficient preservation of the values and amenities in, and the enhancement of the residential community. Therefore, the Declarant has created and organized an association of homeowners ("Association"), and has delegated and assigned the powers and duties created by and in this Declaration to the Association for the administration and maintenance of the Common Area, the administration and enforcement of the provisions of this Declaration, and the determination, collection and disbursement of the maintenance and special assessments and other charges (collectively "Assessments").

Now, therefore, the Declarant declares that the Property is and shall be owned, leased, held, transferred, assigned, sold, conveyed, rented, used, occupied, hypothecated or encumbered,

and improved subject to the provisions of this Declaration which (D) are agreed and declared to be beneficial for and in aid of the development of the residential community and the improvement of the Property, (ii) shall be deemed to run with and bind the Property, and (iii) shall inure to the benefit of and be enforceable by the Declarant, its successors and assigns, and each Person who has or acquires any interest in any portion of the Property or the improvements on the Property, including the Association, any owner and any Person who holds such interest solely as security for the performance of an obligation or the payment of a debt.

ARTICLE I.

DEFINITIONS

Section 1.01. Definitions. For all purposes of this Declaration, the following words and terms shall have the meanings assigned in this Section 1.01 unless otherwise specified or the context requires a different construction.

"Assessment" shall mean the share allocated to a Lot and thereby the Owners of such Lot of the Association's (I) annual maintenance Assessments under Section 5.02; (ii) special Assessments under Section 5.03, and (iii) expenses, costs, charges and other amounts incurred with respect to either such Lot or the satisfaction, discharge or compliance with any obligations or duties of the owners of such Lot as specified in this Declaration.

"Association" shall mean the Adderley Gardens' Homeowners Association, Inc., a Mississippi not for profit corporation, and its successors and assigns.

"Board of Directors" shall mean the Board of Directors of the Association.

"Bylaws" shall mean the bylaws of the Association as amended from time to time.

"Charter" means The Charter of Incorporation of the Association, as amended from time to time.

"Common Area" shall mean all real property shown and designated on the plat as permanent open space and is owned or leased by or otherwise made available to the Association for the common use, benefit and enjoyment of the members.

"Declarant" shall mean Miss-Georgia Corporation, a Mississippi corporation, and its successors and assigns.

"Declaration" shall mean this Declaration of Covenants and Restrictions for Adderley Gardens, as supplemented from time to time.

"Developer" means the Declarant and each Person who is a successor in title to or acquires a fee simple interest from the Declarant with respect to any Lot, except the Association, and with the Declarant's permission is engaged in the business of the development, improvement and sale of any Lot, including the construction and sale of a Dwelling and related improvements or appurtenances on any Lot.

"Dwelling" shall mean the conventional single-family home, being a large, fully detached residence which should be designed to maximize views, climatic conditions, and the environmental amenities of the site. All homes will be designed in a style which must be approved by the Architectural Committee provided for herein.

"First Mortgage" shall mean a mortgage, deed of trust or similar encumbrance creating a lien or encumbrance against a Lot which has priority over all other mortgages, deeds of trusts or similar encumbrances creating liens or encumbrances against such Lot.

"Guidelines" shall mean the Architectural Guidelines and Resolutions adopted by the Declarant as a part of these covenants to serve as a reference tool and decision-making guide for the Adderley Gardens Architectural Review Committee.

"Invitees" shall mean an owner's tenants, guests, patrons, employees or other guests or invitees.

"Lot" shall mean each subdivided parcel, plot or tract of land constituting a portion of the Property which is shown and designated as a numbered lot on the plat and is intended to be improved with a Dwelling, but does not include the Common Area. The Property contains Lots designated as Lots 1 through 50.

"Management Agent" means the person, party or entity, if any, employed or retained by the Board of Directors for the purpose of conducting and managing the daily operations of the Association.

"Member" shall mean each Person who holds or has any class of membership in the Association as provided by Article III.

"Mortgage" shall mean any Person who owns, holds or is the beneficiary of a mortgage, deed of trust or similar encumbrance creating a lien or encumbrance against any Lot and the improvements on such Lot, including, but not limited, to (I) a bank, (ii) a savings and loan association, (iii) a trust company, (iv) an insurance company, (v) a mortgage company, (vi) a trust, (vii) a mortgage insurance company, (viii) a mutual savings bank, (ix) a real estate investment trust, (x) a credit union (xi) a pension fund, (xii) the Federal National Mortgage Association, (xiii) the Federal Home Loan Mortgage Corporation, (xiv) a recognized institutional type lender or loan correspondent, (xv) any agency or a department of The United States of America or any state, county or municipal government, (xvi) a corporation, or (xvii) an individual.

"Owner" shall mean the record holder, whether one or more Persons, of a fee or undivided fee interest in or to any Lot, including contract sellers, but excluding those Persons who hold an interest in a Lot merely as security for the performance of an obligation or payment of a debt.

"Person" shall mean an individual, a corporation, a general or limited partnership, an association, a trust, an estate or any other legal entity.

"Plans" means the plans, blueprints, drawings, specifications and samples prepared by or for a Developer or other builder in connection with the development or improvement of a Lot.

"Plat" shall mean the subdivision map or plat of Adderley Gardens, which has been or shall be filed for record in the office of the Chancery Clerk of Madison County, Mississippi.

"Property" shall mean all real property situated in Madison County, Mississippi, which is described in Exhibit "A."

"Supplement" means any amendment, modification, change or restatement of or to this Declaration.

ARTICLE II.

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PROPERTY SUBJECT TO DECLARATION

Section 2.01. The Property. The real property which is and shall be owned, leased, held, transferred, assigned, sold, conveyed, rented, used, occupied, hypothecated or encumbered, and improved subject to this Declaration is the Property which is located in the South Half (S^{1/2}) of SE 1/4 of Section 12, Township 7 North, Range 1 East, Madison County, Mississippi, and is more particularly described in Exhibit "A."

Section 2.02 Common Area. The designation of any portion of the Property as a Common Area shall not mean that the public at large acquires any easement of benefit and enjoyment in or to the Common Area.

ARTICLE III.

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 3.01 Membership. The Members of the Association shall be and consist of every Person who is, or who becomes, an owner of record of the fee title to a Lot and is included in the definition of an owner under Article I. When more than one Person owns or holds an interest or interests in a Lot, then all such Persons shall be Members.

Section 3.02 Action by Members. The Association shall have two classes of voting Members. Whenever any provision of this Declaration requires a vote of a specified percentage of the voting power of each class of Members, then such provision shall require a separate vote by the specified percentage of the voting power of the Class A Members and by the specified percentage of the voting power of the Class B Members. Whenever any provision of this Declaration requires a vote of a specified percentage of the voting power of the Members, then such provision shall require a vote by the specified percentage of the combined voting power of all Members.

Section 3.03 Members' Voting Rights. Except as otherwise specifically provided in the Charter or the Bylaws, the voting rights of the Members shall be as follows:

(a) The Class A Members shall be all Members, except the Declarant. Whenever a vote of the Class A members is required or permitted under this Declaration, the aggregate voting power of all Class A Members shall be equal to the aggregate number of Lots owned by all Class

A Members, and the Class A Members who own a Lot shall be entitled to one vote for each Lot owned by such Class A Members. When more than one Member owns or otherwise holds an interest or interests in a Lot, then the one vote for such Lot shall be exercised as such Members shall determine, but in no event shall more than one vote be cast with respect to any Lot.

(b) The Class B Member shall be the Declarant who shall be entitled to nine votes for each Lot owned by the Declarant.

Section 3.04 Membership Appurtenant to Real Property. The membership of both the Class A Members and the Class B Member shall be appurtenant to the ownership of a Lot. A membership shall not be held, assigned, transferred, pledged, hypothecated, encumbered, conveyed or alienated in any manner except in conjunction with and as an appurtenance to the ownership, assignment, transfer, pledge, hypothecation, encumbrance, conveyance or alienation of the Lot to which the membership is appurtenant.

Section 3.05 Voting Conflict Between Members. If the fee title to a particular Lot is owned of record by more than one Member, then the one vote appurtenant to such Lot may be exercised by any one of such Members, unless the other Members who owns interest in such fee title to the Lot shall object prior to completion of voting upon the particular matter under consideration. In the event of any such objection, the one appurtenant to such Lot shall not be counted.

Section 3.06. Class B Member Termination. When the voting power of the Class A Members equals the voting power of the Class B Member, then the Class B Member shall cease and be converted into a Class A Member.

Section 3.07. Other Voting Provisions. The Charter and the Bylaws contain other provisions relating to voting rights of Members with respect to matters or issues unrelated to this Declaration, including, but not limited to, the election of individuals to the Board of Directors.

ARTICLE IV.

BOARD OF DIRECTORS AND OFFICERS OF THE ASSOCIATION AND MANAGEMENT AGENT

Section 4.01. Board of Directors. The Association and the affairs of the Association shall be managed and controlled by the Board of Directors which shall have all the power, authority and duty necessary or appropriate for such management and control. The Board of Directors shall

consist of five (5) individuals or such greater number of individuals as may be prescribed in the Bylaws from time to time. Directors are not required to be Members, and shall be elected by the Members in the manner prescribed in the Bylaws.

Section 4.02. Powers and Duties. In the management and administration of the Association's affairs, the Board of Directors shall have power, authority and duty to do all acts and action except acts and actions which by law, this Declaration, the Charter or the Bylaws may be exercised only by or are reserved only to the Members. Such powers, authorities and duties of the Board of Directors to create, establish or approve policies or decisions relating to the management and administration of the Association's affairs include, but shall not be limited to, the following:

- (a) To provide for the maintenance, care, upkeep, surveillance, services and efficient operation of the Common Area.
- (b) To establish, determine, assess, collect, use and expend the Assessments from the Members, and to file and enforce liens for such Assessments.
- (c) To select, designate, train, hire, supervise and discharge personnel necessary or appropriate for the proper maintenance, care, upkeep, surveillance, services and efficient operation of the Common Area, and to establish the compensation and other benefits of or for such personnel.
- (d) To adopt, promulgate and enforce such rules, regulations, restrictions and requirements as may be recommended by the Architectural Review Committee pursuant to Section 10.06 or the Management Agent pursuant to Section 4.04(d), or as the Board of Directors may consider to be appropriate with respect to the Property, the Lots, and any improvements on the Lots, including Dwellings, or the use, occupancy and maintenance of the Common Area, including, but not limited to, rules, regulations, restrictions and requirements designed to prevent unreasonable interference with the use, benefit and enjoyment of the Common Area by the Members and other authorized Persons, or to govern activities which may be environmentally dangerous or hazardous, including the use or application of fertilizers, pesticides and other chemicals in or on the Property.

- (e) To authorize the payment of patronage refunds to the Members if and when the Board of Directors determine that the funds derived from Assessments are more than sufficient to satisfy all reasonably foreseeable financial requirements of the Association during the current fiscal year, including funds for reserves.
- (f) To purchase insurance upon the Common Area.
- (g) To maintain, repair, restore, reconstruct or demolish all or any portion of the Common Area after any casualty loss, and to otherwise improve the Common Area.
- (h) To lease or grant licenses, easements, rights-of-way and other rights of use in, or option, sell, assign, exchange, trade, transfer, quitclaim, surrender, release, abandon, mortgage or encumber or otherwise convey all or any portion of the Common Area upon such terms, conditions and provisions as the Board of Directors considers to be advisable, appropriate, convenient or advantageous for or to the Association.
- (i) To lease as tenant, purchase or otherwise acquire Lots and to option, lease, sell, assign, exchange, trade, transfer quitclaim, surrender, release, abandon, mortgage or encumber or otherwise convey any of such Lots upon such terms, conditions and provisions as the Board of Directors considers to be advisable, appropriate, convenient or advantageous for or to the Association.
- (j) To retain or employ a Management Agent for such compensation and for the performance of such duties and services as established or prescribed by the Board of Directors from time to time.
- (k) To negotiate, prepare, execute, acknowledge and deliver all contracts, agreements, commitments and other documents relating to the Association's affairs.
- (l) To prosecute, defend, appeal, settle, compromise or submit to arbitration any suit, action, claim or proceeding at law or in equity or with or before any governmental agency or authority which involves or affects the Association, including the Common Area.
- (m) To retain or employ and pay the fees, expenses or other compensation of accountants, attorneys, architects, contractors, engineers, consultants or other persons who may be helpful, necessary, appropriate or convenient in or to the Association's affairs, whether or not related to or affiliated with any director or officer of the Association or any Member.

(n) Subject to Section 9.01(d), to borrow any funds required for the Association's affairs from any person on such terms, conditions and provisions as may be acceptable to the Board of Directors, and to secure the repayment of any such loans by executing deeds of trust or by pledging or otherwise encumbering or subjecting to security interests all or any portion of the assets of the Association, including the Common Area.

(o) To establish rules, regulations, restrictions and requirements or fees and charges from time to time relating to the use of any recreational areas and amenities located in or on the Common Area.

Section 4.03. Officers. The Association shall have such officers as are prescribed by the Bylaws. The officers shall conduct the affairs of the Association and implement the policies and decisions of the Board of Directors.

Section 4.04. Management Agent. The Board of Directors shall have the sole discretion to retain or employ a Management Agent at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors from time to time may authorize. The Association is specifically authorized to undertake "self-management" and is not obligated or required to retain or employ a Management Agent. The Management Agent shall perform such duties and services as the Board of Directors shall direct and authorize which may include, without being limited to, the following power and authority:

- (a) To establish and collect the annual maintenance and special Assessments, and enforce liens to secure the collection of such Assessments.
- (b) To provide for the maintenance, care, upkeep, surveillance, services and efficient operation of the Common Areas.
- (c) To select, designate, train, hire, supervise and discharge personnel necessary or appropriate for the proper maintenance, care, upkeep, surveillance, services and efficient operation of the Common Area.
- (d) To enforce and to recommend the Board of Directors to approve and enforce such rules and regulations, restrictions and requirements relating to maintenance, care, upkeep, surveillance, services and operation of the Common Areas.

(e) To provide such other services for the Association as may be requested by the Board of Directors, including legal and accounting services.

Any management agreement entered into by the Association and any Management Agent shall permit termination for cause by the Association upon 30 days' written notice to the Management Agent. The term of any such management agreement shall not exceed one (1) year, but may be renewable by mutual agreement for successive one-year terms.

Section 4.05. Limitation of Liability. The Association, the Board of Directors and each director and each officer of the Association shall not be liable for any failure of or failure to provide any service to be furnished by the Association or to be paid with funds from charges or fees or from Assessments, or for injury, including death, or damage to any Person or property caused by the elements or caused by or resulting from electricity or water which may discharge or flow from any portion of the Common Area, or from any wire, pipe, drain, conduit or similar property. The Association shall not be liable to any Member or any other Person for theft or other loss of or damage to any property which may be left or stored upon the Common Area. No diminution or abatement of annual maintenance or special Assessments shall be claimed or allowed for inability to use, inconvenience or discomfort caused by or arising or resulting from the need for or the conduct of routine or other maintenance or repairs or the construction or reconstruction of improvements on the Common Area, or from any action taken or omitted or from inaction by the Association to comply with any of the provisions of this Declaration, any law or ordinance or the order or directive of any governmental authority or any court.

ARTICLE V.

COVENANTS FOR ASSESSMENTS

Section 5.01. Annual Assessments. Each Owner, by acceptance of a deed or other conveyance document for such Lot, whether or not expressed in any such deed, other conveyance document or assignment, shall be deemed to covenant and agree to pay to the Association the owner's annual Assessments for such Lot which shall be such Lot's proportionate share of the amount estimated by the Board of Directors to be required for the purposes contained in Section 5.02 or Section 5.03 or otherwise considered to be an Assessment under this Declaration. The calendar year shall be the fiscal year for determining

or calculating Assessments unless and until the Board of Directors establishes a different fiscal year from time to time. The Board of Directors shall determine the amount of the annual Assessment with respect to each Lot annually or at such frequent intervals as the Board of Directors considers appropriate. The annual Assessment for each fiscal year shall be paid annually each fiscal year. The due date for each installment payment of the Assessment shall be the first day of the month established by the Board of Directors. Every Assessment under Section 5.03(b) shall not be considered to be included in the annual Assessment, and shall be due and payable immediately upon notice from the Association.

The Board of Directors shall prepare, or cause to be prepared, an annual operating and capital expenditure budget for the Association, including the Common Area. The Board of Directors shall make reasonable efforts to determine and to calculate the amount of the annual Assessment against each Lot for each fiscal year at least 30 days prior to the start of such fiscal year, and written notice of the annual Assessments shall be sent to the Members. The Association shall prepare and maintain a schedule of the annual Assessments for the Lots and the schedule shall be available for inspection by any Member upon 10 days notice to the Association. The omission or failure by the Board of Directors to determine or calculate the amount of the annual Assessments applicable to the next fiscal year shall not constitute a waiver or modification of any provision of this Article, and shall not constitute a release of any Member from the obligation to pay the annual Assessment against the Lot of the Member, or any installment of such Assessment, for the next or any subsequent fiscal year, but the annual Assessment for the immediately prior fiscal year shall continue to be the annual Assessment payable by the Members until a new annual Assessment is determined or calculated by the Board of Directors. No Class A Member may become exempt from or otherwise avoid liability for the payment of the annual Assessment by the abandonment of any Lot or by the abandonment or release of the Member's rights to the use, benefit and enjoyment of the Common Area.

Section 5.02. Annual Maintenance Assessments. Except as permitted by Section 5.04, the annual maintenance Assessments levied by the Association shall be used exclusively (1) to promote the health, safety and welfare of the residents of the Property, including the

improvement, maintenance and repair of the Common Area, and (ii) to pay the costs of labor, the purchase or rental of equipment and materials used or required for, and the management, care and supervision of the Common Area. The purposes for which the annual maintenance Assessments may be levied include, but are not limited to, the following purposes:

- (a) The amount of all operating expenses of or for the Common Area and the services furnished or provided to or in connection with the Common Area, including charges for any services furnished or provided by the Association.
- (b) The costs of appropriate or necessary management and administration of the Common Area, including fees or other compensation paid to a Management Agent.
- (c) The amount of all taxes and assessments levied against for the Common Area.
- (d) The costs of fire and extended coverage and liability insurance on the Common Area and the Association's other assets and the costs of such other insurance with respect to the Common Area and the Association's other assets and affairs as the Board of Directors considers appropriate.
- (e) The costs of garbage and trash collection to the extent provided by the Association, and of utilities and other services which may be provided by or for the Association for or to the Common Area and/or the Lots.
- (f) The costs to maintain, replace, repair and landscape the Common Area, including, but not limited to, the costs (i) to maintain, replace and repair the sidewalks, streets, roads and parking areas, and (ii) of such equipment as the Board of Directors shall determine to be necessary or appropriate in connection such maintenance, replacement, repair and landscaping.
- (g) The costs to fund all reserves established by the Association, including any appropriate general operating reserve and/or reserve for replacement of assets.

Section 5.03 Special Assessments. In addition to the annual maintenance Assessments authorized in Section 5.02, the Association may levy Special Assessments as follows:

- (a) In any fiscal year the Association may levy a special Assessment applicable only to that fiscal year (i) for the purpose of paying all or a portion of the costs of any construction, reconstruction, replacement or inordinate repair or maintenance of improvements on the Common Area, including the fixtures and personal property on or related to the Common Area

, or (ii) for such other purposes as the Board of Directors may consider to be appropriate.

Any such Assessment shall be approved by a vote of two-thirds of the voting power of each class of the Members.

(b) The Association may levy a special Assessment against any Lot and the Owners of any Lot for reimbursement (I) of or for repairs occasioned by the willful or negligent acts of the Owners of such Lot, or (ii) of or for any and all costs, expenses and expenditures made or incurred by the Association with respect to either such Lot, including work or activities performed on such Lot, or the Owners of such Lot pursuant to the provisions of this Declaration, including the discharge or satisfaction of any obligation or duty imposed on such owners under this Declaration.

(c) The Association may levy an Assessment against each Lot containing a Dwelling for an amount equal to the charge made by any governmental authority for backup fire protection pursuant to any current or future agreement, as amended from time to time, by and between the Association and such governmental authority.

Section 5.04. Dwelling and Lawn Maintenance. Generally, this Declaration does not contemplate that the Association shall have any responsibility for the maintenance or repair of any Dwelling or its appurtenances or for the maintenance and care of lawn, garden and landscaped areas on any Lot, and the Association shall have the responsibility and duty only for the maintenance, repair and care of the Common Area.

Section 5.05. Reserves for Replacements. The Association shall establish and maintain a reserve fund for replacements of the Common Area, and shall allocate and pay such amount to the reserve fund from time to time as may be designated by the Board of Directors. The Association may establish other reserve funds for other purposes considered necessary or appropriate by Board of Directors may from time to time. Amounts paid into the reserve fund shall be included in the annual maintenance Assessments under Section 5.02. All amounts paid into the reserve fund shall be deposited on such bank account or accounts in federally insured banks and savings and loans associations or in such investment accounts or investment assets as shall be designated by the Board of Directors from time to time. The reserve fund for replacements of the Common Area may be expended only (I) for the replacement of the

Common Area, (ii) for major repairs to any sidewalks, streets, roads or parking areas located on the Common Area, (iii) for equipment replacement, and (iv) for non-recurring start-up expenses and operating contingencies of the Common Area.

The proportional interest of each Class A member in any funds shall be considered to be an appurtenance to the Lot of such Member, and shall not be withdrawn, assigned or transferred separately from or other than as an appurtenance to the Lot to which the proportional interest in the reserve funds appertains, and any transfer or assignment of the Lot shall be deemed to be a transfer or assignment of the proportional interest in the reserve funds.

Section 5.06. Maximum Annual Assessments. Until the fiscal year following the initial conveyance of a Lot to an Owner, the maximum annual maintenance Assessment under Section 5.02 for each Lot to which Class A membership is appurtenant shall be \$200.00 per Lot plus such additional amounts as may be assessed with respect to certain Lots under Section 5.04 or Section 5.05. From and after the fiscal year following the initial conveyance of a Lot to an Owner, the Board of Directors may increase the annual maintenance Assessment for each Lot each fiscal year (i) not more than 10% above the immediately prior fiscal year's annual maintenance Assessment without a vote of the Members, or (ii) more than 10% above the immediately prior fiscal year's annual maintenance Assessment only if approved by a vote of two-thirds of the voting power of each class of the Members.

Section 5.07 Assessments Are Not Dues. No portion of the annual maintenance and special Assessments provided in or permitted by this Article V are intended to be, or shall be construed to be, dues for membership in the Association.

Section 5.08. Costs and Expenses of Certain Damage. Whether or not specifically provided in this Declaration, if the Board of Directors determines that any Owner (I) has failed or refused to properly satisfy or discharge any maintenance, repair, care, upkeep, replacement or any other obligations or duties for which the Owner is responsible under this Declaration, or (ii) is responsible for damage to the area of common responsibility which is not covered by insurance, then, if deemed to be necessary or appropriate by the Board of Directors, the Association may provide such maintenance, repair, care, upkeep or replacement or satisfy or discharge any such other obligations or duties at the Owner's sole cost and expense. Such

to Assessments by the Association until one year after the Plat is filed.

Section 5.13. Exempt Property. No Assessments of any kind or nature shall be levied by the Association against (I) portion of the Streets and other real property and improvements dedicated and accepted by the local public authority and devoted to public use, if any, (ii) all areas unplatted or reserved for future development by this Declaration or the Plat of the Property, (iii) the Common Area.

ARTICLE VI.

ENFORCEMENT OF ASSESSMENTS

Section 6.01. Lien of Assessments. Each Assessment with respect to or against a Lot plus such additional amounts as are specified in Section 6.03 shall be (I) a charge on the land, (ii) a continuing lien upon and against the Lot, (iii) binding upon such Lot, and (iv) the continuing joint and several personal obligation and liability of each Person who was an owner of such Lot when a portion of the Assessment became due and payable, their heirs, devisees, personal representatives, successors and assigns, which shall not be extinguished or diminished by any transfer or conveyance of any Lot.

The personal obligation of each Member to pay all Assessments levied against his Lot shall continue for the full statutory period permitted by law, and a suit to recover a monetary judgment of the non-payment of all or any portion of any Assessment, including any installment, may be commenced and maintained by the Association without the foreclosure or waiver of any lien created under this Declaration to secure the payment of the Assessment. Any judgment may include all amounts specified in Section 6.03. The Association may commence and maintain an action at law against any Member personally obligated or liable to pay any Assessment and/or foreclose the lien against any Lot in the manner now or hereafter provided in the State of Mississippi for foreclosure of mortgages and other liens on real property containing a power of sale provision. Any such foreclosure by the Association shall be subject to the substantive and procedural requirements prescribed by the laws of the State of Mississippi applicable to foreclosure of mortgages and other liens on real property containing the power of sale provision.

The Association shall have the right to reject partial payments of an Assessment and to demand the full payment of Assessment. The lien for unpaid Assessments shall be unaffected by

any sale or other transfer or conveyance of the Lot subject to the Assessments, and the lien shall continue in full force effect. No Member may waive or otherwise avoid or escape personal liability for payment of any Assessment by abandonment of his or by abandonment or release of the Member's rights to the use, benefit and enjoyment of the Common Area.

If any proceeding to foreclose the lien for any unpaid portion of an Assessment is commenced by the Association with respect to any Lot, then the Board of Directors may require Owners of the Lot to pay reasonable rent for use of the Lot, the Association shall be entitled to the appointment of a receiver to collect such rent.

The Board of Directors may publish or post in any prominent location on the Property a list of Members who are delinquent in the payment of any portion of an Assessment or other fees which are due to the Association, including any installment of an Assessment.

Section 6.02. Assessment Certificate. Upon five (5) days written notice, the Board of Directors shall furnish a certificate signed by an Association officer to any Member liable for the payment of an Assessment or to any other Person having a legitimate interest in the payment of such Assessment stating whether or not the Assessment has been paid. The certificate shall be conclusive evidence of the payment of any Assessment stated to have been paid in the certificate. The Board of Directors may require the payment of a reasonable charge for the issuance of a certificate.

Section 6.03. Amount of Lien. Upon the default by any Owner of any Lot in the payment of any installment of an Assessment, the entire unpaid balance of all Assessments against the Lot and the owners of the Lot shall immediately be and become due and payable, unless the Board of Directors shall otherwise direct. In addition to the amount of the unpaid annual maintenance and special Assessments, the following amounts shall be considered to be special Assessments against the Lot and the Owners of such Lot shall be subject to the lien of Assessments provided under Section 6.01:

(a) All reasonable costs and expenses of collection incurred or paid by the Association, including attorneys' fees, court costs and other costs and expenses relating to the collection or enforcement of the lien of Assessments.

(b) Such late payment charges or fees as shall be established by the Board of Directors from time to time.

(c) Such Association overhead charges as shall be established by the Board of Directors from time to time to reimburse or compensate the Association for overhead or indirect costs and expenses incurred to collect unpaid Assessments or to perform or satisfy any obligation or duty imposed upon such owners under this Declaration.

(d) Interest on or with respect to all amounts specified in this Section 6.03, including the unpaid balance of all Assessments, and such interest shall accrue from the due date for the payment of each such amount until paid in full at the maximum rate of interest permitted by law in the State of Mississippi on loans to the owners from Persons similar to the Association which are in the aggregate amount owed to the Association.

Section 6.04 Priority of Lien. The lien to secure payment of an Assessment against a Lot shall have preference over any other liens, assessments, judgments or charges of whatever nature except (i) general and special assessments for ad valorem property taxes on or against such Lot, (ii) the lien of any First Mortgage on such Lot made in good faith and for value received and duly recorded prior to the Assessment creating the lien against the Lot, or duly recorded after receipt of a certificate under Section 6.02 stating that payment of the Assessment was current as of the date the First Mortgage was filed for record.

Section 6.05. Subordination to Mortgages. As provided by Section 6.04, the lien against any Lot to secure payment of any Assessment shall be subordinate to the lien of any duly recorded First Mortgage on or against the Lot made in good faith and for value received, and shall not affect the rights of the holder of any First Mortgage. However, the lien shall be subordinate only to Assessments which have become due and payable prior to the sale or other transfer of or conveyance of the Lot pursuant to a foreclosure of any such First Mortgage, or prior to the execution of any deed, assignment or other proceeding or arrangement in lieu of foreclosure. Any such holder of a First Mortgage who acquires possession of such Lot pursuant to a foreclosure or pursuant to the execution of any deed, assignment or other proceeding or arrangement in lieu of foreclosure, and any purchaser or assignee at a foreclosure sale or any transferee under any deed, assignment or other proceeding or arrangement in lieu of foreclosure, shall acquire the Lot

free of any claims for unpaid Assessments levied against the Lot which accrued prior to the time such holder acquires possession of the Lot, or prior to the foreclosure sale or prior to the execution of any deed, assignment or other proceeding or arrangement in lieu of foreclosure, except for claims for a proportionate share of such unpaid Assessments resulting from a reallocation of such unpaid Assessments among the various Lots. However, such foreclosure, deed, assignment or other proceeding or arrangement in lieu of foreclosure shall not relieve the holder of the First Mortgage in possession or the purchaser or assignee at foreclosure or the transferee under any deed, assignment, or other proceeding or arrangement in lieu of foreclosure, from any liability for payment of any Assessments thereafter becoming due, or from the lien created to secure the payment of any such Assessments, and the lien for the payment of such Assessments thereafter becoming due and payable shall have the same effect and shall be enforced in the same manner as provided in this Article VI.

No amendment to this Section 6.05 shall adversely affect the rights of the holder of any First Mortgage on any Lot filed for record prior to the amendment being filed for record or the holder of any indebtedness secured by such First Mortgage, unless such holders execute, approve or consent to the amendment.

In its sole and absolute discretion the Board of Directors may extend the provisions of this Section 6.05 to Mortgagees not otherwise entitled to the benefits of this Section 6.05.

Section 6.06 Additional Default. Any First Mortgage encumbering a Lot shall provide that any default by the mortgagor in the payment of any Assessment or any installment of an Assessment shall be a default under the First Mortgage. The failure to include such a provision in any First Mortgage shall not affect the validity or priority of the First Mortgage, and the protection extended by Section 6.04 and Section 6.05 to the holder of the First Mortgage or to the holder of the indebtedness secured by the First Mortgage shall not be altered, modified or diminished by reason of or as a result of such failure.

ARTICLE VII.

INSURANCE

Section 7.01. Association's Insurance. The Association shall apply for, obtain, pay the costs or premiums of and maintain insurance in such limits and forms and from such companies

as the Board of Directors shall consider appropriate. Such insurance may include (I) fidelity bonds with reputable surety companies which protect or indemnify the Association against or from loss resulting from fraud, theft, dishonesty or other wrongful acts by Persons have access to the Association's funds, and (ii) contracts of liability, casualty and extended coverage worker's compensation, title and other insurance to adequately insure and protect the Association, the Board of Directors, each director and each officer of the Association and the Members from and a gainst liability for personal injury and/or property damage to the general public and other Persons and their assets, and from loss of or damage to all or any portion of the Common Area, and Association's other assets from theft, fire and other casualties. The Association is expressly authorized to obtain insurance policies with co-insurance provisions. All costs, charges premiums for all insurance authorized by the Board of Direct shall be included in the annual maintenance Assessments.

Section 7.02. Owner's Insurance. Each Owner shall be solely responsible for insuring his Dwelling and other improvements on his Lot at all times for full replacement value against losses due to hazards which may be insured or covered under extended coverage provisions, including fire, windstorm, hail, explosion, riot, civil commotion, aircraft, vehicles, and smoke, and other hazards, and the Owner shall furnish the Association upon request proof of such coverage. In the event of a loss due to such hazards, each owner shall promptly repair, rebuild or restore the damaged or destroyed dwelling, and other improvements from the insurance proceeds or other funds to substantially the same condition as existed prior to the damage or destruction unless otherwise permitted by the Board of Directors.

Each owner's fire and hazard insurance policy shall contain a waiver of subrogation clause, and each owner shall upon request furnish the Association with a copy of his insurance policy. By acceptance of a deed or other conveyance document, each owner does irrevocably constitute and appoint the Association as his true and lawful attorney in his name, place, and stead to repair, reconstruct or restore the Dwelling or other improvements in the event the owner fails or refuses to perform such obligations, and in such event the Association may pay the costs and expenses of such repair, reconstruction or restoration. All such costs and expenses incurred or paid by the Association, including interest on any funds advanced by the Association or paid to lenders by the

for any period not exceeding 60 days for any infraction, breach or violation of rules and regulations of the Association. The rights of the Members to use the Streets may not be suspended by the Association for any reason whatsoever.

(c) The right of the Association to dedicate or transfer all or any part of the common Area to any governmental agency or authority or any utility for such purposes and subject to such conditions as may be determined by the Members. No such dedication or transfer shall be effective unless either Members representing at least two-thirds of the voting power of each class of Members approve or consent to such dedication, transfer, purpose and conditions, or an instrument agreeing or consenting to such dedication or transfer executed by Members representing at least two-thirds of the voting power of each class of Members has been filed for record in the office of the Chancery Clerk of Madison County, Mississippi.

(d) In accordance with The Charter and the Bylaws, the right of the Association to borrow money to repair, maintain improve all or any portion of the Common Area in a manner designed to promote the enjoyment and welfare of Members, and in connection with any such loan to subject all or portion of the Common Area to the liens deeds of trust or other security interests. The Association shall not borrow money or subject all or any portion of the Common Area to the lien of a deed of trust or other security interest unless approved by Members representing at least two thirds of the voting power of each class of Members.

(e) The right of the Association to take any act permitted by this Declaration as is reasonably appropriate or necessary to prevent a default of any of the Association's obligations or to protect the assets of the Association against or from foreclosure or enforcement of any security interest by a creditor.

(f) The right of the Association to adopt reasonable rules with respect to the use of the Common Area and to limit the number of Invitees who may use any portion of the Common Area.

(g) The right of the Association to grant licenses, rights-of-way and easements for access or for the construction, reconstruction, maintenance and repair of any public or private utility lines or appurtenances to any governmental agency authority or any utility, the Declarant or any other Person, provided that no such license, right-of-way or easement shall be unreasonable and permanently inconsistent with the rights of the Members to the use, benefit and enjoyment of the

Common Area.

(h) The right of the Association to open or permit the use of all or any portion of the Common Area to a group of Persons for such purposes and on such basis conditions as the Board of Directors may from time to time considered appropriate.

(i) The rights of the Owners to perpetual easements over and upon any of the Common Area for such portions of their Dwellings that may overhang, or otherwise encroach upon any of the Common Area for (I) support, (ii) necessary repairs and maintenance, (iii) maintenance of reasonable appurtenances to the Dwellings, and (iv) reasonable ingress and egress to and from any Dwelling through and over the Common Area.

(j) The right of each Member to use the streets, roadways, sidewalks and vehicular parking areas situated upon the Common Area, provided that each Member shall comply in all respects with all rules and regulations not inconsistent with the provisions of this Declaration which the Board of Directors may from time to time adopt or promulgate with respect to parking, and traffic control upon the Common Area.

(k) The right of the Declarant to dedicate or grant streets, roads, parking areas, sidewalks and/or rights-of-way shown and designated on the Plat to any governmental authority having jurisdiction over the Property. In the event that streets, roads, parking areas, sidewalks and/or rights-of-way have not been dedicated by the Declarant, then the Association shall the right to dedicate such streets, roads, parking areas, sidewalks and/or rights-of-way to any governmental authority which accept such dedication and agree to maintain or repair the streets, roads, parking areas, sidewalks and/or rights-of-way as public streets, provided two-thirds of the members eligible to vote approve such dedication.

(l) The right of the Association to temporarily restrict the use, benefit and enjoyment of certain portions of the Common Area in accordance with a prior reservation scheduled by the Management Agent.

(m) The right of the Association to maintain guarded electronically monitored gates to restrict or monitor vehicular access to and from the Property on private streets and roads located or situated in or on the Common Area.

Section 9.02. Rights Not Subject to Suspension. The Association shall have no authority to either temporarily or permanently suspend any of the rights specified in Section 9.01(I) and Section 9.01(j) for any reason whatsoever.

Section 9.03. Delegation of Use. In accordance with the Bylaws and subject to such reasonable rules and regulations as the Board of Directors may adopt or promulgate and uniformly apply and enforce, any Member may delegate his rights to the use, benefit and enjoyment to the Common Area to (i) family members who reside permanently with such Owner, (ii) contract purchasers who reside on the Property and (iii) Invitees.

ARTICLE X.

ARCHITECTURAL CONTROL

Section 10.01. Architectural Review Committee. The Architectural Review Committee shall consist of not less than three individuals who shall be appointed or designated for two (2) year terms by the Board of Directors and who may be but are not required to be Members. The affirmative vote of a majority of the members of the Architectural Review Committee shall be required to make any finding, determination, ruling or order or to issue any permit, consent, approval or disapproval under this Declaration, including this Article X and the approval or disapproval of all or any portion of any Plans, or to recommend that the Board of Directors adopt any rule or regulation relating to the provisions of this Article X.

Section 10.02. General Requirements. Except for the purposes of proper maintenance and repair, no improvement, including, but not limited to, buildings, fences, walls or other structures, and no exterior addition, change or alteration to any improvement, including any change or alteration of color, shall be commenced, erected, constructed, placed, altered, moved, maintained or permitted to remain on any portion of the Property, including any Lot, until after compliance with the review process of this Article X and approval of the Plans by the Architectural Review Committee. Any Developer or other builder, including any owner of a Lot, who remodels or alters existing improvements on any Lot shall be required to submit to the review of this Article X with respect to any improvement to be process of this Article X with respect to any improvement to be constructed, remodeled or altered on the Lot. The Developer or other builder, at its expense, shall complete and submit to the Architectural Review Committee Plans as called

for in the Architectural Design Guidelines for Adderley Gardens attached hereto as Exhibit "B" and made a part of these covenants as though fully copied herein in words and figures.

Until after compliance with the review process of this Article X and approval of the Plans by the Architectural Review Committee, no Developer or other builder shall (1) install, erect, attach, apply, paste, hinge, screw, nail, guild, alter, remove or construct any (1) lighting, (2) shade, screen, awning or patio cover, (3) exterior decoration, (4) fence or wall, (5) aerial line, (6) antenna, radio or television broadcasting or receiving device, (7) slab, sidewalk, driveway, road, curb or (8) patio, balcony or porch, (ii) make any change or otherwise alter, including any change or alteration of color, in whatsoever to the exterior of any improvement constructed upon any Lot or upon any portion of the Common Area, (iii) combine or otherwise join two or more Dwellings except on Lots specifically permitted by this Declaration and/or as shown and designated on the Plat, or partition such Dwellings after combination, or (iv) make any change or alteration to the interior or exterior of any Dwelling which will alter the structural integrity of the building or otherwise affect the Lot or the Property, the interest or welfare of any other Owner or the Association, materially increase the cost of operating or insuring any of the Common Area, or impair any easement.

Section 10.03. Design Requirements and Review Process. The design requirements and the review process are set forth in Exhibit "B".

Section 10.04. Initial Approval. Until the Common Area is conveyed and/or assigned to the Association, the Declarant rather than the Architectural Review Committee shall enforce the provisions of this Article X and shall approve or disapprove the Plans of any Developer or other builder. After the Common Area is conveyed to the Association, the Board of Directors for and on behalf of the Association shall establish the Architectural Review committee and the Architectural Review Committee shall enforce the provisions of this Article X and shall approve or disapprove the Plans of any Developer or other builder.

Section 10.05. Disclaimer. The Board of Directors, the Architectural Review Committee, each director and each officer of the Association, each member of the Architectural Review Committee and the Association and, if applicable, the Declarant shall not be liable to any owner or to any other Person on account of any claim, liability or expense suffered, incurred or

paid by or threatened against such Owner or other Person arising or resulting from or in any way relating to the subject matter of any reviews, acceptances, inspections, permissions, consents or required approvals which must be obtained from the Architectural Review Committee or public authorities or, if applicable, the Declarant, whether given, granted or withheld. No approval of Plans and no publication of architectural standards or bulletins shall be construed either to represent, guarantee or imply that such Plans or architectural standards will result in a properly designed Dwelling or other improvement, or to represent, guarantee or imply that any Dwelling or other structure or improvement will be built or constructed in a good, workmanlike manner. Approval of any particular Plans shall not be construed as a waiver of the right of the Architectural Review Committee to disapprove all or any portion of the Plans if such Plans are subsequently submitted for use in any other instance.

Section 10.06 Rules and Regulations. Upon the recommendation of the Architectural Review Committee, from time to time the Board of Directors (I) may adopt and promulgate such rules and regulations regarding the construction or alteration of any structure or improvement and the form and content of Plans to be submitted to the Architectural Review Committee for review and approval or disapproval, and (ii) as may be considered necessary or appropriate publish and/or file for record such statements of policy, standards, guidelines, and establish such criteria relating to architectural styles or details, colors, size, set-backs, materials or other matters relating to architectural control, protection of the environment, including the use and application of fertilizers, pesticides and other chemicals, and the preservation of such aesthetic values and characteristics and amenities. No such rules, regulations, statements or criteria shall be construed as a waiver of any provision of this Article X or any other provision or requirement of this Declaration.

ARTICLE XI.

EASEMENTS

Section 11.01. Utility Easements. The Declarant, the Association, and each utility providing service to the Property shall have and is granted or reserved non-exclusive easements and rights-of-way in, through, across, on, over and under the portions of the Property which are not improved with Dwellings, buildings or other structures, including full rights of ingress and

egress, for the installation, operation, use, maintenance, repair and removal of utilities and drainage facilities and floodway easements located in utility or drainage easements as shown and designated on the Plat, and the right to remove any obstruction in any utility or drainage easement which may interfere either with the use of any utility or drainage easement or with the installation, operation, use, maintenance, repair and removal of such utility or drainage facility.

The Declarant shall have non-exclusive easements and rights-of-way in, through, across, on, over and under the portion of the Common Area which is not improved with buildings or structures to store building supplies and materials, install, construct, maintain, reconstruct and repair sewers, water pipes, irrigation pipes, electrical wires or cables, telephone wires or cables, gas lines, storm drains, television cables, underground conduits, and any related improvements or appurtenances and for all other purposes reasonably related to the completion of construction and the provision of public or private utility services to any portion of the Property. Any and all conveyance documents from the Declarant to the Association with respect to the Common Area shall be conclusively deemed to incorporate the provisions of this Section 11.01, whether or not specifically contained in such conveyance documents or assignments. At the Declarant's request, the Association shall from time to time acknowledge, and deliver to the Declarant such documents the Declarant considers it necessary to implement the provisions of this Section 11.01.

The reservations and rights in this Section 11.01 expressly include the right to (I) cut any trees, bushes, or shrubbery, (ii) make any gradings of the soil, and (iii) take any other similar action reasonably necessary to provide economical and safe utility and drainage facility installment, repair and maintenance and to maintain reasonable standards of health, safety and appearance.

Section 11.02 Damage from Ingress and Egress. Any entry by the Declarant, the Association, or any utility upon any Lot for the purposes permitted or contemplated by this Article XI shall be made with as little inconvenience to the Owner as reasonably practical, and all physical damage to any Lot or improvement on a Lot resulting from or caused by such entry shall be promptly repaired and restored.

Section 11.03. Maintenance and Support Easements. Where Dwellings are permitted on or in close proximity to the boundaries of a Lot, the Common Area and each Lot and Dwelling

on such Lot shall be subject to irrevocable easements for the benefit of the Association and the Owners of the adjoining Lots and abutting Dwellings for (I) drainage (ii) the maintenance and unobstructed and uninterrupted use of any and all pipes, ducts, flutes, chutes, conduits, cables and wire outlets and utility lines, (iii) maintenance and lateral support of adjoining and abutting buildings and improvements, (iv) such portions of any building or improvements that may overhand a Lot or any portion of the Common Area, and (v) the walks and sidewalks serving such adjoining and abutting areas.

Section 11.04. Ingress and Egress Easement. Each owner of a lot and each owner's guests and invitees shall have an easement for ingress and egress to and from each lot in the subdivision. This easement for ingress and egress shall be on and along each of the streets as shown on the recorded plat of the subdivision. This easement shall be a covenant running with the ownership of each lot and shall be appurtenant to each lot.

ARTICLE XII

USE AND OTHER RESTRICTIONS AND REQUIREMENTS

Section 12.01 Use of Lots and Dwellings. Except (I) for the activities of a Developer or other builder during the construction and development of a Lot or the Common Area, (ii) for activities and uses expressly permitted and not substantially inconsistent with the provisions of this Declaration or pursuant to the approval of the Architectural Review Committee, (iii) as may be necessary or appropriate in connection with reasonable and necessary repairs or maintenance to any Dwelling or other improvements on a Lot, the Common Area, and (iv) as permitted by Section 12.10, each Lot and Dwelling shall be used for residential purposes only, and no trade and business of any kind or nature may be conducted on or in such Lot or Dwelling. The use of a portion of a Dwelling as an office by the Owner or his tenant shall not be considered to be a violation of this Section 12.01 if such use does not create regular or continual customer, client, or employee traffic. In no event shall any Lot or Dwelling or other improvements on a Lot be used as a storage area for any building contractor or real estate developer, except as specifically permitted by this Declaration. No house constructed on any lot shall have less than two thousand five hundred (2500) square feet of heated and cooled enclosed living area.

Section 12.02 Lease of Dwelling. The lease or rental of a Dwelling for residential purposes shall not violate Section 12.01 if (I) the entire Dwelling and all the improvements on the Lot are leased, (ii) the term of the lease is at six months, (iii) the lease otherwise complies with the rules and regulations adopted and promulgated from time to time by the Board of Directors, and (iv) the lease is subordinate and subject to this Declaration and is in writing. Prior to commencement of any lease term, the Owner shall provide the Association and Management Agent, if any, with copies of the lease.

Section 12.03 General Resolutions. Use of lots, common areas, roads, sidewalks and all other parts of Adderley Gardens by any person or entity shall be controlled and conducted in conformity with the provisions of the Design Guidelines for Adderley Gardens attached as Exhibit "B".

Section 12.04 Sales and Construction Activities. The Declarant is expressly permitted and authorized to maintain and conduct such facilities and activities as may be reasonably appropriate, necessary, required, convenient or incidental to the marketing, construction, completion, improvement and sale of Lots and/or Dwellings or the development of Lots, Dwellings and other improvements, the Common Area, including, without limitation, the installation and operation of sales and construction trailers, offices and other structures or other improvements. The location of any construction trailers of any Developer or other builder shall be subject to the Declarant's approval. The right to maintain and conduct such facilities and activities specifically includes the right to use Dwellings as model residences, as offices for the sale of Lots and/or Dwellings, and for related activities. The Declarant is expressly permitted and authorized to use, stock, maintain, locate, store and place on any portion of the Property any and all equipment, tools and vehicles as may be reasonably appropriate, necessary, required, convenient or incidental to such construction, improvement, completion, sale or development, including, but not limited to, construction equipment and construction machinery, machines and vehicles.

Section 12.05. Time Sharing. No Lots or Dwellings shall be sold, assigned or leased under any time sharing, time interval or right-to-use programs or investments.

Section 12.06. Trespass. Whenever the Association and/or the Declarant is permitted by this Declaration to repair, clean, clear out or do any action on any part of the Property, including performance of obligations or duties imposed on any Owner under this Declaration, then entering any Lot or any portion of the Property for such purposes and taking such action shall not be or be deemed to be a trespass.

Section 12.07. Certain Construction Rights. The Declarant expressly reserves the right, but the Declarant shall not be obligated, to build bridges or walkways across any natural or man made water area in, on or abutting or contiguous to the Property.

Section 12.08. Easement Interference. No structure, planting or other material shall be placed or permitted to remain upon any Lot which may damage or interfere with any easement for the installation or maintenance of utilities, or which may change, diminish, obstruct, or retard the direction or flow of surface water runoff in any drainage easement, swale or channel.

Section 12.09. Certain Controls. To implement effective and adequate erosion controls and to protect and enhance the Property, the Declarant and Association shall have the right, but not the obligation, to enter upon any Lot or Common Area before and after a building or Dwelling or other improvement has been constructed on such Lot or Common Area to perform any grading or landscaping work or to construct and maintain erosion prevention devices. Prior to exercising its rights under this Section 12.09, the Declarant or, if applicable, the Association shall permit the owner of the Lot to perform such corrective actions required by giving the owner a written notice stating the type of corrective action required to be performed and the date by which such corrective action must be completed. If the Owner fails to perform the specified corrective action by such date, then the Declarant or, if applicable, the Association may then exercise the rights under this Section 12.09 to enter in upon the Lot to perform such corrective action. The costs and expenses of such erosion prevention measures when performed by the Declarant or, if applicable, the Association shall be paid immediately upon demand by the owner and, if performed by the Association, such costs shall be considered to be a special Assessment against the Lot and the owners of such Lot.

To implement effective insect, reptile, and fire ant control, and vegetation and trash control, the Declarant or the Association have the right, but not the obligation, to enter upon any

Lot on which a building or structure has not been constructed and upon which no landscaping plan has been implemented for the purpose of removing, clearing, cutting or pruning or mowing, pruning underbrush, weeds or other unsightly growth, removing trash or dispensing pesticides on such Lot if the Declarant or the Architectural Control Committee determines that the Lot detracts from the overall beauty, aesthetic characteristics or safety of any portion of the Property. Such control shall not be performed by the Declarant or the Association until 30 days after written notice of the need for such control has been given to owner and the Owner has failed to perform such control within the 30 days. The costs and expenses of such control when performed by the Declarant or, if applicable, the Association shall be paid immediately upon demand by the Owner and, if performed by the Association, such costs shall be considered to be a special Assessment against the Lot and the owners of such Lot.

This Section 12.09 shall not be construed as an obligation of the Declarant or the Association to (i) mow, clear, cut or pruning (ii) provide garbage or trash removal services (iii) perform any grading or landscaping work, (iv) construct or maintain erosion control or prevention devices, or (v) provide water pollution control, on, to or for any Lot or property not owned by the Declarant or the Association.

The entering upon any Lot pursuant to the provisions of this Section 12.09 shall not be or be deemed to be a trespass.

Section 12.10. Reconstruction after Fire or other Casualty Loss. If a Dwelling is partially or completely destroyed by fire or other casualty, then, as required by Section 7.02, the Owner of such Dwelling shall promptly clear the Lot or restore or reconstruct such Dwelling, at his own expense, in accordance the original Plans or with such other Plans as may be approved by the Architectural Review Committee upon the request of such owner.

Section 12.11. Vacant Lot Maintenance. Each owner shall be responsible for the proper seeding, fertilization, watering, mowing, removal of litter and maintenance of any Lot which is undeveloped. If fill is placed on the Lot and the construction of the improvements is not promptly commenced and completed, the Owner will be required to maintain such Lot. Within 45 days after Owners of each Lot adjoining or abutting an Owner's vacant Lot and a common Street with the owner's vacant Lot have constructed a sidewalk on their Lots, the owner of such vacant Lot

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shall construct a sidewalk on his vacant lot pursuant to Exhibit "B".

Section 12.12. Perimeter Fences. Each individual Owner of a Lot abutting or adjoining any perimeter of the Property shall cause to be constructed walls and fences, pursuant to Exhibit "B" and as required by the Architectural Review Committee on the outer perimeter on the Property described in Exhibit "A". These walls and fences are to be placed on the property line or as close thereto as possible. As such, these fences and walls are to be located in whole in part on Lots in the development. The walls and fences located on a lot subsequently sold shall remain and shall not be removed except as may be approved by the Architectural Review Committee.

ARTICLE XIII.

ENFORCEMENT OF DECLARATION

Section 13.01. Compliance. If any provision of this Declaration is breached or violated or threatened to be breached or violated by any Owner or other Person, then each of the other Owners, the Declarant and/or the Association, jointly or severally, shall have the right, but not the obligation, to proceed at law or in equity to compel a compliance with, or to prevent the threatened violation or breach of, the provisions of this Declaration. If any structure or other improvement located on any portion of the Property, including any Lot, violates any provision of this Declaration the Architectural Guidelines and Resolution, or ruling of the Architectural Review Committee, then the Declarant and/or the Association, jointly or severally, shall have the right, but not the obligation, to enter upon any portion of the Property, including any Lot, to abate or remove such structure or other improvement at the cost and expense of the Owners of the Lot where such structure or improvement is located or who otherwise causes such violation, if the violation is not corrected by such Owners within 30 days after written notice of such violation. Any Person, as well as the Declarant and the Association, is entitled to file or maintain a legal action or proceeding for the actual or threatened violation or breach of this Declaration shall be entitled to recover attorney's fees and other costs and expenses attributable to such action or proceeding if they are the prevailing party, and the Association shall be entitled to recover and receive any other amounts specified in Section 6.03. Any such entry and abatement or removal shall not be or be deemed to be a trespass. The failure by any Person for any period of time to enforce any provision of this Declaration shall not be or be deemed a waiver of the right to

enforce or otherwise bar or affect the enforcement of any and all provisions of this Declaration at any time, including any future time.

Section 13.02. Enforcement. This Declaration shall be enforced by any appropriate proceeding at law or in equity (I) against any Person who breaches or violates or threatens to breach or violate any provision of this Declaration, the Architectural Guidelines, or ruling of the Architectural Review Committee, (ii) to recover damages for any such breach or violation, (iii) to collect any amounts payable by any Owner to the Association under this Declaration, including Assessments, attorneys' fees, costs of collection, late charges, overhead charges or other amounts incurred by the Association to perform or discharge any obligation or duty of an owner under this Declaration or otherwise specified in this Declaration, including Section 6.03, and (iv) to enforce any lien created by this Declaration. There is hereby created and declared to be a conclusive presumption that any actual or threatened violation or breach of this Declaration, the Architectural Guidelines, or ruling of the Architectural Review Committee can be adequately remedied by an action at law exclusively for recovery of monetary damages. The Declarant, the Association and each Owner by acceptance of a deed or other document to a Lot waives and agrees not to assert any claim or defense that injunct relief or other equitable relief if not an appropriate remedy.

ARTICLE XIV.

GENERAL PROVISIONS

Section 14.01. Duration. This Declaration shall run with and bind the land subject to this Declaration, and shall inure to the benefit of and be enforceable by the Declarant, the Association and the Owners of any land subject to this Declaration, their respective legal representatives, heirs, devisees, successors and assigns, until September 1, 2035. After such date this Declaration shall be automatically extended for the successive periods of ten years each unless a Supplement signed by majority of the Owners has been properly filed for record to abolish or terminate all or a substantial portion of this Declaration at least one year prior to the effective date of such abolishment or termination.

Section 14.02. Amendments. Notwithstanding Section 14.01 this Declaration may be amended, modified and/or changed either (i) by the Declarant properly filing for record a

Supplement prior to July 31, 1997, or (ii) by a Supplement properly filed for record and executed by the owners of at least 90% of the Lots if amended, modified and/or changed prior to September 1, 2035, and thereafter by the owners of at least 75% of the Lots.

Section 14.03. Interpretation. The provisions of this Declaration shall be construed to implement the purpose of the creation of a uniform plan for the development of the Property.

Section 14.04. Severability. Invalidation of any provision of this Declaration by judgment or court order shall not affect any other provisions of this Declaration which shall remain in full force and effect.

Section 14.05. Headings. The headings contained in this Declaration are for reference purposes only and shall not in a way affect the meaning or interpretation of this Declaration.

Section 14.06. Notices to Owner. Any notice required to be given to any Owner under the provisions of this Declaration shall be deemed to have been properly delivered when deposited in the United States mail, postage prepaid, addressed to the last known address of the Person who appears as owner on the records of the Association or, if applicable, the Declarant at the time of such notice is mailed.

Section 14.07. Successors of Declarant. All or any portion of any and all rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant under this Declaration may be assigned and transferred exclusively by the Declarant with or without notice to the Association.

Section 14.08. Incorporation by Reference on Resale. In the event any Owner sells or otherwise transfers any Lot, any deed or assignment purporting to constitute such transfer shall contain a provision incorporating the provisions of this Declaration by reference. Failure to do so shall not impair or harm the validity of the transfer or conveyance.

Section 14.09. No Dedication to Public Use. No provision of this Declaration shall be construed as a dedication to public use or as an acceptance for maintenance of any Common Area by any public agency or authority or by any utility or shall be interpreted as imposing upon any public agency or authority or any utility any responsibility or liability for the maintenance or operation of any portion of the Common Area.

Section 14.10. Consents. The Members, the Board of Directors and the Association, by any act or omission, shall not do any of the following without the prior written consent and approval of the holders of at least 50% of all First Mortgages and, if their interests would be affected, the Federal National Mortgage Association, the Federal Housing Administration and the Veteran's Administration:

- (a) Abandon, partition, subdivide, encumber, sell, assign or transfer any of the Common Area, in and to the Common Area; however, the realignment of boundaries, the granting of rights-of-way, easements and similar rights or interests for utilities or for other purposes consistent with the use of the Common Area by the Members or the Association shall not be considered to be such an encumbrance, sale, assignment or transfer.
- (b) Abandon or terminate this Declaration.
- (c) Modify or amend any material or substantive provision of this Declaration or the Bylaws pertaining to the rights of the holders of First Mortgages.
- (d) Substantially modify the method of determining and collecting Assessments as provided in this Declaration.

Section 14.11. Notice to First Mortgage Holders. The Association shall promptly notify the holder of the First Mortgage on any Lot for which any Assessment shall and remain delinquent for at least 60 days, and the Association shall promptly notify the holder of the First Mortgage on any Lot for which there is default a by the owner with respect to performance of any other obligation or duty under this Declaration which remains uncured for at least 60 days following the date of such default. Any failure to give any such notice shall not affect the validity or priority of First Mortgage on any Lot, and the protection provided in this Declaration to the holder of any First Mortgage on any Lot. Any First Mortgage shall not be altered, modified or diminished by reason of such failure, and any such failure shall not affect the validity of the lien of any Assessment or affect any of the priorities for liens as specified in Article V.

No suit or other proceeding may be brought to foreclose the lien for an Assessment except after 10 days written notice to the holder of the First Mortgage encumbering the Lot which is the subject matter of such suit or proceeding.

Any holder of a First Mortgage of any Lot may pay any taxes, rents, utility charges or other charges levied against the Common Area which default and which may or have become a charge or lien of the Common Area, and may pay against any of the Common Area, and may pay any overdue premiums on any hazard or liability insurance policy, or secure new hazard or liability insurance coverage on the lapse of any policy, relating to the Common Area. Any holder of a First Mortgage who advances any such payment shall be due reimbursement of the advanced amount from the Association.

Section 14.12. Captions and Gender. The captions contained in this Declaration are for convenience only and are not a part of this Declaration and are not intended to limit or enlarge the terms and provisions of this Declaration. Whenever the context requires, the male shall include all genders and the singular shall include the plural.

Section 14.13. Exhibits. All Exhibits which are referred in this Declaration are made a part of and incorporated into this Declaration by reference.

ARTICLE XV.

DECLARANT'S RIGHTS AND RESERVATIONS

Section 15.01. Declarant's Rights and Reservations. No provisions in the Charter, the Bylaws or this Declaration shall limit, and no owner or the Association shall interfere with, the right of Declarant to (i) subdivide or re-subdivide any portions of the Property, (ii) complete or alter improvements or refurbishments to and on the Common Area or any portion of the Property owned by Declarant, (iii) alter the construction plans and designs, or construct such additional improvements or add future phases, including the annexation of additional property as part of the subdivision, as Declarant deems advisable during development of the Property. Such right shall include, but shall not be limited to, the right to install and maintain structures, displays, signs, billboards, flags and sales offices as may be reasonably necessary for the conduct of Declarant's business or completion of the work and disposition of the Lots by sale or otherwise. Each owner by accepting a deed or conveyance document to a Lot hereby acknowledges that activities of Declarant may temporarily or permanently constitute an inconvenience or nuisance to the Owners, and each Owner hereby consents to such inconvenience or nuisance.

IN WITNESS WHEREOF THE DECLARANT HAS CAUSED this Declaration to be duly executed on the date first mentioned above.

MISS GEORGIA CORPORATION,
a Mississippi corporation

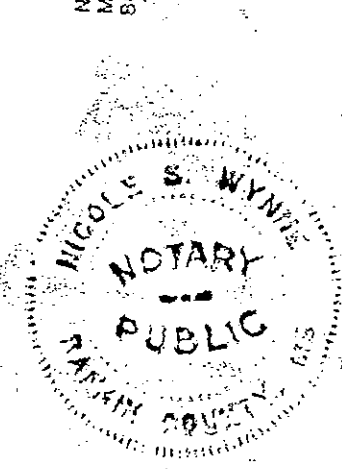
By: [Signature]
Title: [Signature]

STATE OF MISSISSIPPI
Rankin
COUNTY OF ~~MISSISSIPPI~~

PERSONALLY appeared before me, the undersigned notary public for the jurisdiction aforesaid on the 16th day of July, 1996, the within named Thomas Colbert, Jr. _____, who acknowledged that he is the President of MISS-GEORGIA CORPORATION, a Mississippi corporation, and that for and on behalf of said corporation, and as its act and deed, he signed, executed and delivered the above and foregoing instrument, after first having been duly authorized by said corporation so to do.

[Signature]
NOTARY PUBLIC

My Commission Expires: _____



Notary Public State of Mississippi At Large
My Commission Expires: June 13, 1999
SONDED THRU HEIDEN-MARCHETTI, INC.