

general appearance = old world

281

FILED

'97 MAY 2 AM 9 27

CHANCERY CLERK

**AMENDED AND RESTATED
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
PHASE I OF BRIDGEFIELD SUBDIVISION**

310 - 380

282

AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
PHASE I OF BRIDGEFIELD SUBDIVISION

TABLE OF CONTENTS

ARTICLE I	2
<u>DEFINITIONS</u>	2
1 01 Definitions	
ARTICLE II	5
<u>PROPERTY SUBJECT TO DECLARATION</u>	5
2 01 The Property	5
2 02 Common Areas	5
2 03 Annexation of Additional Property	5
ARTICLE III	6
<u>ASSOCIATION MEMBERSHIP AND VOTING RIGHTS</u>	6
3 01 Membership	6
3 02 Action by Members	6
3 03 Members' Voting Rights	7
3 04 Membership Appurtenant to Real Property	7
3 05 Voting Conflict Between Members	7
3 06. Termination and Reinstatement of Class B Members	7
3 07 Other Voting Provisions	7
ARTICLE IV.	7
<u>BOARD OF DIRECTORS AND OFFICERS</u>	7
<u>OF THE ASSOCIATION AND MANAGEMENT AGENT</u>	8
4 01 Board of Directors	
4 02 Officers	
ARTICLE V	8
<u>ASSESSMENTS</u>	8
5 01 Covenants For Assessments	8
5 02 Maintenance Assessments	9
5 03 Annual Maintenance Assessment	9
5 04 Special Assessments	9
5 05 Dwelling and Lawn Maintenance	10
5 06 Assessments Are Not Dues	10
5 07 Costs and Expenses of Certain Damage	10
5 08 Meetings to Approve Assessments	10
5 09 Uniform Rate for Assessments	10
5 10 Commencement of Annual Maintenance Assessment	10

283

5 11 Assessment of Declarant	10
5 12 Common Expenses Associated with Limited Common Area	11
5 13 Exempt Property	11
5 14 Equitable Adjustments	11

ARTICLE VI

ENFORCEMENT OF ASSESSMENTS

6 01 Lien of Assessments	12
6 02 Assessment Certificate	12
6 03. Amount of Lien	12
6 04 Priority of Lien	12
6 05 Subordination to Mortgages	13
6 06 Additional Default	13

ARTICLE VII

INSURANCE

7 01 Association's Insurance	14
7 02 Owner's Insurance	14

ARTICLE VIII

AD VALOREM TAXES

8 01 Owners	15
8 02 Association	15

ARTICLE IX

PROPERTY RIGHTS

9 01 Member's Easements of Enjoyment	15
9 02 Limited Common Area	15
9 03 Delegation of Use	16

ARTICLE X

ARCHITECTURAL CONTROL

10 01 Establishment of the Architectural Review Committee	17
10 02 Architectural Review Committee	17
10 03 General Requirements	17
10 04 Review Process	17
10 05 Disclaimer	19
10 06 Rules and Regulations	20
10 07 Limitations	20

ARTICLE XI

EASEMENTS

11 01 Utility Easements	21
11 02 Damage from Ingress and Egress	21
11 03 Maintenance and Support Easements	22

284

ARTICLE XII

USE AND OTHER RESTRICTIONS AND REQUIREMENTS

12 01 Use of Lots and Dwellings	22
12 02 Lease of Dwelling	22
12 03 Sales and Construction Activities	22
12 04 Time Sharing	22
12 05 Trespass	23
12 06 Easement Interference	23
12 07 Reconstruction after Fire or Other Casualty Loss	23
12 08 Vacant Lot Maintenance	23
12 09 Signs	23
12 10 Lot Division and Addition	23
12 11 Signage, Antenna, etc	24
12 12 Pets	24
12 13 Vehicle Use and Storage	24
12 14 Mobile Homes and Trailers	24
	25

ARTICLE XIII

COMMON AREA LAKE, GREEN SPACE AND LOTS ADJACENT TO COMMON AREA LAKE

13 01 Reservation of Easement Rights by the Declarant	25
13 02 Lake Easement	25
13 03 Reservation in Deeds	25
13 04 Common Use, Benefit, and Enjoyment	25
13 05 Easement of Light, Air, and View	26
13 06 Fences, Walls, Trees, And Shrubbery	26
13 07 Regulating The Use Of The Lake	26
13 08 Impoundment	26
13 09 Use Of Lake Water	26
13 10 Lake Water Level	26
13 11 Lake Maintenance	27
13 12 Federal Or State Regulations	27
13 13 Trash	27
13 14 Boat Length	27
13 17 Type And Operation Of Boats	27
13 18 Fishing Regulations	28
13 19 Use Of Lake, Declarant Held Harmless	28
13 20 Maintenance of Green Space	28
13 21 Green Space	29
13 23 Lots Adjacent to Limited Common Area Lake	29
13 24 Shoreline Maintenance	29
	29

285

ARTICLE XIV

ENFORCEMENT OF DECLARATION

14 01 Compliance	30
14 02 Enforcement	30

ARTICLE XV

GENERAL PROVISIONS

15.01. Duration	30
15 02 Amendments	30
15 03. Interpretation	31
15 04 Severability	31
15 05 Headings	31
15 06 Notices to Owner	31
15 07 Successors of Declarant	31
15 08 Incorporation by Reference on Resale	31
15 09 No Dedication to Public Use	31
15 10 Consents of Eligible Mortgage Holders	31
15 11 Notice to and Rights of Eligible Mortgage Holders	32
15 12 Captions and Gender	32
15 13 Exhibits	32

ARTICLE XVI

DECLARANT'S RIGHTS AND RESERVATIONS

16 01 Declarant's Rights and Reservations	33
---	----

286
STATE OF MISSISSIPPI

COUNTY OF LAMAR

**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR PHASE I OF BRIDGEFIELD SUBDIVISION**

Whereas, Tom Anderson imposed upon Bridgefield Phase I, (Revised) a subdivision according to a map or plat thereof on file and of record in the office of the Chancery Clerk of Lamar County in Plat Book 2, at Page 116, Slide A-180, that certain Declaration of Covenants, Conditions and Restrictions For Bridgefield Subdivision, dated December 19, 1995, recorded in the aforesaid Chancery Clerk's office in Book 11Z, at Page 673 and an amendment thereto, dated January 31, 1996, recorded in said Chancery Clerk's office in Book 12B, at Page 662, and

Whereas the undersigned, representing the owners of more than eighty percent (80%) of the Lots in Bridgefield Phase I, desire to amend and restate the aforesaid Declaration of Covenants, Conditions and Restrictions For Bridgefield Subdivision, as amended

NOW, THEREFORE, that certain Declaration of Covenants, Conditions and Restrictions For Bridgefield Subdivision, dated December 19, 1995, recorded in the aforesaid Chancery Clerk's office in Book 11-2, at Page 673 and an amendment thereto, dated January 31, 1996, recorded in said Chancery Clerk's office in Book 12-8, at Page 662 is hereby repealed, canceled and terminated and the following Declaration of Covenants, Conditions and Restrictions For The Bridgefield Community is hereby substituted in lieu and in place thereof

**DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR THE BRIDGEFIELD COMMUNITY**

This Declaration of Covenants, Conditions and Restrictions For The Bridgefield Community ("Declaration") is made on this the 30th day of April, 1997, by Tom Anderson ("Declarant") and the other owners of lots in Bridgefield Phase I (Revised)

The Declarant and the undersigned owners of lot in Bridgefield Phase I (Revised), desire to create and develop on the property as described in Exhibit A attached hereto and certain additional property described in Exhibit B attached hereto ("Additional Property"), a residential community on the Property which shall have designated common areas ("Common Areas") and common facilities ("Common Facilities") for the benefit of The Bridgefield Community. The Declarant and the aforesaid owners desire to provide for the preservation of the values and amenities in, and the enhancement of the charm and beauty of the Bridgefield Community, and for the designation, administration and maintenance of the Common Areas and Common Facilities. Therefore, the Declarant and said owners desire to subject the property described in Exhibit A to the Declaration ("the Property"), including

287

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 and said owners desire the efficient preservation of the values and amenities in, and the enhancement of the charm and beauty of the Bridgefield Community Therefore, the Declarant created and organized Bridgefield Homeowners' Association, Inc., a Mississippi nonprofit corporation ("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 Areas and Common Facilities, the administration and enforcement of the provisions of this Declaration, and the determination, collection and disbursement of annual maintenance assessments, special assessments and other charges (collectively "Assessments"), which delegation and assignment is acknowledged and agreed to by the aforesaid owners

Now, therefore, the Declarant and the aforesaid owners declare 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 (i) are agreed and declared to be beneficial for and in aid of the development of the residential community and the improvements 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

"Additional Property" shall mean the property described on Exhibit B attached hereto and any other property situated in Section 11, Township 4 North, Range 15 West, Lamar County, Mississippi, contiguous to said property, owned by the Declarant or its members

"Architectural Review Committee" shall mean and refer to the committee which shall be appointed by the Association's Board of Directors to approve exterior and structural improvements, additions, and changes within the Development as provided in Article X hereof

"Assessment" shall mean the share allocated to a Lot and thereby the Owners of such Lot of the Association's (i) maintenance Assessments if elected by the Board of Directors and Class A Members as described under Section 5 02, (ii) Special Assessments under Section 5 03, and

288

(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 Bridgefield 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 Articles of Incorporation of the Association, as amended from time to time

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

"Common Expense" shall mean expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations or reserves

"Common Facilities" shall mean all the buildings and other improvements constructed on any portion of the Common Area for the common use, benefit and enjoyment of the members

"Declarant" shall mean Tom Anderson, and his successors, heirs and assigns

"Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions for Bridgefield 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 a fully detached residence which is designed and used as a conventional single family home, and which should be designed to maximize views, climatic conditions, and the environmental amenities of the site

"Eligible Mortgage Holder" shall mean those holders of a First Mortgage on a Lot who have requested, in writing, the Association to notify them on any proposed action that requires the consent of a specified percentage of eligible mortgage holders or of any Assessment or installment thereof, which shall become and remain delinquent for a period in excess of sixty (60) days.

289

"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 Individual Development Guidelines adopted by the Declarant and the Architectural Review Committee as a part of these covenants to serve as a reference tool and decision-making guide for property development and construction on lots and property in Bridgefield No such guideline, statement, criteria or the like shall be construed as a waiver of the provisions of any other provision or requirement of this Declaration

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

"Lake" shall mean the body of water shown on the Plat of Bridgefield, Phase I (Revised), which plat is on file and of record in the office of the Chancery Clerk of Lamar County in Plat Book 2, at Page 116, Slide A-180 or which may be shown on any subsequent plat of any property in the Bridgefield Community, and designated a Common Area, and as such may be used by any member of the Association

"Limited Common Area" shall mean that portion of the property designated as the Limited Common Area on the Plat of Bridgefield, Phase I (Revised), or which may be shown on any subsequent plat of any property in the Bridgefield Community, which has been assigned for the exclusive use of owners of fewer than all of the Lots

"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 any subdivision plat filed for record in the office of the Chancery Clerk of Lamar County, Mississippi, and is intended to be improved with a Dwelling, but does not include the Common Areas

"Management Agent" means the Person, 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

"Mortgagee" 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, 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

290

"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

"Plat" shall mean the subdivision map(s) or plat(s) of the Property which has been or shall be filed for record in the office of the Chancery Clerk of Lamar County, Mississippi

"Property" shall mean all real property situated in Lamar County, Mississippi, which is described in Exhibit A, and all additions thereto which by annexation in accordance with the terms and provisions of this Declaration are subject to the covenants and restrictions of this Declaration

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

**ARTICLE II.
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 Section 11, Township 4 North, Range 15 West, Lamar County, Mississippi, and is more particularly described in Exhibit A and such portions of the Additional Property which may be annexed to the Property from time to time as provided by Section 2 03 hereof

Section 2.02. Common Areas. 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 Areas

Section 2.03. Annexation of Additional Property At any one or more times prior to December 31, 2001, and without the assent of the Class A members, the Declarant or any other person with the written assent of the Declarant, shall have the right, privilege or option to annex to the Property any of the Additional Property Any such annexation shall have the effect of making the annexed property part of the Property and extending the scheme of the within covenants and restrictions to such annexed property However, no such annexation shall occur until same has been accomplished in the manner herein prescribed

Any annexations of additional real property to the Property shall be made by recording a Supplement to the Declaration in the land records in the office of the Chancery Clerk of Lamar

County, which Supplement to the Declaration shall extend the scheme of the within covenants and restrictions to the annexed additional property therein described Such Supplement shall be executed by the Owner of the fee simple title to the additional property being annexed, and if such owner is other than the Declarant, shall be executed also by the Declarant. Such Supplement to the Declaration may contain whatever complimentary additions and modifications to the provisions of the Declaration as may be appropriate to reflect the different character or use, including but not limited to zero lot line lots, townhomes, condominiums or cluster homes, if any, of the annexed additional property, including, but not limited to setback lines, total square footage to be contained within any residence, easements, and degree of care and assessments for any care not rendered to all of the Property

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 Class A members shall consist of all members, except the Declarant, and Class B Members, which shall be the Declarant 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) 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 Class A Members 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 Members shall be the Declarant who shall be entitled to four votes for each Lot owned by the Declarant

292

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 own an interest in such fee title to the Lot shall object prior to the completion of voting upon the particular matter under consideration. In the event of any such objection, the one vote appurtenant to such Lot shall not be counted.

Section 3.06. Termination and Reinstatement of Class B Members. If on any one or more occasions all Class B memberships should terminate, and if after any such termination the Declarant, by annexation to the Property in accordance with the Declaration, should add additional property to the Property theretofore subject to the Declaration, then on each such occasion the status of the Declarant as a Class B Member shall be fully reinstated, and following each such occasion, the Declarant, or the nominee or nominees, if any, of the Declarant, shall continue to be Class B Members until such time as the total votes outstanding of Class A and Class B Members resulting from the newly added property has been equalized. At such time, the Class B membership resulting from such addition shall cease and be converted to Class A memberships. Following each such reinstatement of the Class B memberships, for so long thereafter as the Class B memberships shall continue to exist, the Declarant, and the nominee or nominees, if any, of the Declarant, shall have all rights and powers of Class B membership, as herein provided.

Section 3.07. Other Voting Provisions. The Charter and/or 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 three 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 appointed by the Declarant or elected by the Members in the manner prescribed in the Bylaws.

293

Section 4.02. Officers. The Association shall have such officers as are prescribed by the Bylaws. The officers shall conduct affairs of the Association and implement the policies and decisions of the Board of Directors

**ARTICLE V.
ASSESSMENTS**

Section 5.01. Covenants For Assessments. Each owner by acceptance of a Deed or other conveyance document for such lot, whether or not expressed in any such Deed or other conveyance document shall be deemed to covenant and agree to pay to the Association any maintenance or special assessments which shall be levied by the Association. Each such assessment shall be a charge on the land, and shall be a continuing lien upon each Lot and the personal obligation of the Person who is the owner of such Lot at the time the assessment fell due. No Class A Member may become exempt from or otherwise avoid liability for the payment of any assessment by the abandonment of any lot or by the abandonment or release of the member's rights to use, benefit and enjoy the Common Area and/or Common Facilities. The Association acting by and through its Board of Directors shall have the right to levy all assessments described in this Article V.

Section 5.02. Maintenance Assessments. Except as permitted by Section 5.07, any maintenance Assessments levied by the Association shall be used exclusively (i) to promote the health, safety and welfare of the residents of the Property, including the improvement, maintenance and repair of the Common Areas and/or Common Facilities and (ii) to pay the cost of labor, the purchase or rental of equipment and materials used or required for, and the management, care and supervision of, the Common Areas and/or Common Facilities. The purposes for which the 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 Areas and/or Common Facilities and the services furnished or provided to or in connection with the Common Areas and/or Common Facilities, including charges for any services furnished or provided by the Association
- (b) The costs of appropriate or necessary management and administration of the Common Areas, including fees or other compensation paid to a Management Agent
- (c) The amount of all taxes and assessments levied against for the Common Areas
- (d) The costs of fire and extended coverage and liability insurance on the Common Areas and/or Common Facilities and the Association's other assets and the costs of such other insurance with respect to the Common Areas and/or Common Facilities 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 Areas, and/or the Lots

294

(f) The costs to maintain, replace, repair and landscape the Common Areas, including but not limited to, the costs (i) to maintain, replace and repair the common sidewalks and streets, (exclusive of private driveways on individual Lots and the sidewalk from each Dwelling to the common Sidewalk) and (ii) of such equipment as the Board of Directors shall determine to be necessary or appropriate in connection with such maintenance, replacement, repair and landscaping and to establish and fund an appropriate reserve to maintain, repair and replace such Common Areas on a continuous long term basis

(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. Annual Maintenance Assessment Prior to the first day of January in each year the Board of Directors shall adopt a budget estimated by the Board of Directors to be sufficient to meet the cost and expenses described in Section 5.02 hereof and shall fix and levy the Annual Maintenance Assessment at an amount sufficient to meet the budget adopted by the Board of Directors

Section 5.04. Special Assessments. In addition to the maintenance Assessments authorized in Section 5.01, 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 Areas, including the fixtures and personal property on or related to the Common Areas and/or Common Facilities, 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, including, but not limited to, any work required in maintaining and/or mowing any such Lot prior to the construction of a residential dwelling on 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

Section 5.05. 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 the maintenance and care of lawn, garden and landscaped areas on any Lot. The Association shall have the responsibility and duty only for the maintenance, repair and care of the Common Areas and Facilities

Section 5.06. 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 5.07. Costs and Expenses of Certain Damage. Whether or not specifically provided in this Declaration, if the Board of Directors determine 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 costs and expenses shall be increased by all amounts described in Section 6.03. All such amounts shall be considered to be a special Assessment under Section 5.04 against the Lot, and the Owners of such Lot shall be personally responsible and liable for the payment of all such amounts immediately upon notice from the Association, and all such amounts shall become a lien against such Lot which shall be enforceable by the Association

Section 5.08. Meetings to Approve Assessments. If the consent or approval of any class of the Members is required for any action under this Article V, then the Board of Directors shall call a meeting of the Members pursuant to the Bylaws for the purpose of considering the consent or approval for such action. All Assessments requiring the consent or approval of the Members must be approved by a vote of two-thirds of the voting power of each class of the Members

Section 5.09. Uniform Rate for Assessments. All Assessments shall be levied at a uniform rate for each Lot to which Class A membership is appurtenant, except special Assessments under Section 5.04(b). The Board of Directors may change or modify the pro rata obligations of any Lot or the Owners of such Lot for the purposes of levying Assessments, except special Assessments under Section 5.04(b), only if approved by at least two-thirds of the voting power of each class of the Members

Section 5.10. Commencement of Annual Maintenance Assessment. The annual Assessment provided for herein shall commence as to a Lot, except Lots owned by the Declarant, on the first day of the month following the conveyance of such Lot to an Owner. Assessments on lots owned by the Declarant shall commence as provided in Section 5.11 hereof. The first annual Assessment shall be prorated according to the number of months remaining in the calendar year. Payment of such Assessments will be made in advance in monthly, quarterly, semi-annually or annual installments with the due dates being established by the Board of Directors

Section 5.11. Assessment of Declarant. Unless required as a matter of law or as otherwise set forth in this Article, Declarant shall not, at any time, be subject to the Annual Maintenance Assessment, however, the Declarant hereby agrees that until such time as Declarant ceases to be a Class B member, Declarant will pay to the Association any deficit amounts not covered by the income of the Association which are reasonably necessary to maintain the Common Area and the vacant Lots in a neat, attractive, and in addition, where such property is intended for recreational use, usable condition. In determining whether such a deficit exists, paper expenses, such as depreciation, shall

296

not be taken into consideration. Any such deficit amount required to be paid by Declarant shall be treated as an Assessment and subject to the provisions of Article VI, provided however, any lien for such an Assessment shall apply only to those Lots owned by the Declarant which are subject to this Declaration and the amount thereof shall be divided equally among all such Lots, and, provided further, that in no event shall the Declarant be required to pay any amounts, specifically including any deficit amount, which would exceed an amount equal to the number of Lots owned by the Declarant and subject to the Declaration at the time Declarant becomes responsible for payment, or the time the deficit is incurred (for purposes of this proviso, "the time the deficit is incurred" means the time in which the expense creating such deficit becomes a binding obligation upon the Association). In addition, and notwithstanding anything to the contrary herein, the Declarant may contribute assessments due from it in services or materials or a combination of services and materials, rather than in money (herein collectively called "in kind contribution"). The amount by which monetary assessments shall be decreased as a result of any in-kind contribution shall be the fair market value of the contribution reasonably determined by the Declarant.

Section 5.12. Common Expenses Associated with Limited Common Area. Any common expense associated with the maintenance, upkeep and preservation of any and all portions of the Limited Common Area shall be assessed against the Lot, or in equal shares against the Lots, to which such Limited Common Area was assigned at the time the expense was incurred.

In addition, the Association may assess any common expense benefiting less than all of the Lots against the Lot benefited or equally against the Lots benefited.

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

Section 5.14. Equitable Adjustments. If a Supplement is filed for record which annexes additional property to the property and specifies that a greater or lesser level of use, benefit or enjoyment of the common area or of services shall be available or provided by the Association with respect to any portion of the annexed additional property, then the supplement may provide a different method or basis for the establishment, determination and calculation of the annual maintenance or special assessments under Section 5.02, Section 5.04 or Section 5.05 with respect to such annexed additional property. In such event, the Association shall have the authority and the duty to make equitable adjustments in and to the procedures described in this Article V. for the establishment, determination and calculation of the annual maintenance and special assessments to reflect any such different level of use, benefit and enjoyment of the common area or services available or provided by the Association.

297

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 any 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 for 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 may 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 the 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 such 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 and effect. No Member may waive or otherwise avoid or escape personal liability for payment of any Assessment by abandonment of his Lot or by abandonment or release of the Member's rights to the use, benefit and enjoyment of the Common Areas and Facilities

Section 6.02. Assessment Certificate. Upon five days notice, the Board of Directors shall furnish a certificate signed by an Association officer to any Member liable for the payment of any Assessment or to any other Person having 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 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 amount shall be considered to be special Assessments against the Lot and the Owners of such Lot and shall be subject to the lien of Assessments provided under

298

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 until 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

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 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

299

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 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 of the holder or 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 the holder of the indebtedness secured by the First Mortgage shall not be altered, modified or diminished by reason of or as 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 to provide coverage for all of the Common Area, Limited Common Area and Common Elements and Facilities and all property of the Association

Section 7.02. Owner's Insurance. Each Owner shall insure 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. Each Owner shall be responsible at his own expense and cost for his own personal insurance on the contents of his Dwelling and other improvements, including decorations, furnishings and personal property in or on such Dwelling or the other improvements, and his personal property stored elsewhere on his Lot or the Property, and for his personal liability to Persons which is not covered by liability insurance for all Owners obtained by the Association and included in the annual maintenance Assessments

300

**ARTICLE VIII.
AD VALOREM TAXES**

Section 8.01. Owners. Each Owner shall be responsible for the payment of and shall promptly pay all ad valorem taxes assessed on or against his Lot and improvements on his Lot

Section 8.02. Association. The Association shall pay the ad valorem taxes assessed on or against the Common Areas and the Association's other assets

**ARTICLE IX.
PROPERTY RIGHTS**

Section 9.01. Member's Easements of Enjoyment. Every Member shall have a right and easement of enjoyment in and to the Common Areas 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, acting by and through its Board of Directors, to levy reasonable admission and other fees for the use of any Common Areas and Common Facilities by the Members and their families and Invitees Any such fees shall be charged on a uniform basis for each Member No admission or other fees shall be charged or levied for the use of any Streets, and

(b) The right of the Association, acting by and through its Board of Directors, to suspend any Member's voting rights and any Member's rights to use the Common Areas and Common Facilities for any period during which any Assessment remains unpaid and 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, and

(c) The right of the Association, acting by and through its Board of Directors, to dedicate or transfer all or any part of the Common Areas to any governmental agency or authority or any utility for such purposes and subject to such conditions as may be determined by the Association. 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, and

(d) In accordance with the Charter and the Bylaws, the right of the Association to borrow money to repair, maintain or improve all or any portion of the Common Areas and Common Facilities in a manner designed to promote the enjoyment and welfare of the Members, and in connection with any such loan to subject all or any portion of the Common Areas and Common Facilities to the liens of deeds of trust or other security interests The Association shall not borrow money or subject all or any portion of the Common Areas or Common

Facilities 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, and

(e) The right of the Association and/or its Board of Directors to take any action 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 a security interest by a creditor, and

(f) The right of the Association and/or its Board of Directors to adopt reasonable rules and regulations with respect to the use of the Common Areas and Common Facilities, and

(g) The right of the Declarant to dedicate or grant the streets, roads, parking areas, sidewalks and/or rights-of-way as shown and designated on the plat to any governmental authority having jurisdiction over the Property, and

(h) The right of the Association, acting by and through its Board of Directors, 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 or authority or any utility, the Declarant or any other person, provided that no such license, right of way or easement shall be unreasonably and permanently inconsistent with the rights of the members to the use, benefit and enjoyment of the Common Area, and

(i) The right of the Association, acting by and through its Board of Directors, to maintain guarded or electronically monitored gates to restrict or monitor vehicular traffic over, on or across any private streets and roads located or situated in or on any portion of the Common Area, and

(j) The right of the Association to sell, transfer or convey any part of the Common Area which it determines to be beneficial to the Members, upon the consent of two-thirds of the voting power of each class of members, or upon the filing for record of an instrument agreeing or consenting to such sale, transfer or conveyance executed by Members representing at least two-thirds of the voting power of each class of members, and

(k) The right of the Association, acting by and through its Board of Directors, to restrict the use and enjoyment of any of the Common Areas and Common Facilities in order to comply with the provisions of the comprehensive liability insurance policy obtained and maintained in favor of the Association

Section 9.02 Limited Common Area. The right of the Association to assign and grant Limited Common Areas, defined by the Declarant as Limited Common Area or as reflected on any subdivision added to the property

302

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 of the Common Areas and Common Facilities 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. Establishment of the Architectural Review Committee. There is hereby established the Bridgefield Architectural Review Committee (referred to herein as "Architectural Review Committee") The Architectural Review Committee shall be appointed by the Declarant as long as Declarant owns of record any lot or any Additional Property subject to Annexation. Thereafter, the Architectural Review Committee shall be appointed by the Board of Directors

Section 10.02. Architectural Review Committee. After the Declarant has sold all Lots in the Property and the Additional Property, the Architectural Review Committee shall consist of not less than three nor more than five individuals who shall be appointed or designated from time to time by the Board of Directors and who may be but are not required to be Members. The members of the Architectural Review Committee shall serve at the pleasure of the Board of Directors and may be removed at any time by the Board of Directors with or without cause. 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. The Architectural Review Committee may employ such consultants as it may deem necessary or prudent in order to achieve a community with a similar and complementary aesthetic, harmonious design similar to plans published by *Design Traditions*® of Atlanta Georgia. Should the Architectural Review Committee, all plans and specifications may be referred to *Design Traditions*® for their comments and recommendations. The Architectural Review Committee also has the authority to secure the services of Hartley Fairchild, Landscape and Architectural Consultant, for comments and recommendations concerning all landscape plans. The Architectural Review Committee, from time to time may select and secure the services of other architects and landscape architects in conjunction with or in lieu and in place of the parties named herein, at the sole discretion of the Architectural Review Committee

Section 10.03. 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 or lessee of a Lot shall not remodel or alter existing improvements on any Lot until approval has been granted by the Architectural Review Committee

303

in accordance with the review process of this Article X The Developer or other builder, at its expense, shall complete and submit to the Architectural Review Committee two complete sets of Plans for review by the Architectural Review Committee The Plans shall provide for a first class structure, workmanship and materials Specific requirements of the submittal shall be established by the Architectural Review Committee and approved by the Board of Directors and may include the following

- (a) Building plans, at a reasonable scale, and building specifications, which shall include the location, nature, shape, height, materials, color and finish of materials, type of construction, floor plans and elevations, details of exterior wall construction and other exterior features, gross square footage and other characteristics of the improvements and other information required or specified by the Architectural Review Committee.
- (b) A drainage plan which will coordinate with the overall area drainage
- (c) A site plan, at a reasonable scale, which will include an accurate grading plan and which shall show the location of all (i) improvements, (ii) exterior lighting and signs, (iii) pedestrian walkways, vehicular circulation and parking areas, and (iv) designation of all proposed utility lines, air-conditioning units, aerial lines, pipes, conducts, transformers and similar equipment
- (d) A landscape plan.
- (e) A gravity flow sewer line may not be available to all Lots, therefore the Owner of any Lot that is not served by a gravity flow sewer line shall install at least a 500 gallon capacity septic tank which will discharge all effluent into a Zoeller Pump, Model E4186 grinder pump which is to discharge all such effluent into the main low pressure sanitary sewer line that has a service tap at the edge of such Owner's Lot. The cost of the septic tank, grinder pump, and the sewer line to the edge of such Lot and all cost of installing, maintaining and operating said system shall be the responsibility of the Owner of such Lot If another grinder pump is desired, any substitute grinder pump must be approved in writing by the Declarant, the Association, the utility company serving the system, the State and County Health Departments and any other agency regulating or having jurisdiction over waste water
- (f) A statement by the Developer's or other builder's architect and engineer or, if none, by the Developer or other builder that the proposed construction complies with all applicable building and zoning codes and regulations and this Declaration, including, if applicable, 10 03 (e) above.
- (g) A construction time table or schedule, including anticipated completion date

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 (i) install, erect, attach, apply, paste, hinge, screw, nail, guild, alter, remove or construct any (1) lighting, (2) shade, screen,

304

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 gutter, or (9) patio, balcony or porch, (ii) make any change or otherwise alter, including any change or alteration of color, in any manner whatsoever to the exterior of any improvement constructed upon any Lot or upon any portion of the Common Areas, (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 Areas, Common Facilities, or impair any easement

Section 10.04. Review Process. Within 30 business days after receipt of all of the Plans, the Architectural Review Committee shall review the Plans and shall either approve or disapprove all or any portion of the Plans. Written notice of such decision shall be given to the Developer or other builder, and such notice shall specify the reasons for any disapproval. The Architectural Review Committee's right to disapprove the Plans shall be limited to (i) the failure of the Developer or other builder to include information required by, or otherwise satisfy the requirements of, this Article X or other provisions of this Declaration, (ii) objections to the design, general massing, color, materials or development of any proposed building or improvement which the Architectural Review Committee determines to be incompatible with the existing or surrounding structures on, or the topography and conformity with the design concept of or for, the Property, (iii) objections that the Plans do not provide for first-class structure, workmanship or materials, (iv) failure to provide a landscape plan which is consistent with the quality, development or design of the Property, or (v) any other reason or reasons which are not arbitrary or capricious, including, but not limited to, aesthetic considerations

If any portion of the Plans are not approved, the Developer or other builder shall amend and modify the Plans to conform to the requirements of, and to cure any objections made by, the Architectural Review Committee. Upon the completion of each amendment and modification, the Plans shall be resubmitted to the Architectural Review Committee for review and approval or disapproval. The Architectural Review Committee's right to disapprove the amended and modified Plans shall be confined to (i) the portion of the Plans not previously approved, (ii) new matters not disclosed by or included in the Plans previously submitted, or (iii) matters which do not satisfy the requirements of this Article X or other provisions of this Declaration

The Developer or other builder must obtain written approval of the Plans from the Architectural Review Committee prior to commencement of any on-site construction, installation, clearing, grading, paving or landscaping, except to the extent the Developer or other builder may receive written permission from the Architectural Review Committee to engage in any or some of such activities prior to the review or approval of the Plans

If the Developer or other builder desires to materially modify or change the Plans after approval of the Plans, but not including modifications or changes of or to the interior design, then the

305

Developer or other builder shall submit two complete copies of such proposed changes to the Architectural Review Committee for review and approval or disapproval

If the Architectural Review Committee shall fail to approve or disapprove the Plans, amended and modified Plans and/or proposed modifications or changes to the Plans within 30 business days after receipt of the Plans, then such approval shall not be required, and the Plans, amended or modified Plans or proposed modifications or changes to the Plans will be deemed to have been approved by the Architectural Review Committee

The decisions of the Architectural Review Committee shall be final except that any decision may be appealed to the Board of Directors by any Member who is aggrieved by any action or forbearance from action by the Architectural Review Committee or by any policy, standard, or guideline established by the Architectural Review Committee, and upon written request such Member shall be entitled to a hearing before the Board of Directors

The Developer or other builder will be responsible for the payment of reasonable charges established by the Board of Directors from time to time for the Architectural Review Committee's review of the Plans or amendments, modifications or changes to Plans, but no charges shall be imposed on any governmental authority using any portion of the Property. The Architectural Review Committee shall retain one copy of the Plans as approved or disapproved in the Association's permanent records and shall return to the Developer or other builder one copy of the Plans, as approved, marked or stamped with such approval

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, 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 may (i) 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) 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

306

application of fertilizers, pesticides and other chemicals, and the preservation of such aesthetic values and characteristics and amenities, as may be considered necessary and appropriate. No such rules, regulations, statements or criteria shall be construed as a waiver of any provision of this Article X or any other provision of requirement of this Declaration.

Section 10.07. Limitations. Construction in accordance with approved Plans shall be commenced within six months after approval, whether by affirmative action or by forbearance from action, and shall be substantially completed either within six months after construction commences, or within such other period as the Architectural Review Committee shall specify in the approval of the Plans. If construction is not commenced or is not completed as required in this Section 10.06, then approval of the Plans shall be conclusively deemed to have lapsed and compliance with the provisions of this Article X shall be required again.

**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 a 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. All utilities services shall be installed and maintained underground.

The Declarant shall have non-exclusive easements and rights-of-way in, through, across, on, over and under the portion of the Common Areas and Limited Common Areas which is not improved with the 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 Areas and Limited Common Areas 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 reservation and rights in this Section 11.01 expressly include the right to (i) cut any trees, bushes, or shrubbery, (ii) make any grading 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.

307

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. Said repairs will be at the expense of the party causing the damage.

Section 11.03. Maintenance and Support Easements. Where Dwellings are permitted on or in close proximity to the boundaries of a Lot, the Common Areas 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 overhang a Lot or any portion of the Common Areas, and (v) the walks and sidewalks serving such adjoining and abutting areas.

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 Areas (ii) for activities and uses expressly permitted and not substantially inconsistent with the provisions of this Declaration (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 Areas and (iv) as permitted by Section 12.03, 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.

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 least 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. 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 construction, completion, improvement and sale of Lots and/or Dwellings or the development of Lots, Dwellings and other improvements, and the

308

Common Areas, 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 and vehicles.

Section 12.04. 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 12.05. 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 perform 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 12.06. 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 unreasonably change, diminish, obstruct, or retard the direction of flow of surface water runoff in any drainage easement, swale or channel.

Section 12.07. Reconstruction after Fire or Other Casualty Loss. If a Dwelling is partially or completely destroyed by fire or other casualty, the Owner of such Dwelling shall promptly clear the Lot or restore or reconstruct such Dwelling, at his own expense, in accordance with the original Plans or as otherwise approved by the Architectural Review Committee in accordance with the procedure for obtaining such approval as provided in Article X hereof.

Section 12.08. Vacant Lot Maintenance. Each owner shall be responsible for the proper seeding, fertilization, watering, mowing, removal of litter and maintenance of such Owner's Lot (s) which is undeveloped (including that portion of the street right of way adjacent to front lot line and extending to the curb of the paved street in front of such Lot). If fill is placed on the Lot and the construction of the improvements is not promptly commenced and completed, then the Owner will be required to maintain such Lot.

Section 12.09. Signs. Except as may be required by legal proceedings, no signs, advertising or ornaments of any kind shall be placed, maintained or permitted on a Lot or within any windows or on the exterior of any Dwelling or other structure located on any Lot by any Person, including the Owner, without the approval of the Declarant and/or the Architectural Review Committee. The approval of any signs and posters, including name and address signs, shall be upon such conditions the Declarant and/or the Architectural Review Committee shall determine from time to time, and approval may be arbitrarily withheld. Any approved sign or advertising device shall only contain one

name and/or one number plate which shall not exceed 120 square inches, and, if advertising the Lot or Leasehold Interest and/or Dwelling "for sale" or "for lease," such sign shall not exceed three square feet in area and shall be subject to the Architectural Review Committee's right to restrict color and content. The restrictions of this Section 12.10 shall not apply to the Declarant. The Board of Directors shall have the right to erect reasonable and appropriate signs on any portion of the Common Areas and Common Facilities and within easement areas established by this Declaration.

Section 12.10. Lot Division and Addition. No residential lot, except as provided in Article XVI hereof, shall be further subdivided and no more than one single-family dwelling shall be constructed or permitted on each lot. It is important that the visual appearance and street scape quality not be altered by decreasing the density of residential units in Bridgefield. Any such changes as might occur by placing one house on two residential lots must be approved by the Declarant until all Declarant's lots are sold and thereafter by the Board of Directors and the Architectural Review Committee.

Section 12.11. Signage, Antenna, etc. No Owner or occupant of any residential lot may allow anything to be hung from windows or displayed from the outside wall of any residence other than the American Flag, plants, or similar items. No sign, basketball goal, radio, or television antenna or dish, except small antenna or dish less than eighteen inches (18") in diameter, the size, shape and location of which shall have been approved by the Architectural Review Committee, may be affixed to an exterior wall or roof of any structure, or permanently mounted in the yard. Each residence may contain a built-in concealed T V antenna or cable system if desired. Except as permitted in Article XIII, no "For Rent" signs may be displayed by individual owners or their agents. The location, size and material of any free standing basketball goal must be approved by the Architectural Review Committee.

Section 12.12. Pets. No animals, livestock or poultry of any kind, shall be raised, bred, kept, staked or pastured on any Lot or on portion of the Common Areas, except dogs, cats, birds or other household pets for non-commercial purposes and which are kept in Dwellings and are not a source of annoyance or a nuisance to the Property or any Member. The Board of Directors shall have the right, but not the obligation, to prohibit or bar certain dogs or breeds of dogs or other household pets from any Lot or Dwelling or other structure on the Lot or any portion of the Property. Pets shall be attended at all times or restrained to the Owner's Lot, and shall be registered, licensed and inoculated as required by law. Pets shall not be permitted upon the Common Areas unless accompanied by an adult individual and either carried or leashed. The Board of Directors shall have the right to adopt such additional rules and regulations regarding pets from time to time as considered necessary or appropriate, including more restrictive "leash" regulations.

Section 12.13. Vehicle Use and Storage. All vehicles shall be currently licensed and maintained in operating condition, so as not to cause or create hazards or nuisances by excessive noise levels, exhaust emissions, or appearance. Inoperative motor vehicles are strictly prohibited from the subdivision except for emergency situations. Off-street parking, adequate to accommodate the parking needs of the Owner and Occupants shall be provided by the Owner of each lot. The intent of this provision is to eliminate the need for any on-street parking, provided, however, that nothing herein shall be deemed to prohibit short-term on-street parking of employees' or visitors' vehicles.

310

Overnight parking of all recreational vehicles and related trailers, trucks, boats and/or sports equipment shall be in garages or appropriately screened enclosures, designed for parking on a lot or on Common Area designated for such purposes

No motor vehicle may be repaired (except for emergency repairs) on any lot, street, or Common Areas within the subdivision except where such repairs are made on a vehicle owned by an Owner and are done within such Owner's enclosed garage or in an area screened from public view

Section 12.14. Mobile Homes and Trailers. No house trailer or mobile home shall be admitted in Bridgefield at any time, whether used for residential purposes or not Camper trailers, recreational vehicles, boats and/or boat trailers should be parked only on Common Area designated for such purposes or a Lot in an enclosed garage

ARTICLE XIII
COMMON AREA LAKE, GREEN SPACE AND LOTS ADJACENT
TO COMMON AREA LAKE

Section 13.01 Reservation of Easement Rights by the Declarant. In connection with the development of the Common Area Lake (the "Lake"), the Declarant reserves certain non-exclusive easements and rights of way in, through, over, and across portions of the properties comprising the Lake for the purpose of constructing, maintaining, reconstructing and repairing the Lake, the dam and appurtenances to any of same, and for all other purposes reasonably related to the repair, maintenance, or reconstruction of the Lake Any and all instruments of conveyance made by the Declarant to any individual or other entity with respect to any of the subject property shall be conclusively deemed to incorporate the conveyance of such easements or the reservation thereof, whether or not specifically set forth in such instruments

Section 13.02 Lake Easement. In connection with the development of the Lake, Declarant conveys a non-exclusive easement for use of the Lake to all members of the Association, over and across the Lake Such easement is within the perimeter of the Lake and includes that portion which is inundated by water The Lake is expressly made subject to a non-exclusive easement for its use by all members of the Association and Declarant

Section 13.03 Reservation in Deeds. A non-exclusive easement ten (10) feet in width around and exterior to the perimeter of the Lake as shown on the plat whereon the Lake appears, is reserved by Declarant and the Association for maintenance of the sea wall and appurtenances, and is reserved to all members for emergency purposes only, and regulated therefor as the Board of Directors may determine Declarant may make other reservations and restrictions applicable to each lot by appropriate provision in the deed conveying said lot, and such reservations and restrictions shall inure to the benefit of and bind the respective parties in the same manner as though they had been expressed herein

Section 13.04 Common Use, Benefit, and Enjoyment. The "Lake" shall be held and maintained for the common use, benefit, and enjoyment of the Declarant, J C Lott, Buck Morgan and their immediate family, and all of the owners in Property, subject only to the special conditions and restrictions declared or implied in this paragraph and to the special conditions and restrictions, if any, which may be declared or implied in the instrument conveying an interest in the lands within said Lake to the Association. Also, guests of the owners of Property may enjoy the Lake and common areas, but only if and when they are accompanied by the owners of Property. The Association shall be responsible for the maintenance of the Lake and all components thereof and improvements therein, except that the Association may require an Owner to be specifically responsible for the shore line of his or her lot and for certain improvements constructed by the Member, or his predecessor in title to a lot, as herein permitted

Section 13.05 Easement of Light, Air, and View. There is hereby reserved for the benefit of the Declarant, the Association, and each Member, and their respective successors and assigns, the right and easement of light, air, and view over and across the Lake

Section 13.06 Fences, Walls, Trees, And Shrubbery. The Association reserves the right to control the height fences, walls, and any other structure, of trees and shrubs over three (3) feet in height in any area within twenty-five (25) feet of the edge of the Lake

Section 13.07 Regulating The Use Of The Lake. Prior to the installation, erection, or construction of any boat docks, photographic depictions, plans or specifications therefor must first receive approval by the Architectural Review Committee, which may condition its approval and mandate appurtenances to said improvements as it deems necessary. Failure to obtain approval for such improvements, or to construct same in accordance with Committee's approval thereof, or to maintain the same in their required sound and attractive conditions shall be considered to be a violation of these covenants, conditions and restrictions and, upon written notice from the Architectural Review Committee or the Board, such violation shall promptly be corrected, removed, or remedied. In the event the violation is not corrected, removed, or remedied, within fifteen (15) days (or within such shorter period as may be reasonably required in such notice) after notice of the violation is delivered to the member responsible for such violation, then the Architectural Review Committee or the Board, in addition to any and all other rights granted to the association in the event of a violation of any provisions of the Declaration, shall have the right, through its agents and employees (but only after the Board of Directors by resolution has so directed) to take such steps as may be necessary to correct, remove or otherwise remedy such violation, and the cost thereof may be assessed against any lot owned by the member responsible for such violation, and, when so assessed, a statement for the amount thereof shall be rendered to such member as the owner of such lot, at which time the assessment shall become due and payable and shall be secured by a continuing lien upon such lot, and shall be the binding personal obligation of the owner of such lot

Section 13.08 Impoundment. Artificial impoundment of water shall not be permitted except upon the prior written approval of Declarant

Section 13.09 Use Of Lake Water. Declarant reserves unto itself, its successors and assigns, the non-exclusive right to withdraw and use water impounded with the Lake for irrigation or use on

312

any property belonging to the Association All water impounded within the Lake shall be withdrawn and used only by the Association or by a member having approval of the Association

Section 13.10 Lake Water Level. Neither the Declarant nor the Association shall be required to maintain the water level of the Lake at any certain elevation or between any certain maximum and minimum elevations Declarant and/or the Association may lower the water level or drain the Lake if such is prudent or necessary for the discharge of their responsibilities herein, for the installation, maintenance, and repair of the outlet structure, any shoreline improvement, sewer drain, pipe, wire or cable, or any related appurtenance, or for any other purpose

Section 13.11 Lake Maintenance. The Association acting through its Board of Directors shall be responsible for the maintenance of the outlet structure of the Lake and incoming and outgoing storm drains, for the maintenance of appropriate water quality in the Lake, for the removal of excessive amounts of vegetation, debris and/or sediment for the Lake, for the regulation of the use and activities of the water surface of the Lake, for the propagation, control and management of wildlife of any kind which habitat in or around lakes, and for the acquisition of all permits and approvals, including extensions, renewals, and additions, if any, required by federal, state, or county statutes, ordinances, and regulations Declarant and the Association shall not be responsible for the safety of any person in or on the surface of the Lake or in or on any incoming and outgoing storm drains including the outlet structure

Section 13.12 Federal Or State Regulations. All uses of the Lake or similarly designated body of water, in Bridgefield Community, shall be governed by the regulations herein and by all requirements of the U S Coast Guard, the State of Mississippi, and any other sovereign body having jurisdiction to regulate the use of bodies of water and all equipment of every kind used thereon in all activities pertaining thereto including, but not limited to boating, sailing, fishing, and swimming

Section 13.13 Trash. No garbage, trash, or refuse of any kind shall be any time be dumped on or deposited in Lake

Section 13.14 Boat Length. No boat shall be operated or permitted to operate on the Lake in excess of twenty (20) feet in length, but this may be changed by an act of the Board of Directors of the Association

Section 13.15 Boat Ownership. No boat may be used or operated on the Lake which is not the personal property of a member of the Association

Section 13.16 Identification Of Boats. For identification purposes, all boats must have prominently displayed thereon a decal as prescribed by the Board of Directors of the Association Such decals shall be sold to members at cost and be obtainable at all times from the Board of Directors The Association reserves the right to place a decal on every member's boat or boats and bill such member for the cost thereof After the purchase of an initial decal, any renewal decal which may be required shall be furnished to members at cost Decals are for the purpose of identifying those boats permitted to be on the Lake

Section 13.17 Type And Operation Of Boats. The type of boats, except as otherwise stated herein, which a member may own is as restricted herein. A member shall not have on the Lake or on his or her lot more than one (1) boat. The Board of Directors may regulate the number of boats which may use the Lake at any one time. If at any time, the Board deems a boat to be threatening to the health, safety, and welfare of the members, the Board may request that such boat be removed from the Lake.

- (1) No houseboat shall be permitted on the waters of the Lake. In the discretion of the Association, pontoon boats may be acquired for the benefit of all members of the Association who may wish to use a pontoon boat.
- (2) All motors utilized on Bridgefield Lake shall be electric outboard motors. This prohibits gasoline or diesel driven outboard or inboard motors. No electric boat motor may be attached to any boat if the horsepower of said motor exceeds the boating industry safety rating for such boat and which is approved by the Association. The following information must be included in the registration application, to-wit: Type of boat, make of motor, motor number, motor horsepower, and name of the owner.
- (3) No person shall be permitted to operate a boat while under the influence of alcohol or drugs.
- (4) Each member is responsible for the operation of any boat belonging to him or her and for the conduct of his or her family members and guests as regards observation of all of the provisions hereof. Failure to observe these rules shall result in the issuance of warning tickets and continued failure to observe these rules or any activity which is conducted which may be of a dangerous nature may result in suspension, in whole or in part, of the member's privilege to use Bridgefield Lake.

Section 13.18 Fishing Regulations. Subject to the other provisions hereof, no one shall be permitted to fish in the Lake except the Declarant, J. C. Lott, Buck Morgan, Members and their families and guests.

- (1) Members may invite guests to enjoy fishing privileges provided the said guests are accompanied by a member.
- (2) The Board of Directors may designate those areas which may be fished by boat or from shore and may regulate such other aspects of fishing as it may deem necessary.

Section 13.19 Use Of Lake, Declarant Held Harmless. Each and every member and occupant of any lot or property shall and does, by accepting title to his or her interest in the lot or property, agree to indemnify, defend, and hold harmless Declarant, his agents, employees, and successors, against and from all claims for injury or death to persons, or damage to or loss of property arising out of the construction, use, operation and/or maintenance of the improvements on the lot or property.

314

occupied by, owned by, or under the control of such owner or occupant, the use and/or possession of such lot or property, the conduct of business or any other activities by such member or occupant or his or her guests or invitees on any lot or property, or upon the Lake

Section 13.20 Maintenance of Green Space. It is the intention of the Declarant that the trees, woodland and natural and scenic areas currently in evidence at Bridgefield be maintained and enhanced by designation of certain areas of Bridgefield as "Green Space" on the Plats filed by the Declarant. Green Spaces as expressed above and further defined shall be subject to the policies relating thereto elaborated in this Article and elsewhere throughout this Section

Section 13.21 Green Space. Pursuant to the aforesaid overall objectives of natural and scenic conservation, no hunting or tracking shall be permitted on any portion of the property at any time except for undesirable wildlife as authorized and approved by the rules and regulations promulgated by the Association from time to time. The Association shall have the right, but shall not be obligated, to protect from erosion all Green Space, and shoreline on all Lots abutting the Common Area Lake by planting trees, plants and shrubs where and to the extent necessary. The right is likewise reserved to the Declarant and to the Association to take steps necessary to provide and insure adequate drainage ways in the Green Space, remove diseased, dead or dangerous trees and carry out other similar activities, the cost of which services to be paid by assessment of the Association in accordance with Article V of this Declaration. Storm water that cannot be directed to the lake shall be directed to the grassed waterways with side slopes of four feet (4') horizontal to one foot (1') vertical or flatter which shall be incorporated into the drainage/landscape design for development

Section 13.23 Lots Adjacent to Limited Common Area Lake. To preserve the natural character of the Bridgefield Community, there is hereby established construction and clearing restrictions on all Lots which are adjacent to that portion of the property comprising the Common Area Lake which shall be preserved substantially in its present natural state except for moderate pruning, clearing for a view and breeze as approved by the Architectural Review Committee and each of such Lots shall be subject to and shall conform to the following

(a) A buffer zone of natural vegetation or non-turf grass landscaping fifty feet (50') landward of the ordinary high water level of the Common Area Lake on all Lots in Phase I of Bridgefield and twenty five feet (25') in Phase II of Bridgefield

(b) No construction shall be allowed in the buffer zone, except for boat docks approved by the Architectural Review Committee as provided in Article X hereof

(c) The Common Area Lake's shoreline shall be shaped on a four (4) horizontal to one (1) vertical or flatter slope where feasible to promote the growth of shoreline emergent vegetation

Section 13.24 Shoreline Maintenance. The Association shall have the option, but not the obligation, to maintain such portion of any Lot adjacent to the Common Area Lake for the purposes of maintaining said Lake and stabilizing the shoreline thereof or to keep and maintain the Lot in a manner keeping with the intent set forth in this Article XIII and rules and regulations promulgated by the Architectural Review Committee from time to time

315

ARTICLE XIV
ENFORCEMENT OF DECLARATION

Section 14.01. 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, 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 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, 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 14.02. 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, (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 cannot 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 injunctive relief or other equitable relief is not an appropriate remedy.

ARTICLE XV.
GENERAL PROVISIONS

Section 15.01. 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 January 1, 2036. After such date this Declaration shall be automatically extended for successive periods of ten years unless a Supplement signed by a 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.

316

Section 15.02. 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 January 1, 2000 or (ii) by a Supplement properly filed for record and executed by the owners of at least 75% of the Lots if amended, modified and/or changed prior to January 1, 2035, and thereafter by the Owners of at least 51% of the Lots.

Section 15.03. Interpretation. The provision of this Declaration shall be construed to implement the purpose of the creation of a uniform plan for the development of the Property

Section 15.04. 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 15.05. Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration

Section 15.06. 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 mails, 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 15.07. 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 15.08. Incorporation by Reference on Resale. In the event any Owner sells or otherwise transfers any Lot, any deed or assignment purporting to such transfer shall contain a provision incorporating the provisions of this Declaration by reference

Section 15.09. No Dedication to Public Use. No provision of this Declaration shall be construed as a dedication to public use of or as an acceptance for maintenance of any Common Areas by any public agency of 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 Areas

Section 15.10. Consents of Eligible Mortgage Holders. The Owners, or the Board of Directors, or the Association, by any act or omission, shall not do any of the following things without the prior written consent and approval of the holders of fifty-one percent (51%) of the outstanding first mortgages who have requested notice from the Association of any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders

- (a) Abandon, partition, subdivide, encumber, sell, assign or transfer any of the Common Areas or Common Facilities, but 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 Areas by the Members of 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 15.11. Notice to and Rights of Eligible Mortgage Holders. The Association shall promptly notify any Eligible Mortgage Holder on any Lot for which any Assessment remains 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 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 of priority of any First Mortgage on any Lot, and the protection provided in this Declaration to any Eligible Mortgage Holder on any Lot shall not be altered, modified or diminished by reason of such failure, nor shall any such failure 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 foreclosure the lien for any Assessment levied pursuant to this Declaration, except after 10 days written notice to any Eligible Mortgage Holder holding a 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 are in default and which may or have become a charge or lien 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 15.12. 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 singular shall include the plural

Section 15.13. Exhibits. All Exhibits which are referred to in this Declaration are made a part of and incorporated into this Declaration by reference

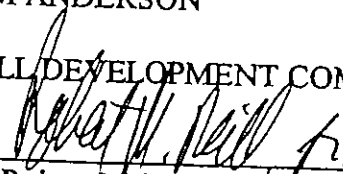
318

ARTICLE XVI
DECLARANT'S RIGHTS AND RESERVATIONS

Section 16.01. 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 subdivide or resubdivide any portions of the Property, to complete or alter improvements or refurbishments to and on the Common Areas and Common Facilities or any portion of the Property owned by Declarant, or alter the construction plans and designs, or construct such additional improvements or add future phases 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 such 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, lease or otherwise. Each Owner by accepting a deed or other conveyance document to a Lot hereby acknowledges that the 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. This Declaration shall not limit the right of the Declarant at any time prior to acquisition of title to a Lot by a purchaser from Declarant to establish on that Lot, Common Areas, additional licenses, easements, reservations and rights of way, to itself, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and disposal of the Property. The Declarant need not seek or obtain Board approval of any improvement constructed or placed by Declarant on any portion of the Property. The rights of the Declarant under this Declaration may be assigned by Declarant to any successor and any interest or portion of Declarant's interest in any portion of the Property by a recorded, written assignment. Notwithstanding any other provision of this Declaration, the prior written approval of Declarant will be required before any amendment to this Article XVI shall be effective while Declarant owns a Lot. Declarant shall be entitled to the nonexclusive use of the Common Area, without further cost, for access, egress, ingress, use or enjoyment, in order to show the Property to its prospective purchasers or lessees and dispose of the Property as provided herein. Each Owner hereby grants, by acceptance of the deed to such owner's Lot, an irrevocable, special power of attorney to Declarant to execute and record all documents and maps necessary to allow Declarant to exercise its rights under this Article XVI. This Article XVI shall be applicable for so long as the Declarant owns any portion of the Property.

IN WITNESS WHEREOF, the undersigned have executed this instrument on this the 1st day of MAY, 1997


TOM ANDERSON

NEILL DEVELOPMENT COMPANY, INC
BY: 
Robert M. Neill, Jr

Louis Ochello
LOUIS OCHELLO
Phillip Wade Russell
PHILLIP WADE RUSSELL

MORTGAGOR:
WALTHALL CITIZENS BANK

BY: Nathan Graves
Nathan Graves, President

STATE OF MISSISSIPPI
COUNTY OF LAMAR

PERSONALLY appeared before me, the undersigned authority in and for the said county and state, on this the 1 day of May, 1997, within my jurisdiction, the within named Tom Anderson, who acknowledged that he executed the foregoing instrument of writing

Wendell Earl Conner
Notary Public

My Commission Expires:
MISSISSIPPI STATEWIDE NOTARY PUBLIC
MY COMMISSION EXPIRES JULY 26, 1999

STATE OF MISSISSIPPI
COUNTY OF Forrest Jone

PERSONALLY appeared before me, the undersigned authority in and for the said county and state, on this the 1st day of May, 1997, within my jurisdiction, the within named Robert M. Neill, Jr., who acknowledged that he is President of Neill Development Company, Inc., a Mississippi corporation, and that for and on behalf of said corporation, and as its act and deed, he executed the foregoing instrument of writing after first having been duly authorized by said corporation so to do.

Krista E. Shepherd
Notary Public

My Commission Expires:
April 7, 2000
STATE OF MISSISSIPPI

320

STATE OF MISSISSIPPI

COUNTY OF Forrest

PERSONALLY appeared before me, the undersigned authority in and for the said county and state, on this the 1 day of May, 1997, within my jurisdiction, the within named LOUIS OCHELLO, who acknowledged that he executed the foregoing instrument of writing

[Signature]
Notary Public

My Commission Expires
MISSISSIPPI STATE NOTARY PUBLIC
MY COMMISSION EXPIRES JULY 26, 1999

STATE OF MISSISSIPPI

COUNTY OF Forrest

PERSONALLY appeared before me, the undersigned authority in and for the said county and state, on this the 1 day of May, 1997, within my jurisdiction, the within named PHILLIP WADE RUSSELL, who acknowledged that he executed the foregoing instrument of writing

[Signature]
Notary Public

My Commission Expires
MISSISSIPPI STATE NOTARY PUBLIC
MY COMMISSION EXPIRES JULY 26, 1999

STATE OF MISSISSIPPI

COUNTY OF WALTHALL

PERSONALLY appeared before me, the undersigned authority in and for the said county and state, on this the 1ST day of MAY, 1997, within my jurisdiction, the within named Nathan Graves, who acknowledged that he is President of WALTHALL CITIZENS BANK, a Mississippi bank, and that for and on behalf of said bank, and as its act and deed, he executed the foregoing instrument of writing after first having been duly authorized by said bank so to do.

[Signature]
Notary Public

My Commission Expires
MARCH 16, 2001

~~total~~

LEGAL DESCRIPTION

A PARCEL OF LAND, LOCATED IN THE S 1/2 OF SECTION 11 OF T-4-N, P-15-W, LAMAR COUNTY, MISSISSIPPI, AND BEING MORE PARTICULARLY DESCRIBED AS COMMENCE AT THE NW CORNER OF SECTION 11; THENCE RUN S 00°03'27" E FOR A DISTANCE OF 2637.77 FEET TO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED; THENCE RUN S 01°20'46" W FOR A DISTANCE OF 83.90 FEET; THENCE RUN N 83°55'40" E FOR A DISTANCE OF 42.44 FEET; THENCE RUN ALONG A CURVE TO THE LEFT FOR A DISTANCE OF 102.23 FEET, SAID CURVE HAVING A RADIUS OF 13000 FEET AND AN INCLUDED ANGLE OF 45°03'21"; THENCE RUN S 18°32'57" E FOR A DISTANCE OF 271.80 FEET; THENCE RUN ALONG A CURVE TO THE RIGHT FOR A DISTANCE OF 166.22 FEET; SAID CURVE HAVING A RADIUS OF 370.00 FEET AND AN INCLUDED ANGLE OF 25°44'21"; THENCE RUN S 07°11'25" W FOR A DISTANCE OF 387.47 FEET; THENCE RUN S 26°53'00" W FOR A DISTANCE OF 78.76 FEET; THENCE RUN ALONG A CURVE TO THE LEFT FOR A DISTANCE OF 201.41 FEET, SAID CURVE HAVING A RADIUS OF 6000 FEET AND AN INCLUDED ANGLE OF 192°19'50"; THENCE RUN DUE EAST FOR A DISTANCE OF 145.66 FEET; THENCE RUN S 18°04'50" E FOR A DISTANCE OF 32.92 FEET; THENCE RUN S 00°32'41" E FOR A DISTANCE OF 105.73 FEET; THENCE RUN S 11°35'18" E FOR A DISTANCE OF 179.60 FEET; THENCE RUN S 24°40'36" E FOR A DISTANCE OF 174.93 FEET; THENCE RUN S 29°59'36" E FOR A DISTANCE OF 169.94 FEET; THENCE RUN S 31°35'12" E FOR A DISTANCE OF 306.85 FEET; THENCE RUN S 30°09'52" E FOR A DISTANCE OF 284.48 FEET; THENCE RUN S 31°41'15" E FOR A DISTANCE OF 133.21 FEET; THENCE RUN S 59°44'37" E FOR A DISTANCE OF 126.84 FEET; THENCE RUN S 77°56'50" E FOR A DISTANCE OF 136.17 FEET; THENCE RUN S 86°22'37" E FOR A DISTANCE OF 271.58 FEET; THENCE RUN S 88°24'02" E FOR A DISTANCE OF 259.49 FEET; THENCE RUN N 37°42'33" E FOR A DISTANCE OF 74.50 FEET; THENCE RUN S 52°56'45" E FOR A DISTANCE OF 71.96 FEET; THENCE RUN N 15°04'09" E FOR A DISTANCE OF 34.79 FEET; THENCE RUN N 28°19'35" E FOR A DISTANCE OF 16.05 FEET; THENCE RUN N 41°35'01" E FOR A DISTANCE OF 94.79 FEET; THENCE RUN N 63°27'33" E FOR A DISTANCE OF 26.08 FEET; THENCE RUN N 85°21'08" E FOR A DISTANCE OF 87.76 FEET; THENCE RUN N 87°34'08" E FOR A DISTANCE OF 128.36 FEET; THENCE RUN S 81°41'10" E FOR A DISTANCE OF 13.05 FEET; THENCE RUN S 70°56'27" E FOR A DISTANCE OF 52.46 FEET; THENCE RUN S 47°21'03" E FOR A DISTANCE OF 28.01 FEET; THENCE RUN S 23°51'14" E FOR A DISTANCE OF 89.99 FEET; THENCE RUN S 45°37'12" E FOR A DISTANCE OF 25.52 FEET; THENCE RUN S 87°49'09" E FOR A DISTANCE OF 24.79 FEET; THENCE RUN N 71°29'55" E FOR A DISTANCE OF 8.03 FEET; THENCE RUN N 53°14'14" E FOR A DISTANCE OF 24.77 FEET; THENCE RUN N 07°07'10" E FOR A DISTANCE OF 26.08 FEET; THENCE RUN

322

N 12°23'54" W FOR A DISTANCE OF 25.13 FEET; THENCE RUN
 N 05°05'45" E FOR A DISTANCE OF 21.04 FEET; THENCE RUN
 N 22°35'23" E FOR A DISTANCE OF 257.40 FEET; THENCE RUN
 N 14°42'16" E FOR A DISTANCE OF 26.75 FEET; THENCE RUN
 N 31°58'27" E FOR A DISTANCE OF 22.12 FEET; THENCE RUN
 N 70°02'57" E FOR A DISTANCE OF 23.04 FEET; THENCE RUN
 N 88°59'36" E FOR A DISTANCE OF 77.45 FEET; THENCE RUN
 S 81°59'53" E FOR A DISTANCE OF 91.64 FEET; THENCE RUN
 N 32°22'04" W FOR A DISTANCE OF 40.92 FEET; THENCE RUN
 N 55°25'18" W FOR A DISTANCE OF 27.41 FEET; THENCE RUN
 N 80°03'48" W FOR A DISTANCE OF 130.21 FEET; THENCE RUN
 N 64°34'36" W FOR A DISTANCE OF 20.69 FEET; THENCE RUN
 N 28°46'19" W FOR A DISTANCE OF 21.28 FEET; THENCE RUN
 N 10°39'45" W FOR A DISTANCE OF 15.26 FEET; THENCE RUN
 N 02°15'21" W FOR A DISTANCE OF 10.23 FEET; THENCE RUN
 N 06°09'04" E FOR A DISTANCE OF 94.11 FEET; THENCE RUN
 S 85°44'04" W FOR A DISTANCE OF 26.13 FEET; THENCE RUN
 N 73°31'59" W FOR A DISTANCE OF 24.78 FEET; THENCE RUN
 N 52°48'02" W FOR A DISTANCE OF 113.25 FEET; THENCE RUN
 N 19°51'33" W FOR A DISTANCE OF 38.06 FEET; THENCE RUN
 N 13°03'47" E FOR A DISTANCE OF 241.07 FEET; THENCE RUN
 N 19°52'46" E FOR A DISTANCE OF 317.02 FEET; THENCE RUN
 N 13°47'23" W FOR A DISTANCE OF 39.11 FEET; THENCE RUN
 N 49°55'05" W FOR A DISTANCE OF 5.78 FEET; THENCE RUN
 N 67°28'50" W FOR A DISTANCE OF 23.67 FEET; THENCE RUN
 S 73°15'57" W FOR A DISTANCE OF 23.81 FEET; THENCE RUN
 S 52°58'12" W FOR A DISTANCE OF 81.62 FEET; THENCE RUN
 S 41°02'52" W FOR A DISTANCE OF 14.46 FEET; THENCE RUN
 N 30°02'50" W FOR A DISTANCE OF 63.81 FEET; THENCE RUN ALONG A
 CURVE TO THE LEFT FOR A DISTANCE OF 79.89 FEET, SAID CURVE HAVING
 A RADIUS OF 854.41 FEET AND AN INCLUDED ANGLE OF 05°21'27";
 THENCE RUN ALONG A CURVE TO THE RIGHT FOR A DISTANCE OF 183.69
 FEET, SAID CURVE HAVING A RADIUS OF 236.24 FEET AND AN INCLUDED
 ANGLE OF 44°32'59"; THENCE RUN S 74°38'16" E FOR A DISTANCE OF
 60.46 FEET; THENCE RUN N 29°51'40" E FOR A DISTANCE OF 60.46
 FEET; THENCE RUN ALONG A CURVE TO THE RIGHT FOR A DISTANCE OF
 122.37 FEET, SAID CURVE HAVING A RADIUS OF 316.04 FEET AND AN
 INCLUDED ANGLE OF 22°11'07"; THENCE RUN N 32°17'35" W FOR A
 DISTANCE OF 23.01 FEET; THENCE RUN N 34°17'03" W FOR A DISTANCE
 OF 170.00 FEET; THENCE RUN N 35°15'37" W FOR A DISTANCE OF 200.65
 FEET; THENCE RUN N 36°01'05" W FOR A DISTANCE OF 266.31 FEET;
 THENCE RUN N 35°20'30" W FOR A DISTANCE OF 288.80 FEET; THENCE
 RUN N 24°03'57" W FOR A DISTANCE OF 265.11 FEET; THENCE RUN
 S 87°43'42" W FOR A DISTANCE OF 1969.52 FEET BACK TO THE POINT OF
 BEGINNING CONTAINING 111.10 ACRES MORE OR LESS

DRAFT

BY-LAWS

OF

BRIDGEFIELD SUBDIVISION HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

Name and Location

Section 1 Name and Location. These are the By-Laws Of and for the Mississippi non-profit and non-share corporation named:

BRIDGEFIELD SUBDIVISION HOMEOWNERS ASSOCIATION, INC.

Said corporation is referred to herein at times as the "Association" The principal office of the Association is located at _____, Lamar County, Mississippi and the mailing address is _____, Hattiesburg, Mississippi 39402.

ARTICLE II

Definitions

Section 1 Declarant "Declarant", as used herein, means TOM ANDERSON, his successors and assigns.

Section 2 Common Area "Common Area", shall mean all real property shown and designated on the plat as common area and is owned by or otherwise made available by the association for the common use, benefit and enjoyment of the members

Section 3 Declaration "Declaration", as used herein, means that certain instrument entitled "Declaration of Covenants, Conditions and Restrictions" under date of December 19, 1995, and appearing on record in the land records in said Chancery Clerk's office in Book 11-Z, at Page 673, and amended on January 31, 1996, and appearing on record in Book 12-B at Page 662; and amended on May 1, 1997, and appearing on record in Book 12-T at Page 281

Section 4 Board of Directors "Board of Directors", as used herein, means the Board of Directors of the Association.

Section 5 Charter "Charter", as used herein, means the Articles of Incorporation of the Association.

Section 6 President, Vice President, Secretary and Treasurer The words "President", "Vice President", "Secretary" and "Treasurer", as used herein, mean, respectively, the President, Vice

President, Secretary and Treasurer of the Association.

Section 7 Other Definitions Unless a different meaning is apparent from the context, all other expressions used herein shall have the same meaning as they are defined to have in the Declaration, except that the word "herein" as used in these By-Laws, shall mean in these By-Laws

ARTICLE III.

Membership and Voting Rights

Section 1 Membership The Members of the Association shall be and consist of every person who is, or who hereafter becomes, an owner of record of the fee title to a Lot in the Bridgefield Subdivision, Lamar County, Mississippi. The expression "owner of record of the fee title to a Lot" shall include a contract seller of any such Lot, but shall not include any person who owns such title solely as security for the performance of an obligation or payment of a debt. Members shall be entitled to one vote for each Lot owned. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any such Lot.

Section 2 Memberships Appurtenant to Real Property. In every case, the membership 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 Other Voting Provisions. If the fee title to a particular Lot is owned of record by more than one person or entity, then the vote appurtenant to such Lot may be exercised by any one of the fee owners thereof, unless the other owner or owners of such fee title shall object prior to the completion of voting upon the particular matter under consideration. In the case of any such objection, the vote appurtenant to said Lot shall not be counted.

Section 4 No Pre-emptive Rights. The Members of the Association simply by virtue of being such Members, shall have no pre-emptive rights to acquire any additional memberships which the Association may issue from time to time.

Section 5 Membership Certificates In the event the Board of Directors should consider it necessary or appropriate to issue membership certificates or the like, then each such membership certificate shall state that the Association is organized under the laws of the State of Mississippi, and shall state the name of the registered holder or holders of the membership represented thereby, and shall be in such form as shall be approved by the Board of Directors. Membership certificates shall be consecutively numbered, bound in one or more books, and shall be issued therefrom upon certification as to the transfer of title to the Lot to which such membership is appurtenant. Every membership certificate shall be signed by the President or Vice President and Secretary or an Assistant Secretary and shall be sealed with the corporate seal. Such signatures and seal may be

original or facsimile

Section 6 Lost Certificates The Board of Directors may direct that a new certificate or certificates be issued in place of any membership certificate or certificate previously issued by the Association and alleged to have been destroyed or lost, upon the making of an affidavit of that fact by the person claiming the membership certificate to be lost or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the registered holder of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and to give the Association a bond in such sum as the Board of Directors may require as indemnity against any claim that may be made against the Association on account of the issuance of such new certificate.

Section 7 Liquidation Rights Should the Association be dissolved and finally liquidated, the Board of Directors, after first paying or making provisions for payment of all lawful debts and liability of the Association, shall distribute all the remaining assets of the Association to whichever one or more of the following categories of recipients the Board of Directors in its discretion shall determine, to-wit:

(a) to a nonprofit organization or organizations having aims and objectives similar to those of this Association, or

(b) to the Owners of the Lots comprising the Property, in proportion to their rights thereto

ARTICLE IV

Meetings of Members

Section 1 Place of Meeting Meetings of the Members shall be held at the principal office or place of business of the Association, or at whatever other suitable place or places within the State of Mississippi as are reasonably convenient to the membership as may be designated by the Board of Directors from time to time.

Section 2 Annual Meetings The first annual meeting of the Members shall be held at whatever time and place as may be designated by the initial Board of Directors and shall be held on the third Tuesday of January in each year. At such annual meetings, there shall be elected by ballot of the Members a Board of Directors in accordance with the provisions of Article VI of these By-Laws. The Members also may transact such other business as may properly come before them.

Section 3 Special Meetings It shall be the duty of the President to call a special meeting of the Members whenever such is directed by resolution of the Board of Directors, or whenever such is requested by a petition presented to the Secretary after first having been signed by at least twenty percent (20%) of the Members, provided, however, that no special meetings shall be called, except upon resolution of the Board of Directors, prior to the first annual meeting of the Members as

hereinabove provided The notice of any special meeting shall state the time and place of such meeting and the purpose thereof No business shall be transacted at a special meeting except such as is stated in the notice

Section 4 Notice of Meetings It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof, as well as the time and place where the meeting is to be held, to each Member of record, at his address as it appears on the membership roster of the Association or, if no such address appears, at his last known address, at least ten (10) but not more than thirty (30) days prior to such meeting Any notice so mailed shall be considered as a notice properly served. Attendance by a Member at any meeting of the Members shall be a waiver by him of notice of the time, place and purpose thereof. Notice of any annual or special meeting of the Members also may be waived in any other manner by any Member either prior to, at or after any such meeting

Section 5 Roster of Membership The Secretary shall maintain a current roster of the names and addresses of the Members of the Association. Each Member, upon becoming a Member, shall furnish the Secretary with his current mailing address, and thereafter shall notify the Secretary immediately in writing of any change or changes in his current mailing address

Section 6. Quorum The presence, either in person or by proxy of Members having at least fifty-one percent (51%) of the votes held by all Members shall constitute a quorum for the transaction of business at any meeting of Members. If, at any particular meeting of Members, the number of Members present should be less than or should fall below the number required for a quorum, and if such deficiency is brought to the attention of the presiding officer by a proper call for a determination of quorum (which call and the results thereof shall be shown on the minutes of the meeting), then no further business may be transacted at such meeting until a quorum is present.

Section 7 Adjourned Meetings If at any meeting of Members a quorum shall not be present, either before or after the meeting has begun, the Members who are present may adjourn the meeting to another designated time not less than forty-eight (48) hours from the time originally scheduled for the meeting.

Section 8 Voting At every meeting of Members, the Members shall have the voting rights specified in Article III above The affirmative vote of the Members having at least fifty-one (51) percent of the total number of votes represented at the meeting, in person or by proxy, shall be necessary to decide any question properly brought before the meeting, unless the question be one as to which, by provision of law, or the Charter, or the Declaration, or these By-Laws, a different vote is required, in which case such provision of law, or the Charter, or the Declaration, or these ByLaws shall govern and control In the event any membership is owned by a corporation, the vote or votes for such membership may be cast by an individual designated in a certificate signed by the president or any vice president of the corporation and attested by the secretary or any assistant secretary of such corporation and filed with the Secretary of the Association prior to or during the meeting at which the vote is to be cast. The vote or votes for any membership which is owned by a trust or partnership may be cast by any trustee of the trust or any partner of the partnership, as the case may be, and, unless another trustee of the trust or another partner of the partnership, as the case may be,

shall object prior to the completion of voting upon the particular matter under consideration, the presiding officer of the meeting shall have no duty to inquire as to the authority of the individual casting any such vote or votes. No Member who is shown by the books of the Association to be more than sixty (60) days delinquent in any payment due the Association shall be eligible to vote, either in person or by proxy, and no such delinquent Member shall be eligible to be elected to the Board of Directors or as an officer of the Association.

Section 9 Proxies A Member may appoint only another Member or the Management Agent as his proxy. All proxies must be in writing and must be in such form as has been approved by the Board of Directors and must be filed with the Secretary prior to the appointed time of the meeting at which the proxy is to be exercised. Unless limited by its provisions to a shorter term, each proxy shall continue until revoked by a writing properly filed with the Secretary or by the death of the Member who gave the proxy, provided, however, that no proxy shall be effective for a period in excess of one hundred eighty (60) days.

Section 10 Rights of Mortgagees Any institutional mortgagee of any Lot who desires notice of the annual and special meetings of the Members shall notify the Secretary to that effect by Registered Mail, Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the individual at such address to whom notices of the annual and special meetings of the Members should be directed. The Secretary shall maintain a roster of all institutional mortgagees from whom such notices have been received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual and special meeting of the Members to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations as are otherwise provided in this Article for notice to the Members. Any such institutional mortgagee shall be entitled to designate a representative to attend any annual or special meeting of the Members and such representative may participate in the discussion at any such meeting and, upon his request made to the presiding officer in advance of the meeting, may address the Members present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Members upon request made in writing to the Secretary.

Section 11 Order of Business The order of business at all regularly scheduled meetings of the Members shall be as follows:

- (a) Roll Call and certification of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and approval of minutes of preceding meeting.
- (d) Reports of officers, if any.
- (e) Reports of committees, if any.
- (f) Unfinished business.
- (g) New Business.
- (h) Appointment of inspectors of election.
- (i) Election of directors.
- (j) Election of officers.
- (k) Adjournment.

In the case of special meetings, Item (a) through (d) above shall be applicable, and thereafter the agenda shall consist of the items specified in the notice of the meeting

Section 12 Rules of Order and Procedure The rules of order and all other matters of procedure at all annual and special meetings of the Members shall be determined by the presiding officer of such meeting

ARTICLE V

Directors

Section 1 Number and Qualifications The affairs of the Association shall be managed and controlled by the Board of Directors consisting of three individuals, who shall be elected as prescribed by these By-Laws. Directors need not be Members of the Association

Section 2 Change in Number The number of Directors may be changed from time to time by appropriate amendment to these By-Laws, provided, however, that the number of Directors shall never be less than three nor more than nine, and provided further that a decrease in the number of Directors shall not operate to shorten the term of any incumbent Director

Section 3 Powers and Duties The Board of Directors shall have all the powers, authorities and duties necessary or appropriate for the management and administration of the affairs of the Association, and in managing and administering such affairs, the Board of Directors shall have power and authority to do all acts and things except those which by law or by the Declaration or by the Charter or by these By-Laws may be exercised and done only by the Members. The powers, authorities and duties of the Board of Directors shall include, but shall not be limited to, the following

(a) To provide for the care, upkeep and surveillance of the Common Areas and community facilities and services in a manner consistent with law and the provisions of these By-Laws and the Declaration, and

(b) To provide for the establishment, assessment, collection, use and expenditure of assessments and carrying charge from the Members, and for the filing and enforcement of liens therefor in a manner consistent with law and the provisions of these By-Laws and the Declaration, and

(c) To provide for the designation, hiring and dismissal of the personnel necessary and appropriate for the proper care and maintenance of the Common Areas and community facilities and to provide services on the project in a manner consistent with law and the provisions of these By-Laws and the Declaration, and

(d) To provide for the promulgation and enforcement of such rules, regulations, restrictions

and requirements as may be deemed proper respecting the use, occupancy and maintenance of the common areas and community facilities, including but by no means limited to rules, regulations, restrictions and requirements designed to prevent unreasonable interference with the use of the common areas and community facilities by the Members and others, all of which rules, regulations, restrictions and requirements shall be consistent with law and with the provisions of these By-Laws and the Declaration, and

(e) To authorize, in their discretion, the payment of patronage refunds if and when the funds derived from assessments shall prove to be more than sufficient to meet all reasonably foreseeable needs of the Association during the then current fiscal year, and

(f) To enter into agreements whereby the Association acquires leaseholds, memberships and other possessory or use interests in real or personal property for the purpose of promoting the enjoyment, recreation or welfare of the Members, and to declare expenses incurred in connection therewith to be common expenses of the Association, and

(g) To purchase insurance upon the common areas and community facilities in the manner provided for in these By-Laws; and

(h) To repair, restore or reconstruct all or any part of the common areas and community facilities after any casualty loss in a manner consistent with law and the provisions of these By-Laws, and to otherwise improve the common areas and community facilities, and

(i) To lease and to grant licenses, easements, rights-of-way, and other rights of use in all or any part of the common areas and community facilities, and

(j) To purchase Lots and to lease, mortgage or convey the same, subject to the provisions of these By-Laws and the Declaration

Section 4 Management Agent. The Board of Directors may employ for the Association a management agent or manager (herein at times referred to as the "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 shall prescribe. Any management agreement entered into by the Association shall provide, among other things, that such agreement may be terminated for cause by either party upon thirty (30) days' written notice to the other party. The term of any such management agreement shall not exceed one year, provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one-year periods.

Section 5 Election and Terms of Directors Directors shall be elected by the Members at the annual Members' meetings, or in the event of a vacancy, either at the next ensuing annual Members' meeting or at a special Members' meeting called for that purpose. The election of Directors shall be by secret written ballot, unless such be dispensed with for any particular election by the unanimous consent of the Members present, in person or by proxy, at the meeting during which the election is held. In voting for Directors, a particular Member shall be entitled to cast votes equal in number to the number of votes to which such member is entitled pursuant to Article III of these By-

Laws times the number of Directors to be elected, and must cast an equal number of votes for each such separate nominee Each Director shall hold office for a term of three years and until his successor has been elected at an annual Members' meeting and has duly qualified.

Section 6 Vacancies Should the office held by a Director become vacant, such vacancy shall be filled by an election at the next ensuing annual Members' meeting or at a special Members' meeting called for that purpose, and each individual so elected shall serve as Director until his successor has been elected at the next ensuing annual Members' meeting, and has been duly qualified

Section 7 Removal of Directors At any special Members' meeting duly called for such purpose, any Director may be removed from office, with or without cause, by the affirmative vote of a majority of the votes of the Members present and voting, in person or by proxy, at such meeting, and in the event of such removal, a successor to the Director thus removed may be elected then and there to fill the vacancy thus created Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting called for the purpose of considering such removal If any Director who is a Member becomes more than sixty (60) days delinquent in payment of any assessment or carrying charge owed the Association, he may be removed from his office as a Director by a resolution adopted by a majority of the remaining Directors, and in the event of such removal, said remaining Directors may appoint an individual to serve as his successor, in which event the individual so appointed shall serve as Director until the next ensuing annual Members' meeting.

Section 8 Compensation Except upon resolution of at least two-thirds (2/3) of the then Members of the Association, no compensation shall be paid to Directors for their services as Directors After the first annual Members' meeting, no remuneration shall be paid to any Director who is also a Member for services performed by him for the Association in any other capacity unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before such services are undertaken. Directors may be reimbursed for their actual out-of-pocket expenses necessarily incurred in connection with their services as Directors

Section 9 Regular Meetings Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least one (1) meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least six (6) days prior to the day fixed for such meeting.

Section 10 Special Meetings Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and upon like notice if requested in writing by at least one-half (1/2) of the Directors

Section 11 Waiver of Notice Before, at or after any meeting of the Board of Directors, any Director may waive, in writing, notice of such meeting, and such waiver shall have the same effect

as if notice of the meeting had been properly and timely given to said Director Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him of the time, place and purpose thereof If all the Directors are present at any meeting of the Board of Directors, no notice shall be required and business of any type may be transacted at such meeting.

Section 12 Quorum At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the actions of the majority of the Directors present at any meeting at which a quorum is present shall be the actions of the Board of Directors If at any meeting of the Board of Directors, including any one or more adjourned meetings, there should be less than a quorum present, the majority of those present may adjourn the meeting to a later time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13 Action Without Meeting Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall consent individually or collectively in writing to such action Such written consent or consents shall be filed as part of the minutes of the Board of Directors

Section 14 Rights of Mortgagees Any institutional mortgagee of any Lot who desires notice of the regular and special meetings of the Board of Directors shall notify the Secretary to that effect by Registered Mail, Return Receipt Requested Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the individual at such address to whom notices of the regular and special meetings of the Board of Directors should be directed The Secretary shall maintain a roster of all institutional mortgagees from whom such notices have been received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each regular and special meeting of the Board of Directors to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations, as are otherwise provided in this Article for notices to the Directors. Any such institutional mortgagee shall be entitled to designate a representative to attend any regular or special meeting of the Board of Directors and such representative may participate in the discussion at any such meeting and, upon his request made to the President in advance of the meeting, may address the Board of Directors at any such meeting Such representative shall be entitled to copies of the minutes of all meetings of the Board of Directors upon request made in writing to the Secretary

Section 15 Fidelity Bonds The Board of Directors may require that all officers, directors and employees of the Association who regularly handle or otherwise are responsible for the funds of the Association shall furnish adequate fidelity bonds or equivalent insurance against acts of dishonesty in accordance with the requirements of Article VII of these By-Laws The premiums on such bonds or insurance shall be paid by the Association

ARTICLE VI

Officers

Section 1 Designation The principal officers of the Association shall be a President, a Vice

President, a Secretary, and a Treasurer, all of whom shall be elected by the Members. Only those individuals who are members of the then current Board of Directors shall be eligible to serve as officers of the Association. However, a Director, ~~merely by virtue of being a Director~~, shall not be considered an officer of the Association. In addition to the officers named above, the Members may elect, from among the members of the Board of Directors, one or more Assistant Secretaries and one or more Assistant Treasurers and such other officers as in their judgment may be necessary to appropriate.

Section 2 Election and Terms of Officers ~~The officers of the Association shall be~~ elected at the annual Members' meeting, or, in the event of a vacancy, at a special Members' meeting called for such purpose. Each officer so elected shall hold office for a term of three (3) years and until his successor has been elected at an annual Members' meeting, and has duly qualified.

Section 3 Vacancies Should the office held by an officer become vacant, such vacancy shall be filled by an election at the next annual Members' meeting or at a special Members' meeting called for that purpose, and the individual so elected shall hold the office to which elected until his successor has been elected at the next ensuing annual Members' meeting, and has duly qualified.

Section 4. Removal of Officers At any special Members' meeting duly called for such purpose, any officer may be removed from office, with or without cause, by the affirmative vote of a majority of the Members present and voting, in person or by proxy, at such meeting, and in the event of such removal, a successor to the officer thus removed may be elected then and there to fill the vacancy thus created. Any officer whose removal has been proposed shall be given an opportunity to be heard at the meeting called for the purpose of considering such removal.

Section 5. President The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Members and all meetings of the Board of Directors. He shall have all of the general authorities, powers and duties which are normally vested in the office of president of a corporation, provided, however, that such authorities, powers and duties, from time to time, and at any time, may be restricted or enlarged by the Board of Directors.

Section 6 Vice President The Vice President shall take the place of the President, and shall have the authorities and powers and perform the duties of the President, whenever the President is unwilling or unable to act. If neither the President nor the Vice President is willing and able to act, then the Board of Directors shall appoint one of its members to act as the chief executive officer of the Association on an interim basis. The Vice President shall assist the President generally, and when acting for the President, shall have the same authorities, powers and duties as the President. The authorities, powers and duties of the Vice President, from time to time and at any time, may be restricted or enlarged by the Board of Directors.

Section 7 Secretary The Secretary shall keep the minutes of all Members' meetings and the minutes of all Board of Directors' meetings. The Secretary shall give notice of all annual and special Members' meetings and all regular and special Board of Directors' meetings. The Secretary shall have custody of the seal of the Association, if any. The Secretary shall have charge of the membership transfer books and of such other books and papers as the Board of Directors may

specify In addition, the Secretary shall have whatever other authorities, powers and duties, but only such authorities, powers and duties, as may be prescribed by the Board of Directors If, at any one or more time, the Secretary is unwilling or unable to perform his duties, such duties may be performed by any one or more individuals designated by the Board of Directors

Section 8 Treasurer The Treasurer shall have responsibility for the funds and securities of the Association, and shall have accurate accounts of all receipts and disbursements in books belonging to the Association The Treasurer shall have responsibility for causing the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as from time to time may be designated by the Board of Directors In addition, the Treasurer shall have whatever other authorities, powers and duties, but only such authorities, powers and duties, as may be prescribed by the Board of Directors. If, at any one or more times, the Treasurer shall be unwilling to unable to perform any part of his duties, such duties may be performed by one or more other individuals designated by the Board of Directors.

ARTICLE VII

Insurance and Casualty Losses

Section 1 Insurance The Association's Board of Directors shall have the authority to and shall obtain insurance for all of the improvements on the property (with the exception of improvements and betterments made by the respective owners at their expense) against loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief, in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard, and shall also obtain a public liability policy covering all common area and all damage or injury caused by the negligence of the Association or any of its agents which public liability policy shall be at least \$500,000 00 single limit as respects bodily injury and property damage. Premiums for all such insurance coverage shall be common expenses All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association Such insurance shall be governed by the provisions hereinafter set forth.

(a) All policies shall be written with a company licensed to do business in the State of Mississippi and holding a rating of "AAA" or better by Best's Insurance Reports

(b) All policies shall be for the benefit of the Association and its mortgagees as their interests may appear

(c) The original of all policies and endorsements thereto shall be deposited with the Insurance Trustee which shall hold them subject to the provisions of Section 3 of this Article

(d) Exclusive authority to adjust losses under policies hereafter in force on the property shall be vested in the Association's Board of Directors provided, however, that no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto

(e) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual owners or their mortgagees

(f) Each owner may obtain additional insurance at his own expense, provided, however, that no owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Association, on behalf of all of the owners and their mortgagees, may realize under any insurance policy which the Association's Board of Directors may have in force on the property at any particular time

(g) Any owner who obtains an individual insurance policy covering any portion of the property, other than improvements and betterments made by such owner, shall be required to file a copy of each such individual policy with the Association's Board of Directors within thirty (30) days after purchase of such insurance

(h) It shall be the individual responsibility of each owner at his own expense to provide, as required in the Declaration and as he may otherwise desire, owners title insurance on his individual residence, homeowner's liability insurance, theft and other insurance covering improvements, betterments and personal property damage and losses

(i) The Association's Board of Directors shall conduct an annual insurance review which shall include a replacement cost appraisal, without respect to depreciation, of all improvements on the property (with the exception of improvements and betterments made by the respective owners at their expense) by one or more qualified persons at least one of who should be a qualified building cost estimator.

(j) The Association's Board of Directors shall be required to make every reasonable effort to secure insurable policies that will provide for the following (1) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors', its Manager, the owners and their respective servants, agents and guests; (2) a waiver by the insurer of its right to repair and reconstruct instead of paying cash, (3) that the master policy on the property cannot be canceled, invalidated or suspended on account of any one or more individual owners, (4) that the master policy on the property cannot be canceled, invalidated or suspended on account of the conduct of any director, officer or employee of the Association or its duly authorized Manager without a prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its Manager, any owner or mortgagee, and (5) that any "other insurance" clause in the master policy exclude individual owner's policies from consideration.

Section 2. No Partition. There shall be no judicial partition of the property or any part thereof, nor shall the Declarant or any person acquiring any interest in the property or any part thereof seek any such judicial partition

Section 3 Insurance Trustee (a) All insurance policies purchased by and in the name of the Association shall provide that proceeds covering property losses shall be paid jointly to the

Association and a Trustee which shall be banking institution having trust powers as may be selected by the Board of Directors, which Trustee is herein referred to as the Insurance Trustee Immediately upon the receipt by Association of such proceeds, the Association shall endorse the instrument by means of which such proceeds are paid and delivered or cause to be delivered such instrument to the Insurance Trustee. The Insurance Trustee shall not be liable for payment of premiums, for the renewal or the sufficiency of the policies or for the failure to collect any insurance proceeds. Nor shall the Insurance Trustee have any obligation to inspect the property to determine whether a loss has been sustained or to file any claim or claims against any insurer or any other person.

(b) The duty of the Insurance Trustee shall be to receive such proceeds as are paid and delivered to it and to hold such proceeds in trust for the benefit of the Association and its mortgagees.

(c) Proceeds of insurance policies received by the Insurance Trustee shall be disbursed as follows:

(1) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, such proceeds shall be disbursed in payment of such repairs or reconstruction as hereinafter provided Any proceeds remaining after defraying cost of repairs or reconstruction shall be disbursed to the Association.

(2) If it is determined as provided for in Section 4 of this Article that the damage or destruction for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed to the Association .

(3) Any and all disbursements of funds, whether such funds consist of insurance proceeds, special assessments, sales proceeds or any combination thereof, to be made by the Insurance Trustee for any purpose whatsoever shall be made pursuant to and in accordance with a certificate of the Association signed by the President or Vice President and attested by the Secretary setting forth whether or not the damage or destruction is to be repaired or reconstructed. If the damage or destruction is not to be repaired or reconstructed, said certificate shall direct that disbursements be made by the Insurance Trustee in accordance with the terms of Section 4(c) of this Article.

If the damage or destruction to the common area is to be repaired or reconstructed, said certificate shall also be signed by or on behalf of the mortgagee known by the Insurance Trustee to have the largest interest in or lien upon such common area and may direct that disbursements be made by the Insurance Trustee to those persons and in such amounts as may be specified therein or, in the alternative, said certificate may authorize the Insurance Trustee to make disbursements upon and pursuant to such written authorizations as may be submitted to it by an architect or other person named therein as having been employed by the Association to supervise such repairs or reconstruction.

The Insurance Trustee shall not incur any liability to any owner, mortgagee or other person for any disbursements made by it pursuant to and in accordance with any such certificates or written authorizations.

Section 4 Damage and Destruction (a) Immediately after the damage or destruction by fire or other casualty to all or any part of the property covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the same condition in which it existed prior to the fire or other casualty.

(b) In the event more than 3/4% or more of the common area has been destroyed or substantially damaged, any such damage or destruction shall be repaired or reconstructed unless at least 51% of the total vote of the Association shall decide within 60 days after the casualty, not to repair or reconstruct. If, for any reason the amount of the insurance proceeds to be paid as a result of such damage or destruction or reliable and detailed estimates of the cost of repair or reconstruction are not made available to the Association within said period of 60 days after the casualty, then such period shall be extended until such information shall be made available to the Association, provided, however, that said period of time shall in no event exceed 90 days after the casualty.

(c) In the event that it should be determined by the Association in the manner prescribed above that the damage or destruction shall not be repaired or reconstructed, then and in that event all insurance proceeds shall be delivered to the Association which shall use the proceeds as its Directors deem necessary for the upkeep and maintenance of the common areas.

Section 5 Repair and Reconstruction (a) If the damage or destruction for which the insurance proceeds are paid to the Insurance Trustee is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without a vote of the members, levy a special assessment against all members, in sufficient amounts to provide funds to pay such excess cost of repair or reconstruction. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

(b) Any and all sums paid to the Association under and by virtue of those special assessments provided for above to defray the estimated excess cost of repair or reconstruction shall be deposited by the Association with the Insurance Trustee. The proceeds from insurance and assessments, if any, received by the Insurance Trustee, when the damage or destruction is to be repaired or reconstructed, shall be disbursed as provided for in Section 3 of this Article.

Section 6 Minor Repairs (a) Notwithstanding the foregoing provisions of this Article, in the event of damage by fire or other casualty to the common area covered by insurance written in the name of the Association and if the insurance proceeds initially offered or paid therefore are less than \$2,000.00 and the estimated cost of repairing such damage is less than twice the amount of such proceeds, then the instrument by means of which such proceeds are paid shall be endorsed by the Insurance Trustee and delivered to the Association and the damage shall be repaired in accordance with the following provision.

(b) The insurance proceeds shall be used by the Association to defray the cost of such

repairs. If the cost of such repairs is less than the amount of such insurance proceeds, the excess shall be retained by the Association or its duly authorized agent and placed in the reserve maintenance fund or such other fund as may be established for the propose of providing for the maintenance, repair and replacement of the common area. If the cost of such repairs exceed the amount of such insurance proceeds such excess may be provided either by means of a special assessment levied by the Board of Directors, without a vote of the members, against all owners in proportion to each owner's share in the common area or by means of an appropriation from the reserve maintenance fund or such other fund as may be established for the purpose of providing for the maintenance, repair and replacement of the common area as the Board of Directors in the exercise of its sole discretion may determine.

Section 7 Insurance Trustee's Expenses Any expenses incurred by the Insurance Trustee shall be paid from the general assessments, if the same are sufficient for the purpose, otherwise from the proceeds of special assessments levied in accordance with Section 5 of this Article.

ARTICLE VIII

Fiscal Management.

Section 1 Fiscal Year The fiscal year of the Association shall begin on the first day of January of each year. The Commencement date of the fiscal year as herein established shall be subject to change from time to time by resolution of the Board of Directors should the Board of Directors deem any such change or changes appropriate.

Section 2. Principal Office Change of Same. The principal office of the Association shall be at the location set forth in Article I of these By-Laws. The Board of Directors, by resolution, may change the location of the principal office of the Association from time to time.

Section 3 Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer in accordance with generally accepted accounting practices, consistently applied. The same shall include books with detailed accounts, in chronological order, of receipts and expenditures and other transactions of and for the Association, and shall specify the maintenance and repair expenses of the common area, the cost of services required or provided with respect to the same and any other expenses incurred by the Association.

Section 4 Auditing At the close of each fiscal year, the books and records of the Association may, if the directors so elect, be audited by an independent Certified Public Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards, consistently applied. Based upon such report, the Association shall furnish the Members and any mortgagee requesting same with an annual financial statement, which shall set forth a summary of all pertinent financial data, including the income and disbursements of the Association. Such annual financial statement if prepared shall be furnished within ninety (90) days following the end of each fiscal year.

Section 5 Inspection of Books The books and accounts of the Association, the vouchers accrediting the entries made thereupon and all other records maintained by the Association shall be available for examination by the Members and their duly authorized agents or attorneys, and by the institutional holders of the first mortgages on the Lots and their duly authorized agents and attorneys, during normal business hours and for purposes reasonably related to their respective interests and after reasonable notice

Section 4. Execution of Corporate Documents With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Association by either the President or a Vice President, and all checks shall be executed on behalf of the Association by such officers, agents or other persons as may be authorized from time to time by the Board of Directors

Section 7 Seal The Board of Directors may provide a suitable corporate seal containing the name of the Association, which seal shall be in the charge of the Secretary. If so directed by the Board of Directors, a duplicate seal may be kept and used by the Treasurer or any assistant secretary or assistant treasurer

ARTICLE IX

Amendment

Section 1 Amendments Subject to any other applicable limitations set forth in these By-Laws, these By-Laws may be amended by vote of the Members if, and only if, the number of votes cast in favor of any particular amendment shall be equal to at least two-thirds (2/3) of the total number of votes held by all Members of record at the time of the vote. Amendment of these By-Laws shall be considered only at a special or annual meeting of Members, and only if a description of the proposed amendment accompanied a proper notice of such meeting.

Section 2 Proposal of Amendments Amendments to these By-Laws may be proposed by the Board of Directors or by petition signed by Members having at least twenty-five percent (25%) of the total votes of all Members, which petition shall be delivered to the Secretary. A description of any proposed amendment shall accompany the notice of any annual or special meeting of the Members at which such proposed amendment is to be considered and voted upon

ARTICLE X

Mortgages Notices Other Rights of Mortgagees FHA/VA

Section 1 Notice to Board of Directors Any Owner of any Lot in the project who mortgages such Lot shall promptly notify the Board of Directors of the name and address of his mortgagee and, if requested so to do, shall file a conformed copy of such mortgage with the Board of Directors. The Board of Directors shall maintain a suitable roster pertaining to such mortgages.

Section 2 Consents. Any other provision of these By-Laws or" the Declaration to the

contrary notwithstanding, neither the Members, nor the Board of Directors, nor the Association, by any act or omission, shall do any of the following things without the prior written consent and approval of the holders of at least seventy-five percent (75%) of all first mortgages of record encumbering the Lots.

(a) Abandon or terminate the Declaration, or

(b) Modify or amend any material or substantive provision of the Declaration or these By-Laws or the Charter; or

(c) Substantially modify the method of determining and collecting maintenance assessments as provided in the Declaration

Section 3 Consent of Federal Housing Administration and Veterans Administration During any period when any Lot in the project is encumbered by a mortgage insured by the Federal Housing Administration or guaranteed by the Veterans Administration, and when there is one or more Class B memberships outstanding, neither the Members, nor the Board of Directors, nor the Association, by any act or omission, shall do any of the following things without the prior written consent and approval of the Federal Housing Administration, if one or more of such mortgages be insured thereby, and of the Veterans Administration, if one or more of such mortgages be guaranteed thereby:

(a) Abandon or terminate the Declaration, or

(b) Modify or amend any material or substantive provision of the Declaration or these By-Laws or the Charter

ARTICLE XI

Indemnification of Officers and Directors

Section 1 Indemnification. The Association shall indemnify every officer and director of the Association, and every person who may serve at the request of the Board of Directors as a director or officer of another association in which the Association owns an interest or shares of stock or of which the Association is a creditor, against all costs actually and reasonably incurred by any such officer, director or person in connection with the defense of any action, suit or proceeding, civil or criminal, to which any such officer, director or person is a party by reason of his being or having been such officer, director or person, provided that such indemnification shall not extend to any matters concerning which such officer, director or person shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty or a violation of the provisions of Sections 75-21-1 to 75-21-39 or Sections 75-23-1 to 75-23-53, Mississippi Code of 1972, as amended. Such indemnification shall include amounts payable as the result of the settlement of any such action, suit or proceeding; provided, however, that any such settlement shall be approved in writing by the then Board of Directors. The officers and directors of the Association shall not be liable to the Members or to the Association for any mistake of judgment, or otherwise,

except as provided by law and except for their own individual willful misconduct or bad faith. The officers and directors of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, or behalf of the Association, and the Association shall indemnify and forever hold each such officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director of the Association, or former officer or director of the Association, may be entitled, whether by law, by resolution adopted by the Members after notice, or otherwise.

Section 2 Conflict and Identity of Interest The Directors and officers shall exercise their powers and duties in good faith and with a view to the interest of the Association. No contract or other transaction between the Association and one or more of its Directors or officers, or between the Association and any corporation, firm or association in which one or more of the Directors or officers of this Association are directors or officers or are pecuniarily or otherwise interested, shall be either void or voidable because such Director or Directors or officer or officers were present at the meeting of the Board of Directors or any committee thereof which authorized or approved the contract or transaction, or because his or their votes were counted for such purpose, if any, of the conditions specified, in any of the following paragraphs exist:

(a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or noted in the minutes of the Board, and the Board authorizes, approves, or ratifies such contract or transaction in good faith by a vote sufficient for such purpose; or

(b) The fact of the common directorate or interest is disclosed or known to the Members, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for such purpose, or

(c) The contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved or executed.

A common or interested Director may be counted in determining the presence of a quorum at any meeting of the Board of Directors or any committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if he were not a common or interested Director.

ARTICLE XII

Interpretation Miscellaneous

Section I Conflict These By-Laws are subordinate and subject to all provisions of the Declaration and to the provisions of the Charter. All the words and expressions in these By-Laws shall have the same meanings, respectively, as are attributed to them by the Declaration, except where such is clearly repugnant to the context.

In the event of any conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control, and in the event of any conflict between these By-Laws and the Charter, the provisions of the Charter shall control

Section 2 Notices. Unless another type of notice is herein elsewhere specifically provided for, any and all notices called for in these By-Laws shall be given in writing

Section 3 Severability In the event any promise or provisions of these By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect

Section 4 Waiver No restriction, condition, obligation or provision of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 5 Captions The captions contained in these By-Laws are for convenience only and are not a part of these By-Laws and are not intended in any way to limit *or* enlarge the terms and provisions of these By-Laws or to aid in the construction thereof.

Section 6. Gender, etc Whenever in these By-Laws the context so requires, the singular number shall include the plural and the converse, and the use of any gender shall be deemed to include all genders