

STATE OF MISSISSIPPI
COUNTY OF JASPER

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
LAKE EDDINS

THIS DECLARATION is made this 9th day of March, 1987, by WALLACE EDDINS AND FRANKLIN EDDINS, a partnership of P. O. Box 98, Pachuta, Mississippi 39347 (hereinafter referred to as "Declarant"):

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property situated in the First Judicial District of Jasper County, Mississippi, more particularly described on Exhibit "A" attached hereto, and desires to create and develop thereon a residential community with designated common areas and with common facilities, for the benefit of the community; hereinafter referred to as the "Property"; and

WHEREAS, Declarant desires to provide for the preservation of the values of said community and for the maintenance of certain areas as may be designated by the Owners and, to this end, desires to subject the Property to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, the primary purposes of these covenants and the foremost consideration in the origin of same has been the creation of a residential community which is aesthetically pleasing and functionally convenient. Declarant has deemed it desirable for the efficient preservation of the values in said community, to provide for an agency to which would be delegated and assigned the powers of administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

NOW, THEREFORE, Declarant declares that the Property is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes referred to as "Covenants and Restrictions") hereinafter set forth.

ARTICLE I.
DEFINITIONS

The following words when used in this Declaration or any Supplemental Declaration (unless the context shall otherwise prohibit) shall have the following meanings:

(a) "Assessment" shall mean a lot owner's share of the common expenses from time to time assessed such lot owner by the Association. Assessment or Assessments refer to annual, replacement or special assessment or any combination thereof.

(b) "Association" shall mean and refer to the Lake Eddins Owners Association, Inc., a non-profit corporation, incorporated under the laws of

the State of Mississippi for the purpose of effecting the intents and objectives herein set forth, its successors and assigns.

(c) "Board of Directors" or the "Board" shall mean and refer to the Board of Directors of the Association.

(d) "Bylaws" shall mean the bylaws of the Association as they exist from time to time, which bylaws may be initially in the form of Exhibit "B" attached hereto.

(e) "Common Area" shall mean all of the lake owned by the Association for the common use and enjoyment of the owners at the time of the conveyance of the first lot, a description of which is attached hereto as Exhibit "C".

(f) "Subdivision Plats" shall mean all subdivision plats of all present platted and numbered lots of Lake Eddins, as shown on the subdivision plats of Lake Eddins attached hereto as Exhibit "D" on file and of record in the office of the Chancery Clerk of the First Judicial District of Jasper County, Mississippi, and any additions thereto.

(g) "Declarant" shall mean and refer to Wallace Eddins and Franklin Eddins, their heirs and assigns.

(h) "Common Facilities" shall mean all buildings and improvements constructed on any portion of the Common Area, except boathouses built by Declarant.

(i) "Declaration" shall mean this instrument as it is from time to time amended;

(j) "Dwelling" shall mean a residential dwelling house.

(k) "Invitees" shall mean an owner's guests.

(l) "Lot" shall mean and refer to any plot or tract of land shown upon the recorded subdivision map or plat of the Property, exclusive of the Common Area, which is designated as a lot therein and which is or will be improved with a residential dwelling.

(m) "Member" shall mean and refer to each Owner as provided herein in Article III.

(n) "Mortgagee" shall mean a bank, savings and loan association, insurance company, mortgage company, real estate investment trust, recognized institutional type lender or its loan correspondent, agency of the United States Government or individuals, which owns or which is the holder of a Recorded First Mortgage.

(o) "Owner" or "Property Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee or undivided fee interest in any Lot which is part of the Properties, including contract sellers, but excluding those persons or entities who hold an interest merely as security for the performance of an obligation.

(p) "Person" shall mean an individual, firm, corporation, partnership, association, trust or other legal entity or any combination thereof, including Declarant.

(q) "Property" or "Properties" shall mean and refer to that certain real property hereinbefore described which is subject to this Declaration.

(r) "Recorded First Mortgage" shall be deemed to mean a mortgage or deed of trust, properly recorded in the office of the Chancery Clerk of the First Judicial District of Jasper County, Mississippi, or other public office designated by the statutes and laws of the State of Mississippi for

the recording of mortgages in the First Judicial District of Jasper County, Mississippi, the lien of which is prior, paramount, and superior to the lien of all other mortgages and deeds of trust.

ARTICLE II.
PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

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(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 community facilities (excluding streets, roads and parking areas which have been accepted by the First Judicial District of Jasper County, Mississippi for maintenance) situated upon the Property by the Members and their families and guests; provided, however, that any such fees shall be charged on a uniform basis for each Member; and

(b) the right of the Association to suspend any Member's voting rights and any Member's rights to use the Common Areas, community facilities and lake (except rights to use streets, roadways and parking areas, which latter rights shall not be subject to suspension for any reason) for any period during which any assessment remains unpaid and for any period not exceeding sixty (60) days for any infraction of any of the published rules and regulations of the Association; and

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless a majority of each class of the then Members of the Association consent to such dedication, transfer, purpose and conditions, at a special meeting of the Members duly called for such purpose or an instrument agreeing to such dedication or transfer signed by a majority of each class of Members has been recorded.

(d) the right of the Association, in accordance with its Charter of Incorporation and By-Laws, to borrow money for the purpose of improving the Common Areas and community facilities in a manner designed to promote the enjoyment and welfare of the Members, and in aid thereof to mortgage any of the Common Areas and community facilities, provided, however, that no such borrowing shall be done and no such mortgage shall be executed unless and until same has been approved by the vote of at least a majority of each Class; and

(e) the right of the Association to take such steps as are reasonably necessary to protect the property of the Association against mortgage default and foreclosure; provided, however, that any such steps are in conformity with the other provisions of this Declaration; and

(f) the right of the Association to adopt reasonable rules respecting use of the Common Areas and community facilities to

reasonably limit the number of guests of Members who may use any facilities on the Property; and,

(g) 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 utility lines or appurtenances, whether public or private, to any municipal agency, public utility, the Developers or any other person, provided, however, that no such licenses, rights-of-way or easements shall be unreasonably and permanently inconsistent with the rights of the Members to the use and enjoyment of the Common Areas and community facilities; and

(h) the right of the Association, acting by and through its Board of Directors, to open the Common Areas and community facilities, or any portions thereof, to a wider group of persons, all for such purposes and on such basis as the Board of Directors may from time to time consider appropriate; and

(i) the rights of the Owners of Lots to perpetual easements over and upon any of the Common Areas and community facilities for such portions of their dwellings that may overhang or otherwise encroach upon any of the Common Areas or community facilities for support, for the purpose of necessary repairs and maintenance, for maintenance of reasonable appurtenances to the dwellings, and for reasonable ingress and egress to and from any dwelling through and over the Common Areas and community facilities; and

(j) the right of each Member to use the streets, roadways, and vehicular parking areas situated upon the Common Areas and community facilities; provided, however, that each Member shall comply in all respects with all supplementary rules and regulations which are not inconsistent with the provisions of this Declaration and which the Board of Directors of the Association may from time to time adopt and promulgate with respect to parking and traffic control upon the Common Areas and community facilities.

→ (k) the right to dedicate or grant to Jasper County or such other governmental authority having jurisdiction over the Property, the streets and rights-of-way as shown on the recorded plat of Lake Eddins and all additions thereto as annexed pursuant to the provisions of this Declaration. In the event that said streets and rights-of-way have not been dedicated to Jasper County or the governmental authority having jurisdiction over the property the Association shall have the right to dedicate said streets and rights-of-ways to such governmental authority at such time that such authority will accept the dedication thereof and agree to maintain the streets and rights-of-way as public streets.

Section 2. Rights Not Subject to Suspension. Notwithstanding anything in this Declaration to the contrary, the Association shall have no authority to suspend, either temporarily or permanently, any of the rights specified in sub-paragraphs (i) and (j) of Section 1 of this Article II for any reason whatsoever.

Section 3. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family who reside permanently with him, and guests,

all subject to such reasonable rules and regulations as the Board of Directors of the Association may adopt and uniformly apply and enforce. Guests on common area must be accompanied by lot owner or a member residing permanently with lot owner.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. The Members of the Association shall be and consist of each and all of the following, to-wit:

(a) Every person who is, or who hereafter becomes, an owner of record of the fee title to a Lot. 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.

(b) The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Members with the exception of Declarant. Class A Members shall be entitled to one vote for each Lot owned. When more than one person or entity holds an interest or interests in any Lot, all such persons or entities 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.

Class B. The Class B Member(s) shall be the Declarant. The Class B Member(s) shall be entitled to five (5) votes for each Lot owned except as restricted under Section 2 hereof. When the total votes outstanding in the Class A membership equal the votes outstanding in the Class B membership, then the Class B membership shall cease and be converted into Class A membership.

Section 2. Voting Rights. Each Member shall have one vote in the election of each officer of the Association. For all other purposes, the voting rights of the Members shall be by class of membership, and shall be as follows, to-wit:

(a) Class A Members. Each person, other than persons herein defined as "Declarant", who is or who hereafter becomes the Owner of a Lot shall be a Class A Member of the Association. Class A Members shall be entitled to one vote for each Lot owned.

(b) Class B Members. Each of the persons herein defined as "Declarant," and the nominee or nominees, if any, of each such person, shall be Class B Members of the Association. Class B Members shall be entitled to five votes for each Lot owned.

Section 3. Memberships Appurtenant to Real Property. In every case, the membership of both Class A and Class B Members 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 4. Termination and Reinstatement of Class B Members. If on any one or more occasion all Class B memberships should terminate, and if

after any such termination any one or more of the Declarants, 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 Declarants as Class B Members 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, and for so long thereafter as the Class B memberships shall continue to exist, the Declarants, and the nominee or nominees, if any, of the Declarants, shall have all rights and powers of Class B membership, as herein prescribed.

Section 5. 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.



ARTICLE IV
COVENANTS FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Declarant, for each Lot owned by him within the Properties, hereby covenants and agrees, and each purchaser of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree, to pay to the Association: (1) annual maintenance assessments or charges for purposes set forth in Article IV, Sections 2 and (2) special assessments for capital improvements as set forth in Article IV, Section 4, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual maintenance and special individual assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon each Lot against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the continuing personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

→ Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety and welfare of the residents of the Properties, and in particular for the improvement and maintenance of the common Area; and for paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of the Common Area, including but in no way limited to the following:

(a) the amount of all operating expenses for operating the Common Areas and Common Facilities and furnishing the services furnished to or in connection with the Common Areas and Common Facilities, including charges by the Association for any services furnished by it; and

(b) the cost of necessary management and administration of the Common Areas and Common Facilities, including fees paid to any managing agents; and

(c) the amount of all taxes and assessments levied against the Common Areas and Common Facilities; and

(d) the cost of fire and extended coverage and liability insurance on the Common Areas and Common Facilities and the cost of such other insurance as the Association may place in force with respect to the Common Areas and Common Facilities; and

(e) the cost of garbage and trash collection to the extent provided by the Association, and of utilities and other services which may be provided by the Association, whether for the Common Areas and Common Facilities or for the lots, or both; and

(f) the cost of maintaining, replacing, repairing and landscaping the Common Areas and Common Facilities (including, without limitation, the cost of maintaining, replacing and repairing the sidewalks, streets, other than those accepted by Jasper County, Mississippi, for maintenance, and open areas in the Property, and the cost of such equipment as the Board of Directors shall determine to be necessary and proper in connection therewith; and

(g) the cost of funding all reserves established by the Association, including, when appropriate, a general operating reserve and a reserve for replacement.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Four Hundred Eighty Dollars (\$ 480.00) per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than 10% above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above ten percent (10%) by a vote of a majority of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose.

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

Section 4. Special Assessments.

(a) Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of capital improvement upon the Common Area, including fixtures and

personal property related thereto, provided that any such assessment shall have the assent of a majority of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

(b) Special Assessments for Wilful or Negligent Acts.

Upon an affirmative vote of two-thirds (2/3) of each class of Members in interest, the Association may levy special assessments against individual Lot Owners, for reimbursement for repairs occasioned by the wilful or negligent acts of the Lot Owners and not ordinary wear and tear.

(c) Special Assessments for Work Performed by Declarant or the Association.

(i) The Association is hereby authorized to assess any Lot for the cost of all work or activity performed on any such Lot pursuant to Article IX, Section 4 or Article XI, Section 15.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3-and-4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Annual and Special Assessments. Both annual and special capital assessments must be fixed at a uniform rate for all Lots payable as set forth in Section 4 above. Unless a majority of each class of Members and their respective first mortgagees (and if their interest be affected, the Federal National Mortgage Association, Federal Housing Administration and the Veterans Administration) have given prior written approval, the Board of Directors of the Association shall not change the pro rata interest or obligations of any Lot (or owner thereof) for the purposes of levying annual and special capital assessments and charges. The Association may add to the assessments to any individual Lot Owner such additional maintenance expense as may be required to care for such Owner's yard to the extent the extra expense is due to special or extraordinary landscaping beyond that which is normal among the other owners.

Section 7. Date of Commencement of Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The due dates shall be established by the Board of Directors.

Section 8. Duties of the Board of Directors with Respect to Assessments.

(a) The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Lot for each assessment period at least thirty (30) days in advance of such date or period, and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association.

(b) Written notice of the assessment shall thereupon be delivered or mailed to every owner subject thereto.

(c) The Board of Directors shall, upon demand at any time, furnish to any Owner liable for said assessment, a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Said certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of such certificates.

Section 9. Effect of Non-Payment of Assessment: The Personal Obligation of the Owner; the Lien; Remedies of Association.

(a) If any assessment or any part thereof is not paid on the date(s) when due, then the unpaid amount of such assessment shall, together with such interest thereon and cost of collection thereof as hereinafter provided, become a continuing lien on the Lot of the non-paying Owner, which lien shall be binding upon such Lot and the Owner thereof, his heirs, executors, devisees, personal representatives and assigns. The Association shall have the right to reject partial payments of an assessment and demand the full payment thereof. The obligation of the then existing Owner to pay such assessment, however, shall remain his personal obligation and shall not be extinguished by transfer of title. The lien for unpaid assessments shall be unaffected by any sale or assignment of a Lot and shall continue in full force and effect. No Owner may waive or otherwise escape liability for the assessment provided herein by abandonment of his Lot.

(b) The Association shall give written notification to the holder(s) of the mortgage on the Lot of the non-paying Owner of such Owner's default in paying any assessment when such default has not been cured within sixty (60) days, pursuant to Article XIV, Section 7 of this Declaration.

(c) If any assessment or part thereof is not paid within forty (40) days after the delinquency date, the unpaid amount of such assessment shall bear interest from the date of delinquency at the maximum interest rate per annum which can be charged to individuals and the Association may, at its election, bring an action at law against the Owner personally obligated to pay the same in order to enforce payment and/or to foreclose the lien against the Property subject thereof after giving Notice to the holder of any Recorded First Mortgage as set out in Article XV. There shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court, together with the costs of the action and/or all costs of foreclosure, including a reasonable attorney's fee.

Section 10. Reserves for Replacements. The Association shall establish and maintain a reserve fund for replacements of the Common Areas and community facilities, and shall allocate and pay to such reserve fund whatever amount may be designated from time to time by the Board of Directors. Amounts paid into such fund shall be conclusively deemed to be a common expense of the Association, and all such amounts may be deposited in any banking institution, the accounts, or, in the discretion of the Board of Directors, may be invested in obligations of, or obligations fully guaranteed as to principal by, the United States of America. The reserve for replacements of the purpose of affecting the replacement of the Common Areas and community facilities, for major repairs to any sidewalks, parking areas, streets or roadways on the Property, for equipment replacement, and for startup expenses and operating contingencies of a non-recurring nature relating to the Common Areas and community facilities. The Association may establish such other reserves for such other purposes as the Board of Directors may from time to time consider to be necessary or appropriate. The proportional interest of each Member in any such reserves shall be considered an appurtenance to his Lot, and shall not be withdrawn, assigned or transferred separately from or otherwise than as an appurtenance to the Lot to which it appertains, and shall be deemed to be transferred with such Lot.

Section 11. Subordination of the Lien to Mortgages. The lien of the assessments provided herein shall be subordinate to the lien of any Recorded First Mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 12. Exempt Property. The following Property subject to this Declaration shall be exempt from the assessments, charge and lien created herein:

(a) All properties dedicated and accepted by the local public authority and devoted to public use.

(b) All areas unplatted or reserved by the Declaration on the recorded plat of the Property.

ARTICLE V.

GENERAL POWERS AND DUTIES OF BOARD OF DIRECTORS OF THE ASSOCIATION

Section 1. 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 charges 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 purchase insurance upon the Common Areas and community facilities in the manner provided for in these By-Laws; and

(g) 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

(h) 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

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

(j) To employ for the Association, at their sole discretion, 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, inter alia 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.

ARTICLE VI.

INSURANCE

(a) The Association shall obtain fire and extended coverage and comprehensive public liability insurance in such limits, form and companies, as the Board shall deem advisable to adequately insure the Common Areas and Common Facilities and protect the Owners from and against liability in connection with the Common Area.

(b) All costs, charges and premiums for all insurance authorized by the Board as provided herein shall be a common expense of all Owners and a part of the assessment.

(c) Each Owner shall be responsible at his own expense and cost for his own personal insurance on the contents of his own residence, carport or parking space, including decorations, furnishings and personal property therein, and his personal property stored elsewhere on the properties; and for his personal liability not covered by liability insurance for all Owners obtained as a part of the common expense.

ARTICLE VII

AD VALOREM PROPERTY TAXES

Each Owner shall be responsible for and promptly pay ad valorem taxes on his Lot. The Association shall pay the ad valorem taxes on the Common Area and Common Facilities.

ARTICLE VIII

ARCHITECTURAL CONTROL

Section 1. ARCHITECTURAL REVIEW

(a) No building, fence, wall or other structure shall be commenced, erected, placed, altered or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made until the

proposed plans and specifications showing the nature, kind, shape, height, materials, exterior color or finish, (plot plan showing the proposed location of such building or structure, drives and parking areas), landscape plan, and construction schedule shall have been submitted to and approved in writing by the Board, or by an architectural sub-committee, the Architectural Review Committee, composed of three (3) or more representatives appointed by the Board. No alteration in the exterior appearance of any building or structure shall be made without like approval from the Architectural Review committee. No pre-existing structure, house or building of any type shall be moved upon the property.

(b) Two (2) copies of all plans and related data shall be furnished the Architectural Review Committee. One copy shall be retained by the committee and the other copy shall be retained by the Property Owner or Building marked "Approved" or "Disapproved". Approval shall be dated and shall not be effective for construction commenced more than six (6) months after such approval. Disapproved plans and related data shall be accompanied by a reasonable statement of items found unacceptable. In the event the Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

(c) No approval of plans and specifications, and no publication or architectural standards bulletins shall ever be construed as representing or implying that such plans, specifications or standards will, if followed, result in a properly designed residence. Such approvals and standards shall in no event be construed as representing or guaranteeing that any residence will be built in a good, workmanlike manner. The Board or Committee may require payment of a cash fee, as established from time to time by the Board, to partially compensate for the expense of reviewing plans or related data, at the time they are submitted for review. This paragraph shall not apply to any Property utilized by a governmental agency or institution.

(d) Refusal of approval of plans, specifications, or location may be based by the Architectural Review Committee upon any ground, including purely aesthetic considerations, so long as they are not arbitrary and capricious. Neither the Board or the Architectural Review Committee shall be liable to a Property Owner or to any other person on account of any claim, liability or expense suffered or incurred by or threatened against a Property Owner or such other person arising out of 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.

Section 2. Building Sizes and Locations.

(a) The living area of the main house or residential structure constructed as a one-story residence on any Lot, except for building constructed on zero lot line lots, patio and cluster lots, exclusive of porches and garages, shall be not less than 900 square feet. In the case of any residence of more than one story, the requirements as to living area shall be at least 1400 square feet for both stories with not less than 900

square feet on the ground level.

(b) No residential building shall be erected on any Lot nearer than thirty-five (35) feet from the front Lot line, and ten (10) feet from the side lot line, except for buildings constructed on waterfront lots, zero lot line lots, patio and cluster lots.

(c) Building locations on waterfront lots are set forth in Section 2 of Article IX. The Architectural Review Committee shall establish the location of and the size of all buildings to be constructed on all zero lot line lots, patio and cluster lots.

(d) For some Lots in Lake Eddins it may be impossible or inadvisable to enforce the above stated set-back requirements or those set forth in Section 3 of Article IX due to the natural terrain, lot configurations and/or proximity of adjacent structures. Therefore, notwithstanding anything else herein to the contrary, the Architectural Review Committee may approve specific deviations to said setback requirements which it believes to be beneficial to a specific homesite or to adjacent homesites.

Section 3. Topography and Vegetation. Topography and vegetation characteristics of the Property shall not be altered by removal, reduction, cutting, excavation or any other means without the prior written approval of the Architectural Review Committee. Written approval may, but need not, be granted hereunder until a plan designed to protect the Property from pollution resulting from erosion, pesticides or the seepage of fertilizer or other materials has been submitted to and accepted by the Architectural Review Committee. Written approval will be granted for the minimum amount of earth movement and vegetation reduction required in plans and specifications approved pursuant to the provisions of the Declaration.

Section 4. Tree Removal. No trees, bushes or underbrush of any kind may be removed without the written approval of the Architectural Review Committee. Provided that a buffer ten feet in width can be maintained on each side of the Property, approval for the removal of trees located within the main dwelling or accessory building or within ten (10) feet of the approved site for such building will be granted unless such removal will substantially decrease the beauty of the Property.

Section 5. Rules and Regulations etc. The Architectural Review Committee may from time to time adopt and promulgate such rules and regulations regarding the form and content of plans and specifications to be submitted to it for approval, and may publish and record such statements of policy, standards, guidelines, and may establish such criteria relative to architect styles or details, colors, setbacks, materials or other matters relative to architectural review and the protection of the environment, as it may consider necessary or appropriate. No such rules, regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article or any other provision or requirement of this Declaration. The decisions of the Architectural Review Committee shall be final except that any member who is aggrieved by any action or forbearance from action by the Committee (or any policy, standard or guidelines established by the Committee) may appeal the decision of the Architectural Review Committee to the Board of Directors, and upon written request, such members shall be entitled to a hearing before the Board of Directors.

Section 6. Environmental Hazards.

(a) To secure the natural beauty of the Property, the Architectural Review Committee may promulgate and amend from time to time rules and regulations which will govern activities which may, in its judgment, be environmental hazards such as the application of fertilizers and pesticides or other chemicals. Failure of any Property Owner or tenant of Property in Lake Eddins to comply with the requirements of such rules and regulations shall constitute a breach of this Declaration.

(b) The Declarant hereby reserves unto himself, his heirs, assigns and agents a perpetual and releasable right on, over and under all property in Lake Eddins for the purpose of taking any action necessary to effect compliance with such environmental rules and regulations. The cost of such action by the Declarant shall be paid by the respective property owner(s) of the property upon which the work is performed.

Section 7. Further Siting Authority. To prevent successive "run" or drainage from any Lots, the Declarant and the Architectural Review Committee reserves the right to establish a maximum percentage of Property which may be covered by a building, patio, driveway or other structures. In the establishment of such maximum percentage, the Declarant and the Architectural Review Committee shall consider topography, percolation rate of the soil, soil types and conditions, vegetation cover and other relevant environmental factors. Neither this nor any other right reserved herein by the Declarant or the Architectural Review Committee shall be construed however, to be an obligation of either the Declarant or the Association to take any action.

ARTICLE IX.

GREEN SPACE AND WATERFRONT AREAS

Section 1. Wildlife. Pursuant to the aforesaid overall objectives of wildlife conservation, no hunting or trapping shall be permitted on any portion of the property at any time except for undesirable wildlife as authorized and approved by rules and regulations promulgated by the Association from time to time. The Declarant, his heirs and assigns and/or the Association expressly reserves the right to erect wildlife feeding stations to plant small patches of cover and food, crops for wildlife, to make access trails or paths or boardwalks through green space, and Common Area for the purpose of permitted observation and study of wildlife, hiking and riding, to erect small signs throughout the green space designating points of interest and attraction, and to take such other steps as reasonably necessary and proper to further the community use and enjoyment of the green spaces. The Declarant, his heirs and assigns, and/or 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 lake by planting trees, plants, and shrubs where and to the extent necessary, or by such mechanical means as construction and maintenance of siltation basins, or other means deemed expedient or necessary by the Declarant and/or the Association, respectively. 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, Common Area to cut fire

breaks, 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 IV of this Declaration.

Section 2. Waterfront Areas. To preserve the natural character of Lake Eddins, there is hereby established construction and clearing restrictions on all properties which front on the lake and that portion of the Property comprising the lake, swamp and flooded area (hereinafter collectively referred to as "lake") shall be preserved substantially in its present natural state except for moderate clearing for view and breeze as approved by the Architectural Review Committee. Notwithstanding the foregoing, the Declarant hereby reserves to himself, his heirs, and assigns, the right to exempt properties from said construction and clearing restrictions in those cases where the Architectural Review Committee in its discretion, determines, in a manner neither arbitrary nor capricious, that such exemption will not materially lessen the natural appearances and scenic beauty of the lake or determines that such exemption is necessary to protect the shoreline from erosion or from pollution. The following horizontal construction set-back restriction from the lake is hereby established: (i) No house sites, no building or other structure shall be constructed or maintained on any Property within fifty (50) feet of the lake and no parking areas designated to accommodate more than two automobiles shall be constructed or maintained on any Property within seventy-five (75) feet of the lake with the exception of boathouses constructed and approved by the Architectural Review Committee. (ii) In Common Area and Green Space, no building or other structures shall be constructed or maintained within twenty (20) feet of the lake and no parking areas designated to accommodate more than two automobiles shall be constructed or maintained within forty (40) feet of the lake except for boathouses and recreational facilities constructed by the Declarant and/or approved by the Architectural Review Committee. All boat houses and piers shall be constructed in accordance with the design and building criteria adopted by the Architectural Review Committee and the location and extension of same into the lake shall be approved by the Architectural Review Committee prior to commencement of construction, provided, however, all piers and docks shall be constructed within the extended boundaries of the side lot lines. Piers shall not be covered in any way and shall not extend more than sixty (60) feet from the existing natural water line of the lot, unless approved by the Architectural Review Committee. Boat houses and boat slips must be of the indented design unless otherwise approved by the Architectural Review Committee and may not extend more than thirty-two (32) feet from the existing natural water line of the lot, unless approved by the Architectural Review Committee. OK

Section 3. Shoreline Stabilization. Within three years from the date an Owner receives a deed to a waterfront lot, said Owner shall establish the shoreline of said lot according to the shoreline stabilization criteria adopted by the Architectural Review Committee or such other plan as may be submitted by the Owner and approved by the Architectural Review Committee. In the event such Property Owner has not complied with the requirements of this Section 3 within said three year period of time, the Association or the Declarant shall have the option, but not the obligation, to stabilize said shoreline in accordance with the shoreline

stabilization criteria adopted by the Architect Review Committee and charge the cost of said work to the Property Owner as a special assessment against said lot. The Association and/or the Declarant, severally, their heirs, successors and assigns and agents shall have the right to enter upon such lot for the purpose of performing said work, provided however that prior to exercising such rights to enter upon such lot for the purpose of performing said work, the Declarant or the Association, as the case may be, shall give the property owner the opportunity to stabilize the shoreline by giving such Property Owner notice that the work must be completed within a reasonable time or that such work shall be performed by the Association or the Declarant, as the case may be. Such notice shall specify the work to be done and the time by which such work must be completed.

Section 4. Other Regulations. The use of the Common Areas, Common Facilities, green areas and lake by the property owners, and their guests, shall be governed by the applicable rules, regulations and policies as from time to time promulgated by the Association. The Declarant and the Association shall have the right and authority to lower the level of the lake at such times as they or either of them believe it to be in the best interest of the lake and property for the maintenance, preservation and development of the shore lines and the maintenance and preservation of fish and other wildlife. The Declarant and/or the Association shall not be liable for any matter or claim of any nature whatsoever arising directly or indirectly from the exercise of the right and authority thereby reserved.

ARTICLE X. EASEMENTS

Section 1. Utility Easements. Easements for installation, maintenance, repair and removal of utilities and drainage facilities and floodway easements over, under and across the Property are reserved by Declarant for itself, its successors and assigns and each Owner. Full rights of ingress and egress shall be had by Declarant and its successors and assigns and each Owner at all times over the Property for the installation, operation, maintenance, repair or removal of any utility together with the right to remove any obstruction that may be placed in such easement that would constitute interference with the use of such easement, or with the use, maintenance, operation or installation of such utility. Such rights shall include right of entry into any Lot.

Perpetual, alienable and releasable easements for the conveyance and use of electricity, telephone equipment, gas, sewer, water, drainage and other public conveniences and other utilities in said Common Area. These reservations and rights expressly include the right to cut any trees, bushes, or shrubbery, rights to make any gradings of the soil, or take any other similar action reasonably necessary to provide economical and safe utility installment and to maintain reasonable standards of health, safety and appearance.

Section 2. Ingress and Egress by the Association. Full rights of ingress and egress shall be had by the Association at all times over and upon each Lot for the maintenance and repair of each Lot in accordance with the provisions hereof, and for the carrying out by the Association of its

functions, duties and obligations hereunder; provided, that any such entry by the Association upon any Lot shall be made with as little inconvenience to the Owner as practical, and any damage caused thereby shall be repaired by the Association at the expense of the maintenance fund.

Section 3. Common Drive or Driveway and Walkway Easements.

Declarant hereby creates for the Owners of all Lots, a perpetual non-exclusive easement for ingress and egress over and across the drive common to or used by owners of said Lots as shown on the plat of subdivision of Lake Eddins, a subdivision, and Declarant further creates for the Owners, a perpetual, non-exclusive easement for pedestrian traffic over and across the walkway, horse trails, bike and jogging trails or ways, as shown by the plat of Lake Eddins.

ARTICLE XI.

USE RESTRICTIONS

The Property shall be subject to the following use restrictions:

Section 1. Use of Lots and Dwellings. Except as permitted by the Board of Directors, each Lot and dwelling shall be used for residential purposes only, and no trade and business of any kind may be carried on therein. The use of a portion of a dwelling as an office by the Declarant or his tenant shall not be considered to be a violation of this covenant if such use does not create regular customer, client, or employee traffic, provided that in no event shall any Lot or dwelling be used as a storage area for any building contractor or real estate developer. Lease or rental of a dwelling for residential purposes shall be considered to be a violation of this covenant unless approved by the Board of Directors.

Section 2. Exterior Appearances. (a) Except for maintenance areas within the Common Areas and those fences erected by Declarant or the Association, no chainlink fences shall be permitted within the development unless approved by the Architect Review Committee. Further, no foil or other reflective materials, sunscreens, or other reflective materials shall be permitted.

Section 3. Signs. Except as may be required by legal proceedings, no signs, advertising or ornaments of any kind shall be maintained or permitted within any windows, on the exterior of any windows located within the development or elsewhere or any portion of the property by anyone, including, but not limited to, the Property Owner, a realtor, contractor, or sub-contractor, without the express written permission of the Architectural Review Committee. The approval of any signs and posters, without limitation, name and address signs, shall be upon such conditions as may be from time to time determined by the Architectural Review Committee and may be arbitrarily withheld. If any such sign or advertising device is approved, it shall only contain one name and/or one number plate, not exceeding 120 square inches and if for sale purposes such sign shall not exceed six square feet in area and shall be subject to the right of the Architectural Review Committee to restrict color and content. Notwithstanding the foregoing, the restrictions of this Section 3 shall not

apply to Declarant, his agents or assigns, so long as Declarant shall own any of the Lots. In addition, the Board of Directors, on behalf of the Association, shall have the right to erect reasonable and appropriate signs on any portion of the Common Area and within those easement areas established under the Declaration.

Section 4. Other Buildings and Vehicles. No tent, trailer, barn or other similar outbuilding or structure, other than a boat house on lakefront lots, shall be placed on any Lot or on any other area at any time, either temporarily or permanently, without prior approval of the Architectural Review Committee. No mobile home shall be placed on any lot or any other area at any time, either temporarily or permanently. Each owner shall provide for parking for at least two automobiles per owner for each dwelling owned or maintained by such owner. The Board of Directors shall have authority to promulgate rules and regulations to govern or prohibit the outside storage or parking upon any Lot, dwelling or within any portion of the Common Areas, (other than areas provided therefor within the Common Areas, if any) of motor homes, tractors, trucks, (other than pickup trucks) commercial vehicles of any type, campers, motorized campers or trailers, boats or other water craft, boat trailers, motorcycles, motorized bicycles, motorized go-carts, or any other related forms of transportation devices. Furthermore, although not expressly prohibited hereby, the Board of Directors may at any time prohibit motor homes, campers, trailers of any kind, motorcycles, motorized bicycles, motorized go-carts and other similar vehicles, or any of them from being kept, placed, stored, maintained, or operated upon any portion of the Property. No owners or other occupants of any portion of the Property shall repair or restore any vehicle of any kind upon or within any Lot, dwelling, or within any portion of the Common Areas, except (i) within enclosed garages or workshops or (ii) for emergency repairs and then only to the extent necessary to enable the movement thereof to a proper repair facility. Declarant hereby reserves the right (without any obligation to do so) to designate within the additional Property a parking area for boat trailers, motor homes or similar vehicle.

Section 5. Unsightly Conditions and Nuisances. It shall be the responsibility of each Property Owner and tenants thereof to prevent the development of any unclean, unsightly or unkempt conditions of buildings or grounds on the Property which shall tend to substantially decrease the beauty of the community as a whole or as a specific area. No rubbish or debris of any kind shall be dumped, placed or permitted to accumulate upon any portion of the Property. Nor shall any nuisance or odors be permitted to operate upon or arise from the Property, so as to render any portion thereof unsanitary, unsightly, offensive or detrimental to persons using or occupying any other portions of the Property. Noxious or offensive activities shall not be carried on in any Lot dwelling or any part of the Common Areas, and agents shall refrain from any act or use of a Lot,

dwelling or the Common Areas which would cause disorderly, unsightly or unkempt conditions or which would cause embarrassment, discomfort, annoyance or nuisance to the occupants of other portions of the Property or which would result in a cancellation of any insurance from any portion of the Property or which would be in violation of any law, governmental code or regulation. Without limiting the generality of the foregoing conditions, no exterior speakers, horns, whistles, bells, or other sound devices except security and fire alarm devices used exclusively for such purposes shall be located, used, or placed within the Property. Any owner, or his family, tenants, guests, invitees, servants, or agents, who dumps or places any trash or debris upon any portion of the Property shall be liable to the Association for the actual costs or removal thereof or the sum of \$150.00, whichever is greater, and any sum shall be added to and become a part of that portion of the assessment next becoming due to which the owner and his Lot are subject.

Section 6. Lights. The design and location of landscape lighting fixtures shall be subject to the approval of the Architectural Review Committee. Neither these or any other illumination devices, including but not limited to Christmas ornaments, located anywhere on the structure or grounds of any Lot shall be located, directed or of such intensity to affect adversely the nighttime environment of any adjoining Property.

Section 7. Pets. No animals, livestock or poultry of any kind, shall be raised, bred, kept, staked or pastured on any Lot, or in the Common Area, except dogs, cats, birds or other household pets which shall be kept and maintained in accordance with the rules and regulations adopted from time to time by the Board of Directors. Horses would be permitted on trails or roadways but not kept or pastured on lots.

Section 8. Sales and Construction Activities. Notwithstanding any provisions or restrictions contained in this Declaration to the contrary, it shall be expressly permissible for Declarant and his agents, employees, heirs and assigns to maintain and carry on such facilities and activities as may be reasonably required, convenient or incidental to the completion, improvement, and sale of Lots and/or dwellings or the development of Lots, dwellings, Common Areas and the additional Property, including, without limitation, the installation and operation of sales and construction trailers, offices, and dwellings as may be approved by the Declarant from time to time, provided that the location of any construction trailers of any assignees of declarants rights under this Section 8 shall be subject to Declarant's approval. The right to maintain and carry on such facilities shall contain specifically the right to use dwellings as model residences, and to use any dwellings as office for the sale of Lots and/or dwellings, and for related activities.

Section 9. Time sharing. No Lots or dwellings shall be sold under any time sharing, time interval, or assume of right-to-use programs.

Section 10. Trespass. Whenever the Association and/or the Declarant is permitted by the Declaration to repair, clean, preserve, clear out or do any action on any part of the Property, entering any Lot or any portion of the Property and taking such action shall not be deemed a trespass.

Section 11. Subdivided. No Lot shall be subdivided or its boundary lines changed, except with the written consent of the Board of Directors and the Declarant so long as Declarant owns any Lots subject to the Declaration however, the Declarant hereby expressly reserves unto himself, his heirs, or assigns the right to replat any Lot or such Lots owned by him, shown on the plat of any subdivision within Lake Eddins and to take such other steps as are reasonably necessary to make such replatted Lot suitable and fit as a building site including, but not limited to, the relocation of easements, walkways, rights of ways and other amenities to conform to the new boundaries of said replatted Lots. The provisions of this Section 11 shall not prohibit the combining of two or more contiguous Lots into one larger Lot or making two Lots out of three or more contiguous Lots, provided that each of the resulting Lots are larger and contain a minimum Lot frontage equal to or greater than their original frontage on the Lot having the least frontage before combining said Lots or portions thereof. Only the exterior boundary lines of the resulting larger Lot(s) shall be considered in the interpretation of these covenants.

Section 12. Certain Construction Rights. The Declarant expressly reserves to himself, his heirs, and assigns and any other provisions of this Declaration notwithstanding, the right to build bridges, walkways, or expanse across any natural or man made canals, creeks, riding trails, paths, or lagoons in the Property, piers and slips for storing boats on Common Property. Nothing in this section shall be construed as placing an affirmative obligation to the Declarant to provide or construct any such improvement.

Section 13. Option. Declarant hereby reserves unto himself his heirs and assigns, the right and option to purchase any Lot or dwelling within the Property which is offered for sale by the owner thereof, such option is to be at the price and only terms and conditions of any bonafide offer for such Lot or dwelling which is acceptable to such owner and which is made in writing to such owner by a third party. Upon receipt of any such offer by an owner, such owner shall promptly submit a copy of same to Declarant and Declarant shall have a period of seven days from and after the presentation of such offer in which to exercise his purchase option by giving such owner written notice of such exercise. If the Declarant fails to respond or exercise such purchase option within said seven day period, Declarant shall be deemed to have waived such purchase option. If Declarant declines to exercise such option, Declarant shall execute an instrument evidencing his waiver of his repurchase option, which instrument shall be in recordable form. In the event that the Declarant does not exercise his purchase option and such sale to a third party is not consummated on such terms within six months from the date in which the offer transmitted to Declarant, the terms and limitations of this Section 13 shall again be imposed upon any sale by such owner. If Declarant shall elect to purchase such Lot or dwelling, the transaction shall be consummated following delivery of written notice by Declarant to such owner of Declarants decision to purchase such Lot or dwelling.

Section 14. Certain Controls. (a) To implement effective and adequate erosion controls and protect the beauty of the lake, the Declarant and/or Association, severally, their heirs, successors and assigns and agents shall have the right to enter upon any lakefront property before and after a building has been constructed thereon for the purpose of performing any grading or landscaping work or constructing and maintaining erosion prevention devices. Provided, however, that prior to exercising its rights to enter upon the properties for the purpose of performing any grading or landscaping work or constructing or maintaining erosion prevention devices. the Declarant or Association as the case may be, shall give the Property Owner the opportunity to take any corrective actions required by giving the property owner notice indicating what type of corrective action is required and that it must be performed within a reasonable period of time. The notice shall specify the immediate corrective action that must be taken by such Property Owner and the time by which such action must be completed. If Property Owner fails to take the corrective action specified, or be late, Declarant or the Association, as the case may be, may then exercise his right to enter in upon the Property in order to take the necessary action. The costs of such erosion prevention measures when performed by the Declarant or the Association, as the case may be, shall be paid by the Property Owner thereof.

(b) To implement effective insect, reptile and fire ant control, and vegetation and trash control, the Declarant or the Association, and their heirs, successors, assigns and agents, have the right to enter upon any property on which a building or structure has not been constructed and upon which no landscaping plan has been implemented for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds, or other unsightly growth, removing trash or dispensing pesticides on all such property which in the opinion of the Declarant or the Architectural Control Committee distracts from the overall beauty, setting and safety of the Property. The cost of this vegetation and trash control shall be kept as low as reasonably possible and shall be paid by the respective Property Owner. Such entry shall not be made until thirty (30) days after such Property Owner has been notified in writing for the need of such work and unless such Property Owner fails to perform the work within said thirty (30) day period.

(c) The provisions of this section shall not be construed as an obligation on the part of the Declarant or the Association to mow, clear, cut or prune any property, to provide garbage or trash removal services to perform any grading or landscaping work, construct or maintain erosion

prevention devices, or to provide water pollution control on any privately owned property.

(d) Entrance upon Property pursuant to the provisions of this Section 14 shall not be deemed trespass. The rights reserved unto the Declarant and the Association in this section shall not be unreasonably employed and shall be used only where necessary to effect the stated intents and purpose of this Declaration.

Section 15. Water Systems, Water Wells and Septic-Tanks. It is contemplated that a water system shall be constructed for the Association. Declarant shall be the judge as to when the water system shall be constructed and extended. In the event no water system is available, water wells shall be permitted temporarily, with the approval of the Architect Review Committee, only until such time as a water system is available. No water well shall be permitted on any Lot after a water system is available and no plans and specifications shall be approved by the Architect Review Committee unless such plans and specifications provide that the Lot will be served by the Community Water System serving the Property. This restriction shall not prevent the Declarant from designating any part of the property described on Exhibit "A" for the purpose of developing a community water system thereon to serve the Property or other property in close proximity of the Property or dedicating any such property to some other authority or company for the purpose of developing a water system to serve the Property. Septic-Tanks shall be used for sewerage purposes only so long as no community sewer system is available to serve the Property. All septic tanks must meet Mississippi State Board of Health specifications.

Section 16. Compliance. (a) In the event of a violation or a breach of any other restrictions contained in this Declaration by any Property Owner, or agent of such Property Owner, other property owners, or in any event, jointly or severally shall have the right to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any event. In addition to the foregoing, the Declarant and/or the Association severally shall have the right, but shall not be obligated to proceed at law or in equity to compel a compliance to the term hereof or to prevent the violation of any breach in any event.

(b) In addition to the foregoing, the Declarant and/or the Association severally shall have the right, but shall not be obligated, whenever there shall have been built at any place on the Property any structure which is in violation of these restrictions, to enter upon the Property upon which such violation exists and similarly abate or remove the same at the expense of the Property Owner if, after thirty days written notice of such violation, it shall not have been corrected by the Property Owner. Any person entitled to file a legal action for the violation of these covenants shall be entitled to recover reasonable attorney fees as a

part of such action. Any such entry and abatement or removal shall not be deemed a trespass.

(c) The failure to enforce any rights, reservations, or restrictions contained in this Declaration, however long continued, shall not be deemed a waiver of this right to do so hereafter as to the same breach, or as to a breach occurring prior to or subsequent thereto and shall not bar or affect its enforcement. The invalidation by any court of any restrictions of this Declaration shall in no way affect any of the other restrictions, but they shall remain in full force and effect.

ARTICLE XII.

RULE MAKING

Section 1. Rules and Regulations. (a) Subject to the provisions hereof, the Board of Directors may establish reasonable rules and regulations concerning the use of Lots, dwellings and the Common Areas and facilities located thereon. Particularly and without limitation, the Board of Directors may promulgate from time to time rules and regulations which will govern activities which may, in the judgment of the Board of Directors, be environmentally hazardous, such as the application of fertilizers and pesticides and other chemicals.

(b) Subject to the terms and provisions of this Declaration, the Board of Directors may establish rules and regulations, fees and charges from time to time pertaining to use of the recreational area and amenities as are now and hereinafter located in the Common Areas.

ARTICLE XIII.

PROPERTY SUBJECT TO THIS DECLARATION

Section 1. The Property. The Property is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration.

Section 2. Phase Development. The Declarant hereby expressly reserves the option and right to add subject additional lands to this Declaration, pursuant to and subject to the following provisions:

(a) The consent of the Owners shall not be required for the annexation of future phases, and the Declarant may proceed with such annexation at his sole option and determination;

(b) Declarant may annex and add to Lake Eddins and include as Property, subject to this Declaration, all or any part of the property described in Exhibit "E" hereinafter sometimes referred to as "future phases". All lots, Common area, Common Facilities and Green Space of said future phases, if and when said future phases or a portion thereof is so annexed, shall be in all respects subject to the provisions, restrictions, covenants, terms and conditions of this Declaration, the Charter and By-laws of the Association, and such amendment, restriction, rules and regulations as may be promulgated thereunder. However, the Declarant may at any time prior to the expiration of such period terminate his option to add phase(s) by recording in the office of the Chancery Clerk of the First Judicial District of Jasper County, Mississippi, an executed, notarized document terminating this option and notify each owner of existing lots of the decision not to add additional phases. Notice shall be by U. S.

Certified Mail addressed to each owner at the address of his lot or at his last known address.

(c) The Declarant may add future phases at different times in any sequence desired by the Declarant.

(d) In the event that Declarant determines to execute his option to annex future phases, he shall have the easements as set forth in Article XV.

(e) Declarant hereby reserves the right at any time hereafter, without joinder or consent of any Owner or Mortgagee, to record an amendment(s) to this Declaration executed by Declarant to properly reflect the addition of future phases.

(f) The Declarant may make additional lands subject to this Declaration by filing of record a Supplemental Declaration which shall extend the scheme of the Covenants, Conditions, and Restrictions of such Declaration to such Property or properties; provided, however, that such Supplemental Declaration may contain such complementary additions and modifications of the covenants, conditions, and restrictions contained herein as may be necessary to reflect the different character, if any, of the added properties but which are not generally inconsistent with the concept of this Declaration, provided, however, in no event shall such Supplemental Declaration otherwise modify the covenants established by this Declaration for the existing Properties.

(g) No other residential Property and Common Area may be annexed to the properties without the consent of a majority of each class of Members and such consent as required by Section 9 of Article XIV.

(h) Any additions made pursuant to this Section 2, when made, shall automatically extend the jurisdiction, functions, duties and membership of the Association to the properties added and grant to all Owners all Property rights set forth in Article II of this Declaration to all properties now or hereafter annexed.

(i) The covenants, conditions and restrictions of this Declaration shall not affect or apply to any of the real Property described in this Section unless and until such Property or a portion thereof is annexed by this Declaration pursuant to and in compliance with the provisions of this Section 2 of Article XIII. Upon a merger or consolidation of the Association with another Association, as provided in its Articles of Incorporation, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated Association or, alternatively, the properties, rights and obligations of another Association may, (by operations of law, be added to the properties, rights and obligations of another association) be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated Association may administer the covenants and restrictions established by this Declaration, together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration except as hereinafter provided.

(j) Each Owner hereby grants a power coupled with an interest to the

Declarant, his heirs and assigns to make or consent to the said amendment(s) to the Declaration on behalf of each Owner to add future phases to this Section 2 of Article XIII. Title to each lot is declared and expressly made subject to the terms and conditions hereof, and acceptance by any Grantee of a deed from the Declarant or from any Owner shall constitute appointment of the attorney-in-fact herein provided. All of the Owners irrevocably constitute and appoint Declarant, his heirs and assigns, as their true and lawful attorney-in-fact for the purpose of dealing with the addition of future phases to the Property as herein provided. As attorney-in-fact, the Declarant shall have full and complete authorization, right and power to make, execute and deliver an amendment to this Declaration or By-laws or any other instrument with respect to the interest of a lot owner which are necessary and appropriate to exercise the powers herein granted;

(k) Each Owner and each Mortgagee, grantee, heir, personal representative, successor and assign of each lot owner, by such persons or entities acceptance of any deed or mortgage or other interest in or with respect to any lot, shall be deemed to have expressly agreed and consented to (i) each and all of the provisions of this Section 2, (ii) the recording of such amendment to the Declaration and (iii) all of the provisions of each amendment to this Declaration which may hereafter be recorded in accordance with the provisions of this Section 2.

(1) DECLARANT SHALL HAVE NO OBLIGATION TO CONSTRUCT OR ADD FUTURE PHASES TO THE DEVELOPMENT AND DOES NOT WARRANT, REPRESENT OR GUARANTY THAT FUTURE PHASES WILL BE ADDED TO THE DEVELOPMENT. EACH OTHER AGREES, BY ACCEPTANCE OF A DEED TO A UNIT, THAT HE HAS NOT RELIED ON FUTURE PHASES BEING ADDED TO THE DEVELOPMENT IN PURCHASING HIS LOT.

ARTICLE XIV GENERAL PROVISIONS

Section 1. Duration. The Covenants, Conditions and Restrictions of 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 Owners of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty-five (35) years from the date this Declaration is recorded in the Office of the Chancery Clerk of the First Judicial District of Jasper County, Mississippi, after which time said covenants shall be automatically extended for the successive periods of ten (10) years unless an instrument signed by a majority of the Owners has been recorded in the Deed Records, in said Chancery Clerk's Office agreeing to abolish the said Covenants, Conditions and Restrictions in whole or a substantial portion thereof; provided, however, that no such agreements to abolish shall be effective unless made and recorded one (1) year in advance of the effective date of such abolishment.

Section 2. Amendments. Notwithstanding Section 1 of this Article, the Covenants, Conditions and Restrictions of this Declaration may be amended and/or changed in part with the consent of ninety percent (90%) of the Lot Owners if amended and/or changed during the thirty-five (35) year

period of this Declaration, and thereafter said Covenants may be amended or terminated with the consent of at least seventy-five percent (75%) of the Lot Owners, and in each case such amendment shall be evidenced by a document in writing bearing each of their signatures. All amendments, if any, shall be recorded in the Office of the Chancery Clerk of the First Judicial District of Jasper County, Mississippi.

Section 3. Enforcement. Enforcement of these Covenants, Conditions and Restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate them, or to recover damages, or to enforce any lien created by these covenants; and failure by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provision which shall remain in full force and effect.

Section 5. 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 6. 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 at the time of such mailing.

Section 7. Notices to Mortgagees. Notwithstanding any provision herein to the contrary, the holder(s) of a Recorded First Mortgage on any Lot is entitled to, and shall receive, written notification from the Association of any default by the respective mortgagor/owner in the performance of such mortgagor's/owner's obligations(s) as established by this Declaration.

Section 8. Consent of Holders of First Deed of Trust and Federal National Mortgage Association/Federal Housing Administration/Veterans Administration. During any period when any Lot in the project is encumbered by a Recorded First Mortgage, the Owners, by any act or omission, shall not do any of the following things without the prior written consent and approval of the holders of all outstanding Recorded First Mortgages, and if their interests be affected, the Federal National Mortgage Association, Federal Housing Administration and the Veteran's Administration:

(a) Abandon, partition, subdivide, encumber, sell or transfer any of the Common Area provided, however, that the granting of rights of way, easements and the like for public utilities or for other purposes consistent with the use of the Common Area by the Owners shall not be considered an encumbrance, sale or transfer within the meaning of this Subsection;

(b) Abandon or terminate this Declaration; or

(c) Modify or amend any material or substantive provision of this Declaration.

(d) Annex additional properties, or merge or consolidate the Association.

Section 9. Additional Rights of Mortgagees - Notice.

(a) The Association shall promptly notify the holder of the Recorded First Mortgage on any Lot as to which any assessment levied pursuant to the Declaration, or any installment thereof, shall become and remain delinquent for a period of in excess of sixty (60) days, and the Association shall promptly notify the holder of the Recorded First Mortgage on any Lot as to which there is default by the Owner with respect to performance of any other obligation under this Declaration which remains uncured for a period in excess of sixty (60) days following the date of such default. Any failure to give any such notice shall not affect the validity or priority of any Recorded First Mortgage on any Lot, and the protection extended in this Declaration to the holder of any such mortgage shall not be altered, modified or diminished by reason of such failure. Also, any failure to give any such notice shall not affect the validity of the lien for any assessment levied pursuant to this Declaration, nor shall any such failure affect any of the priorities for liens as specified in Article IV hereof.

(b) No suit or other proceeding may be brought to foreclose the lien for any assessment levied pursuant to this Declaration except after ten (10) days' written notice to the holder of the Recorded First Mortgage encumbering the Lot which is the subject matter of such suit or proceeding.

(c) Any holder of a Recorded First Mortgage on any Lot upon the Property may pay any taxes, 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. Any holder of a Recorded First Mortgage who advances any such payment shall be due immediate reimbursement of the amount so advanced from the Owners.

(d) No mortgagee and no beneficiary or trustee under a deed of trust shall become personally liable for or obligated for any unpaid maintenance fund assessment.

(e) No amendment to this Declaration shall affect the rights of the holder of any Recorded First Mortgage recorded prior to recordation of such amendment who does not join in the execution thereof.

(f) The holders, insurers or guarantors of any first mortgage on a lot in the Property will, upon request, be entitled to: (i) inspect the books and records of the property during normal business hours; (ii) receive an annual audited financial statement of the project within ninety days following the end of any fiscal year of the project; (iii) written notice of all meetings of the Owners Association and be permitted to designate a representative to attend all such meetings; and (iv) current copies of this Declaration, the Bylaws of the Association and all other rules concerning the project.

Section 10. 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 in any way to limit or enlarge the terms and provisions of this Declaration. Whenever the context so requires, the male shall include all genders and the singular shall include the plural.

Section 11. Record of Mortgage. Any owner who mortgages his unit shall notify the Association of such fact and shall furnish the Association the name and address of his mortgagee and a copy of his mortgage held by

such mortgagee. The mortgagee shall be entitled to notify the Association that such mortgagee holds a mortgage on a lot. The Board of Directors shall maintain such information in a book entitled "Holders of Recorded First Mortgages".

Section 12. Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. If delivery is by mail, it shall be deemed to have been delivered forty-eight hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the residence of such person if no address has been given to the Association; provided, however, that notice of meetings need not be mailed by Certified Mail, Return Receipt Requested. Such addresses may be changed from time to time by notice in writing to the Association.

ARTICLE XV.

DECLARANT'S RIGHTS AND RESERVATIONS

Section 1. Declarant's Rights and Reservations. No provisions in the Charter, By-laws or this Declaration shall limit, and no Owner or the Association shall do anything to interfere with, the right of Declarant to subdivide or resubdivide any portions of the Property, or to complete improvements or refurbishments (if any) to and on the Common Area, Green Space or any portion of the Property owned solely or particularly by Declarant or to alter the foregoing or the construction plans and designs, or to construct such additional improvements or add future phases in the course of development of Lake Eddins pursuant to Article XIII, Section 2 of this Declaration as Declarant deems advisable in the course of development of the Property. Such rights 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 his business for completing the work and disposing of the lots by sale, lease or otherwise. Each Owner by accepting a deed 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 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 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, as Declarant of Lake Eddins, will be required before any amendment to this Article shall be effective while Declarant owns a lot. Declarant shall be entitled to the non-exclusive use of the Common Area, Green Area, without further cost or access, ingress, egress, use or

enjoyment, in order to show the Property to his prospective purchasers or lessees and dispose of the Property as provided herein. Declarant, his assigns and tenants shall also be entitled to the non-exclusive use of any portion of the Common Area, Green Area, which comprises drives or walkways for the purpose of ingress and egress and accompanying vehicle and pedestrian traffic to and from the Property. Each Owner hereby grants, by acceptance of the deed to this lot, an irrevocable, special power of attorney to Declarant to execute and record all documents and maps necessary to allow Declarant to exercise his rights under this Article. This Article shall be applicable for so long as the Declarant owns any portion of the Property.

IN WITNESS WHEREOF DECLARANT HAS CAUSED this instrument to be duly executed on the day and year first above mentioned.

Wallace Eddins
WALLACE EDDINS

Franklin Eddins
FRANKLIN EDDINS
A PARTNERSHIP
P. O. BOX 98
PACHUTA, MS 39347

STATE OF MISSISSIPPI
COUNTY OF CLARKE

Personally appeared before me, the undersigned authority in and for said county and state, the within named Wallace Eddins and Franklin Eddins, a partnership, who after being by me first duly sworn, state on oath that they signed and delivered the above and foregoing instrument on the day and year therein mentioned as their own act and deed.

Given under my hand and official seal, this the 9th day of March, 1987.

My Commission Expires Nov. 20, 1990

Blenche H. Mc Lamore
NOTARY PUBLIC

LAKE EDDINS OWNERS ASSOCIATION, INC.

* * * * *

MINUTES OF SPECIAL MEETING OF DIRECTORS

A special meeting of the Board of Directors of the above corporation, a non-profit corporation, incorporated under the laws of the State of Mississippi, was held at Highway 18 West, Pachuta, Mississippi, at 9:00 A. M., on August 25, 1987, pursuant to the foregoing Call and Waiver of Notice. Present and in attendance were all of the Directors, namely, Wallace F. Eddins, Franklin Eddins and Clifton M. Davis. Also present was Linda Snowden.

Wallace F. Eddins was chosen Chairman and Franklin Eddins was chosen Secretary of the meeting.

The Secretary presented and read a Call and Waiver of Notice of the meeting signed by all of the Directors.

The first order of business was the accepting of the resignation of Clifton M. Davis as a member of the Board of Directors of said corporation. A copy of the written resignation of Clifton M. Davis is attached hereto as Exhibit "A" and made a part of these Minutes. On motion duly made, seconded and carried, said resignation was accepted.

The next order of business was the election of a new member of the Board of Directors of said corporation to fill the vacancy created by the resignation of Clifton M. Davis. On

motion duly made, seconded and carried, Linda Snowden was nominated to serve as a member of the Board of Directors until a successors is elected and qualified. Linda Snowden thereupon entered upon the discharge of her duties.

The next order of business was the election of a new Vice President due to the resignation of Clifton M. Davis from the Association. On motion duly made, seconded and carried, Linda Snowden was nominated as Vice president of said corporation, to serve until a successor is elected and she thereupon entered upon the discharge of her duties as Vice President.

The next order of business was the discussion by the Board of Directors of its authority to open the Common Areas and community facilities or any portion thereof to a wider group of persons, all for such purposes and on such basis as the Board of Directors may consider appropriate. After a thorough discussion, on motion of Franklin Eddins, duly seconded by Linda Snowden and unanimously passed, from and after this date, the Declaration of Covenants, Conditions and Restrictions for Lake Eddins, Article II, Section 3. Delegation of Use, shall read as follows:

"Section 3. Delegation of Use: Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the common area and facilities to the following:

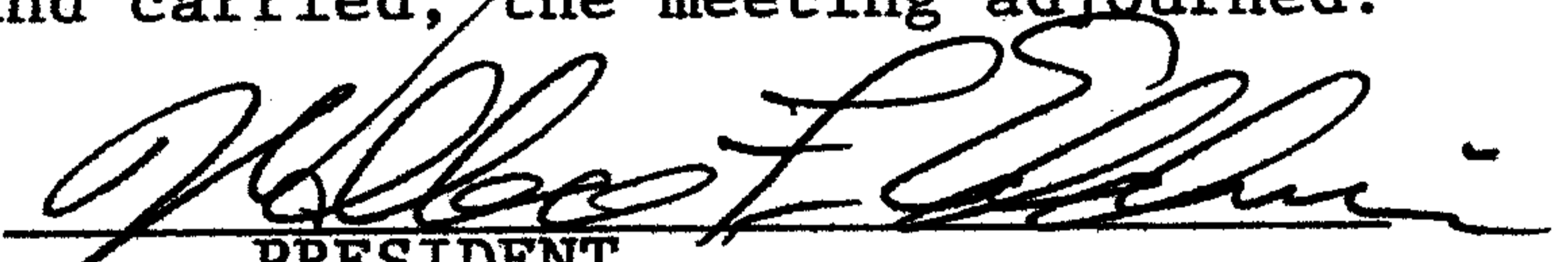
- (a) Any member of his family, that is son, daughter, grandchild, great grandchild, mother or father, designated by him.
- (b) Guests - provided guests on common area must be accompanied by lot owner or member of his family.

This right of enjoyment shall be subject to such reasonable rules and regulations as the Board of Directors of the Association may adopt and uniformly apply and enforce."

An instrument of writing shall be executed and recorded on the Deed Records of the First Judicial District of Jasper County, Mississippi, to reflect this Amendment to the original Declaration of Covenants, Conditions and Restrictions for Lake Eddins dated March 9, 1987, recorded on June 15, 1987, in Land Deed Book 65 at pages 136-194 of said records. The President and Secretary are hereby authorized to execute said instrument for and on behalf of said Association under the seal of said Association.

There next came on the appointment of three members to an Architectural Review Committee as required by the Declaration of Covenants, Conditions and Restrictions for Lake Eddins. On motion duly made, seconded and carried Wallace Eddins, Franklin Eddins and Linda Snowden were nominated as members of the Architectural Review Committee to serve until their successors are elected. Said Committee shall have all the powers, duties and obligations as specified in the Declaration.

There being no further business to come before the meeting, on motion duly made, seconded and carried, the meeting adjourned.


PRESIDENT

ATTEST:


SECRETARY