

STATE OF MISSISSIPPI

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COUNTY OF LAMAR

WYNON SMITH
CHAMBER CLERK

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
CAROLINA RIDGE**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CAROLINA RIDGE is hereby made this 28th day of June 2007, by SIGMA COMPANIES, LLC, a Mississippi Limited Liability Company ("Declarant"), applicable to the Carolina Ridge development.

WITNESSETH:

WHEREAS, the Declarant owns certain real property situated in Lamar County, Mississippi, more particularly described in Exhibit A, attached hereto and made a part hereof, and the Declarant desires to create and develop thereon a residential community with designated Common areas and common facilities, for the benefit of said community ("Property"); and

WHEREAS, the Declarant desires to provide for the preservation of the values in said community and for the maintenance of certain common areas as may be designated by the Declarant; and, to this end, the Declarant has consented to subject the Property to the covenants, conditions, restrictions, affirmative obligations, easements, charges and liens hereinafter set forth ("Covenants"), all of which are hereby declared for the benefit of said Property and each owner thereof; and

WHEREAS, the primary purpose of these Covenants is the creation of a residential community which is aesthetically pleasing and functional, the Declarant has deemed it desirable for the efficient preservation of the values in said community to provide for an agency or entity to which would be delegated and assigned the powers of administering and enforcing these Covenants and collecting and disbursing the assessments and charges hereinafter created.

NOW, THEREFORE, the Declarant declares that the Property is and shall be held, transferred, sold, conveyed, given, purchased, leased, occupied and used subject to these Covenants. These Covenants, the benefits of these Covenants and the affirmative and negative burdens of these Covenants shall touch, concern and run the Property.

**ARTICLE I.
[Definitions]**

In this Declaration or any amendment thereto, the following words shall have the following meanings:

Section 1.01. Additional Property shall mean the real property described in Exhibit B, as modified or amended from time to time as permitted by Article XII.

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Section 1.02. Assessment shall mean a Lot Owner's share of the common expenses from time to time assessed by the Association, excluding the Declarant and excluding those persons or entities that hold an interest merely, as security for the performances of an obligation by a Property Owner or by the Association. Assessment or assessments refer to annual or special assessments or any combination thereof.

Section 1.03. Association shall mean and refer to the Carolina Ridge Property Owners' Association, Inc., a Mississippi non-profit corporation, its successors and assigns. This is the "Declaration of Covenants, Conditions and Restrictions for Carolina Ridge" to which articles of incorporation and bylaws of the Association shall make reference.

Section 1.04. Board of Directors or the Board shall mean and refer to the Board of Directors of the Association.

Section 1.05. Bylaws shall mean the bylaws of the Association as they exist from time to time.

Section 1.06. Common Area shall mean all real property (including the improvements thereon) conveyed to the Association by the Declarant for the common use of the Owners in accord with Section 2.01.

Section 1.07. Common Facilities shall mean all buildings and improvements constructed on any portion of the Common Area for the common use, benefit and enjoyment of the members.

Section 1.08. Declarant shall mean and refer to Sigma Companies, LLC, a Mississippi Limited Liability Company, and its successors and assigns.

Section 1.09. Declaration shall mean this instrument as it is from time to time amended.

Section 1.10. Developer shall mean each person who is successor in title to any portion of the Property or a lot from the Declarant, and who is engaged in the business of the development, improvement and sale of any Lot including the construction and sale of a Dwelling and related improvements on any Lot.

Section 1.11. Dwelling shall mean a single-family residential detached house or a townhouse, a single unit of a multi-unit building, a garden home or a zero lot line house.

Section 1.12. Eligible Mortgage Holder shall mean any holder of a first mortgage on a Lot who has requested, in writing, the Association to notify it on any proposed action that requires the consent of a specified percentage of eligible mortgage holders or of any assessment or installment thereof, which shall become and remain delinquent for a period in excess of sixty (60) days.

Section 1.13. Green Space shall mean certain portions of a Common Area or a Lot which are designed to be maintained in their natural condition so that the natural, scenic and recreational resources, soils, wetland, wildlife, game and migratory birds at Carolina Ridge be maintained and enhanced. Such areas shall be designated as such on recorded plats.

Section 1.14. Improved Lot shall mean a Lot on which is located a building and/or other structure(s) as to which required approvals for use and occupancy have been obtained.

Section 1.15. Invitees shall mean an owner's tenants, guests, employees, guests or invitees.

Section 1.16. Member or membership shall mean and refer to the Association's members as provided for in Article IV.

Section 1.17. Mortgagee shall mean a bank, savings and loan association, insurance company, mortgage company, real estate investment trust, pension fund, corporation, recognized institutional type lender or its loan correspondent, agency of the United States government or individual, which owns or which holds a Recorded First Mortgage.

Section 1.18. Owner or Property Owner shall mean and refer to holder of record or fee simple title to any Lot. Notwithstanding any applicable legal theory of any Mortgagee, "Owner" shall not mean or refer to the mortgagee, mortgagee's heirs, successors or assigns, unless such mortgagee has acquired title pursuant to foreclosure or judicial proceeding or deed in lieu of foreclosure; nor shall "Owner" mean any lessee of any Owner; nor shall "Owner" mean any person holding title merely as security for the payment of a debt. In the event there is of record a deed granting one or more parties a life estate in any Lot, the Owner of said Lot shall be deemed to be the holder or holders of the life estate, regardless of who owns the fee interest.

Section 1.19. Plat shall mean any plat of the development of Carolina Ridge, as filed of record in the office of the Chancery Clerk for Lamar County, Mississippi.

Section 1.20. Person shall mean an individual, firm, corporation, partnership, association, trust, or other legal entity or any combination thereof, including the Declarant.

Section 1.21. Property or Properties shall mean and refer to that certain real property described herein which is subject to this Declaration and all real property hereafter annexed.

Section 1.22. Public Records shall mean the records in the office of the Chancery Clerk of Lamar County, Mississippi.

Section 1.23. Recorded First Mortgage shall be deemed to mean a mortgage or deed of trust, properly recorded in the office of the Chancery Clerk of Lamar County, Mississippi or other public office designated by the statutes and laws of the State of Mississippi for the recording of mortgages and deeds of trusts, the lien of which is prior, paramount, and superior to the lien of all other mortgages and deeds of trust.

Section 1.24. Unimproved Lot shall mean any lot that is not an Improved Lot.

ARTICLE II [Future Development and Additions to Property]

Section 2.01. Future Development. The Declarant may develop other property and may, as a matter of right, without the consent of the Association or the Owners, convey additional parcels to

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the Association without regard to the location of such parcels of land within the Property. At the time of conveyance to the Association, these properties shall be designated as Common Area Properties. The Declarant shall not be required to follow any predetermined sequence, schedule or order of improvements and development; and it may take, subject to this Declaration, additional lands and development of the same before completing the development of the lots and common areas as shown on the plat. Any property conveyed by the Declarant to the Association may also be subject to additional covenants and restrictions as specifically set forth in the deed of conveyance.

Section 2.02. Additions and Withdrawals of Property. Additional property may become subject to this Declaration or be withdrawn from this Declaration in the following manner:

- A. **Additions.** The Declarant shall have the right, without further consent of the Association or the owners, to bring within this Declaration any additional property. Such property may be subjected to this Declaration as one parcel or as several smaller parcels at different times. The additions authorized under this subsection shall be made by filing in the public records a supplementary Declaration with respect to the additional property which shall extend the operation and effect of this Declaration to such additional property.

Any supplementary Declaration may contain such additions and/or modifications of the covenants and restrictions contained in this Declaration as may be necessary or convenient, in the sole judgment of the Declarant to reflect the different character, if any, of the additional properties.

- B. **Withdrawal.** The Declarant, without consent from the Association or the owners, shall have the right, at any time or from time to time, to withdraw portions of the Property from this Declaration. The withdrawal authorized by this subsection shall be made by filing in the public records a supplementary Declaration with respect to the property which has been withdrawn.
- C. **Mergers.** Upon merger or consolidation of the Association with another association as provided for in the bylaws of the Association, the Association's property rights and obligations may, by operation of law, be transferred to another surviving or consolidated association. In the alternative, the properties, rights and obligations of another association may, by operation of law, be added to the Property of the Association as the surviving corporation pursuant to a merger. The surviving or consolidated association may administer the Property, together with the covenants and restrictions established upon any other properties, as one plan. No merger or consolidation shall affect any revocation, change or addition to this Declaration with respect to the property including, without limitation, the maximum limits on assessments of the Association, or any other matter substantially affecting the interest of members of the Association.

Section 2.03. Platting and Subdivision of the Property. The Declarant, without consent from the Association or the owners, shall be entitled at any time and from time to time to subdivide, plat and/or re-plat all or any portion or part of the Property, and to file subdivision restrictions' and/or amendments thereto with respect to any undeveloped portion or portions of the Property.

ARTICLE III [Property Rights]

Section 3.01. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area and Common Facilities which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- A. The right of the Association, acting by and through its Board of Directors, to levy admission and other fees for the use of any Common Facilities (excluding streets, roads, and parking areas which have been or will be accepted by a governing authority for maintenance) situated upon the Property by the Members and their families, tenants and guests; provided, however, that any such fees shall be charged on a uniform basis for each Member;
- B. The right of the Association, acting by and through its Board of Directors, to suspend any Member's voting rights and any Member's rights to use the Common Areas and Common Facilities (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 of the published rules and regulations of the Association;
- C. The right of the Association to dedicate or transfer all or any part of the Common Area except for streets which may be dedicated pursuant to Section 3.01 of this Article III 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 sixty percent (60.0%) 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 sixty percent (60.0%) of each class of Members has been recorded.
- D. The right of the Association, in accordance with its Charter of Incorporation and Bylaws, to borrow money for the purpose of improving the Common Areas and Common 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 Common 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 greater than fifty percent (50.0%) of each Class present and voting;
- E. The right of the Association, acting by and through its Board of Directors, 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;
- F. The right of the Association, acting by and through it's Board of Directors, to adopt reasonable rules respecting use of the Common Areas and Common Facilities and to

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

- G. The right of the Association, acting by and through its Board of Directors to grant 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 Declarant 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 Common Facilities;
- H. The right of the Association, acting by and through its Board of Directors, to open the Common Areas and Common 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;
- I. The rights of the Owners of Lots to perpetual easements over and upon any of the Common Areas and Common Facilities for such portions of their dwellings that may overhang or otherwise encroach upon any of the Common Areas or Common 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 Common Facilities; and
- J. The right of each Member to use the streets, roadways, and vehicular parking areas situated upon the Common Areas and Common Facilities; provided, however, that each Member shall comply in all respects with the laws and regulations of Lamar County, Mississippi and also comply 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 Common Facilities.

Section 3.02. 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 subparagraphs I and J of Section 3.01 of this Article for any reason whatsoever.

Section 3.03. Delegation of Use. Any Owner may delegate, in accordance with the bylaws, his right of enjoyment to the Common Area and facilities to the members of his family who reside permanently with him, his tenants or contract purchasers who reside on the Property 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, from time to time. Owners or family members must accompany invited guests when using the facilities of Carolina Ridge.

ARTICLE IV [Membership and Voting Rights in the Association]

Section 4.01. Membership. The Members of the Association shall be and consist of each and all of the following:

- 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 the following two classes of voting membership:
 1. **Class A.** Class A Members shall be all Members with the exception of the Declarant and its nominee or nominees, if any. 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.
 2. **Class B.** The Class B Members shall be the Declarant and its nominee or nominees, if any. The Class B Members shall be entitled to four (4) votes for each Lot owned. 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. Notwithstanding the foregoing, on December 31, 2019, all Class B memberships shall cease and be converted into Class A membership.

Section 4.02. Voting Rights. The voting rights of the Members shall be as follows:

- A. **Class A Members.** Each person, other than the 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. Any owner building on two lots will have one vote and one assessment upon occupying the residence.
- B. **Class B Members.** The Declarant and its nominee or nominees, if any, shall be Class B Member of the Association. Class B Members shall be entitled to four votes for each Lot owned. Wherever any provision of the Declaration or the bylaws requires a vote of a specified percentage of the voting power of each class of Members, then such provisions shall require a separate vote by the specified percentage of the voting power of the Class A Members and by the specified percentage of the voting power of the Class B Members. Whenever any provisions of the Declaration requires a vote of a specified percentage of the voting power of the Members, then such provision shall require a vote by the specified percentage of the combined voting power of all Members.

Section 4.03. 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 4.04. Termination and Reinstatement of Class B Members. If on any one or more occasions all Class B membership should terminate, and if after any such termination the Declarant, by annexation to the Property in accordance with the Declaration, should add additional property to the Property theretofore subject to the Declaration, then on each such occasion the status of the Declarant as 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, and for so long thereafter as the Class B memberships shall continue to exist, the Declarant, shall have all rights and powers of Class B membership, as herein prescribed.

Section 4.05. 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 anyone 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 V [Covenants for Assessments]

Section 5.01. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned by it within the Properties, hereby covenants and agrees, and each purchaser of any Lot by acceptance of a deed thereof, 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 V, Section 5.02; and (2) special assessments as set forth in Article V, Section 5.04, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual maintenance and special 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 5.02. 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 supervision, maintenance and improvement of the Common Area and Common Facilities; and for paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for the management and supervision of the Common Area and Common Facilities, including but in no way limited to the following:

- A. The amount of all operating expenses for operating the Common Area 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;

- B. The cost of necessary management and administration of the Common Area and Common Facilities, including fees paid to any managing agents;
- C. The amount of all taxes and assessments levied against the Common Areas and Common Facilities;
- 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;
- E. 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 Lamar County, Mississippi or other governmental authority having jurisdiction 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
- F. The cost of funding all reserves established by the Association, including, when appropriate, a general operating reserve and a reserve for replacement.

Section 5.03. : Amount and Due Date of Assessments.

- A. **Amount.** The amount of Assessments shall be set from time to time by the Board of Directors of the Association. During the period beginning with the conveyance of the first Lot to an Owner until the end of the calendar year, the maximum annual assessment will be \$120.00.
- B. **Due Date and Change in Assessments.** Annual assessments shall be due in January of each year for the subsequent year. The assessment on Lots purchased during any year shall be prorated based upon the date of closing and paid by the Owner (and Declarant) at the Lot closing for the remainder of the year. The Board of Directors may accept quarterly or semi-annual payments if they so desire.
 - 1. The maximum annual assessment may be increased each year not more than ten percent (10.0%) above the maximum assessment for the previous year without a vote of the membership.
 - 2. The maximum annual assessment may be increased by greater than ten percent (10.0%) by a vote of greater than fifty (50.0%) of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose.

3. The Board of Directors may fix the annual assessment at an amount not in excess of the maximum assessment permitted under the provisions of Section 5.03, subparagraph B of Article V.

Section 5.04. 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 and Common Facilities, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of greater than fifty percent (50.0%) 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 Willful or Negligent Acts.** Upon an affirmative vote of greater than fifty percent (50.0%) of each class of Membership, the Association may levy special assessments against individual Lot Owners, for reimbursement for repairs of Common Areas and Common Facilities occasioned by the willful or negligent acts of the Lot Owners and not ordinary wear and tear.
- C. **Special Assessments for Work Performed by Declarant or the Association.** 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 V; Article X, Section 10.02; or Article XII, Section 12.05.

Section 5.05. Notice and Quorum for Any Action Authorized Under Sections 5.03 and 5.04. Written notice of any meeting called for the purpose of taking any action authorized under Sections 5.03 and 5.04 shall be sent to all members not less than 30 days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast at least fifty percent (50.0%) 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 5.06. Uniform Rate of Annual and Special Assessments. Both annual and special capital assessments must be fixed at a uniform rate for all Lots. Uniform rate is to be at same percent of the annual assessment as set out in Section 5.03 of this Article. Unless greater than fifty percent (50.0%) of each class of Members and fifty-one percent (51%) of the Eligible mortgage Holders 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.

Section 5.07. Date of Commencement of Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots, excepting all lots owned by

Declarant, on the first day of the month following the conveyance of the initial Common Area. The first annual assessment shall be prorated according to the number of months remaining in the calendar year. The due dates shall be established by the Board of Directors.

Section 5.08. 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 certificates 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 5.09. 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 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, if such mortgagee has requested same pursuant to Article XV, Section 15.07 of this Declaration.
- C. If any assessment or part thereof is not paid within thirty (30) days after the due 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 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 5.10. Reserves for Replacements. The Association shall establish and maintain a reserve fund for replacements of the Common Areas and Common 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 of which are guaranteed by the FDIC, or, in the discretion of the Board of Directors, maybe invested in obligations to or obligations fully guaranteed as to principal by, the United States of America. The reserve for replacements is for the purpose of providing funds for replacement of the Common Areas and Common Facilities, for major repairs to any sidewalks, parking areas, clubhouse, pool, pathways, for equipment replacement, and for start-up expenses and operating contingencies of a normal recurring nature relating to the Common Areas and Common Facilities. The Association may establish such other reserves for such other purposes as the Board of Directors may from time to time consider being necessary or appropriate. The proportional interest of each Member in any such reserves shall be considered as 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 5.11. 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 5.12. 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 unplatte~~d~~ are reserved by the Declarant on the recorded plat of the Property.
- C. The Common Area and Common Facilities.

Section 5.13. Dwellings and Lawn Maintenance. Generally, this Declaration does not contemplate that the Association shall have any responsibility for the maintenance or repair of any Dwelling or its appurtenances or for the maintenance and care of lawn, garden and landscaped areas on any Lot, and the Association shall have the responsibility and duty only for the maintenance,

repair and care of the Common Area and Community Facilities. However, the Association may provide the exterior maintenance and repair of Dwellings and their appurtenances and/or the maintenance and care of lawn, garden and landscaped areas of certain Lots pursuant to: (i) a determination by the Board of Directors either on its own recommendation or initiative or the recommendation or request of Owners of certain Lot; or (ii) the provisions of a Supplement which annexes all or a portion of the Additional Property to the Property and provides that the Association shall perform such maintenance, repair and care in or on a specified portion of the annexed Additional Property. The cost of such maintenance, repair and care shall be included in the annual maintenance Assessments of such Lots and a charge and a lien upon each such Lot and the Owners of such Lots. In no event shall the Association maintain and care for lawn, garden and landscaped areas in or on any enclosed portion of any Lot which is intended for use only by the occupants of the Dwelling of such Lot.

Section 5.14. Equitable Adjustments. If a Supplement is filed for record which annexes any portion of the Additional Property to the Property and specifies that a greater or lesser level of use, benefit or enjoyment of the Common Area or Common Facilities or of services shall be available or provided by the Association with respect to any portion of the annexed Additional Property, then the Supplement may provide a different method or basis for the establishment, determination and calculation of the annual maintenance or special Assessments under Sections 5.03, 5.04 or 5.13 with respect to such annexed Additional Property. In such event, the Association shall have the authority and the duty to make equitable adjustments in and to the procedures described in this Article V for the establishment, determination and calculation of the maintenance and special Assessments to reflect, any such different level of use, benefit and enjoyment of the Common Area or Common Facilities or services available or provided by the Association.

Section 5.15. Assessments Are Not Dues. No portion of the annual maintenance and special Assessments provided in or permitted by this Article V are intended to be, or shall be construed to be, dues for membership in the Association.

ARTICLE VI (General Powers and Duties of Board of Directors of the Association)

Section 6.01. 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 the By-Laws, as same may be amended from time to time, 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 and upkeep of the Common Areas and Common Facilities and services in a manner consistent with law and the provisions of the By-Laws and the Declaration;
- 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 therefore in a manner consistent with law and the provisions of the By-Laws and the Declaration;

- 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 Common Facilities and to provide services on the project in a manner consistent with law and the provisions of the By-Laws and the Declaration;
- D. To provide for the promulgation and enforcement of such rules, regulations, restrictions and requirements as maybe deemed proper respecting the use, occupancy and maintenance of the Common Areas and Common 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 Common Facilities by the Members and others, all of which rules, regulations, restrictions, and requirements shall be consistent with law and with the provisions of the By-Laws and the Declaration;
- 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;
- F. To purchase insurance upon the Common Areas and Common Facilities in the manner provided for in the By-Laws;
- G. To repair, restore or reconstruct all or any part of the Common Area and Common Facilities after any casualty loss in a manner consistent with law and the provisions of the By-Laws;
- 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 Common Facilities; and to purchase Lots and to lease mortgagor convey the same, subject to the provisions of the By-Laws and the Declaration.
- I. 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 VII [Insurance]

Section 7.01. Association 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 and Common Facilities.
- 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.

Section 7.02. Owners Insurance.

- A. Each Owner shall keep his residence insured at all times for its replacement value against losses due to fire, windstorm, hail, explosion, riot, civil commotion, aircraft, vehicles, and smoke, and any other hazards that may be covered under standard extended coverage provisions, and shall furnish the Association proof of such coverage. In every case of a loss due to any of these hazards in which the improvements have not been totally destroyed, each Owner shall promptly repair the improvements. If the improvements have been totally or completely destroyed, Owner shall promptly clean the Lot to a condition acceptable to the Architectural Review Committee. Thereafter, Owner may rebuild by following the procedures established by Article IX hereof. In the event Owner fails to repair the damage or clean the Lot, the Board of Directors, after thirty (30) days written notice may clear the Lot and levy a special assessment against the Lot for all costs incurred in cleaning said Lot. Repair or reconstruction of the improvements as used herein shall mean restoring the improvements to substantially the same condition which existed prior to the damage.
- B. Each Owner shall be responsible at his own expense and cost for his own personal insurance on the contents of his own residence, garage, 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.
- C. Each Owner of any attached residence shall provide said insurance as may be required by the Association.

ARTICLE VIII
[Ad Valorem Property Taxes]

Section 8.01. Responsibility for 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 IX

[Architectural Control]

Section 9.01. 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 Architectural Review Committee designated 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.
- 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 Builder marked "Approved" or "Disapproved". Approval shall be dated and shall not be effective for construction commenced no 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 forty-five (45) days after said plans and specifications have been submitted to it, approval will not be required and the 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 be allowed, 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. No fee will be charged to an exclusive builder as approved by the Declarant or the Declarant or an affiliate company of the Declarant. 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 nor 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.

- E. Notwithstanding anything else herein to the contrary, the Declarant or an affiliate of the Declarant is not subject to the provisions of Article IX, Section 9.01.

Section 9.02. Building Sizes and Locations.

- A. The minimum square feet of living area to be contained within the main house or residential structure constructed on any lot shall not be less than 1100 square feet if a one level home and 1300 square feet if a multi-level home. The Declarant, in its sole discretion, may increase the minimum square feet of living area for each house to be built on a street or a future phase of land as it is developed, however, in any event, the Declarant will maintain sizes of houses on a street within a reasonably similar range.
- B. No residential building shall be erected on any Lot nearer than five feet (5') from the front lot line, or three (3) feet on side lot lines, except for buildings constructed as zero lot line lots. On corner lots, the setback on the side yard (facing the street) must be ten (10) feet.
- C. For some Lots in Carolina Ridge it may be impossible or inadvisable to enforce the above stated setback requirements 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 home site or to adjacent home sites.

Section 9.03. Tree Removal. No trees or shrubs of any kind may be removed without the written approval of the Architectural Review Committee. Approval for the removal of trees located within the proposed site for the main dwelling, accessory building or within ten (10) feet of the approved site for such building(s) will be granted unless such removal will substantially decrease the beauty of the Property.

Section 9.04. 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 architectural styles or details, colors; setbacks, materials or other matters or changes 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 guideline established by the Committee) may appeal the decision of the Architectural Review Committee to the Board of Directors within 30 days by written notice to the Board of Directors and such members shall be entitled to a hearing before the Board of Directors.

Section 9.05. Environmental Hazards. 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 Carolina Ridge to comply with the requirements of such rules and regulations shall constitute a breach of this Declaration.

Section 9.06. Further Siting Authority. To prevent excessive "run" or drainage from any Lots, the Declarant and the Architectural Review Committee reserve 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.

Section 9.07. Committee Appointment and Operation. The Board of Directors shall appoint an Architectural Review Committee which shall be composed of three (3) or more individuals who shall serve at the pleasure of the Board of Directors. The affirmative vote of a majority of the members of the Architectural Review Committee shall be required in order to adopt or promulgate any rule or regulation or to make any finding, determination, ruling or order, or to issue any permit, consent, authorization, approval or the like pursuant to the authority contained in this Article. The Committee shall have the authority to obtain advice or counsel from consultants as needed.

ARTICLE X (Green Space Areas)

Section 10.01. Intent. It is the intention of the Declarant that the natural, scenic and recreational resources, soils, wetlands, wildlife and game and migratory birds at Carolina Ridge be maintained and enhanced by designation of certain areas of the Common Area as "green space" by this Declaration or Supplement thereto or as designated on the plats of the Property filed by the Declarant for record with the Chancery Clerk of Lamar County.

Section 10.02. Wildlife and Green Space Protection. 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, its successors in title 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 non-motorized bike 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, it's successors in title and assigns, and/or the Association, shall have the right, but shall not be obligated, to protect from erosion all green space on all 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 and 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 Association in accordance with Article V of this Declaration.

Section 10.03. Other Regulations. The use of the Common Areas, Common Facilities and Green Spaces by the property owners, their guests and invitees shall be governed by the applicable rules, regulations and policies as from time to time promulgated by the Association. 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 XI [Easements]

Section 11.01. Utility Easements. The Declarant, the Association, and each utility providing service to the Property shall have and is granted or reserved nonexclusive easements and rights-of-way in, through, across, on, over, and under the portions of the Property which are not improved with Dwellings, buildings or other structures, including full rights of ingress and egress, for the installation, operation, use, maintenance, repair and removal of utilities and drainage facilities and floodway easements located in utility or drainage easements as listed on the Schedule of Easements attached hereto as Exhibit B, which are hereby granted and reserved by Declarant pursuant to this Section 11.01 or as shown and designated on the Plat, and the right to remove any obstruction in any utility or drainage easement which may interfere either with the use of any utility or drainage easement or with the installation, operation, use, maintenance, repair and removal of such utility or drainage facility.

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

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

Section 11.02. Damage and Ingress and Egress. Any entry by the Declarant, the Association or any utility upon any Lot for the purposes permitted or contemplated by this Article XI shall be made with as little inconvenience to the Owner as reasonably practical and all physical

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damage to any Lot or improvement shall be promptly repaired and restored.

Section 11.03. Maintenance and Support Easements. Where Dwellings are permitted on or in proximity to the boundaries of a Lot, the Common Area and Common Facilities and each Lot and Dwelling on such Lot shall be subject to irrevocable easements for the benefit of the Association and the Owners of the adjoining Lots and abutting Dwellings for (a) drainage, (b) the maintenance and unobstructed and uninterrupted use of any and all pipes, ducts, flutes, chutes, conduits, cables and wire outlets and utility lines, (c) maintenance and lateral support of adjoining and abutting buildings and improvements, (d) such portions of any building or improvement that may overhang a Lot or any portion of the Common Area and Common Facilities, and (e) the walks and sidewalks serving such adjoining and abutting areas.

Section 11.04. Common Drive or Driveway and Walkway Easements. The 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 Lots as shown on any subdivision plat of the Property, and Declarant further creates; for the Owners a perpetual, nonexclusive easement for pedestrian traffic over and across the walkway, bike and jogging trails or ways, as shown on any subdivision plat of the Property.

ARTICLE XII [Use Restrictions]

The Property shall be subject to the following use restrictions:

Section 12.01. Use of Lots and Dwellings. Except as permitted by Section 12.09 hereof or except for lots that may in the future be conveyed by the Declarant to the Association for additional Common Area, each Lot and dwelling shall be used for single family residential purposes only, and no trade and business of any kind may be carried on therein, except as authorized or permitted pursuant to the applicable zoning ordinances and subject to approval by the Association. Lease or rental of a dwelling for residential purposes shall not be considered to be a violation of this covenant so long as the lease (a) is for not less than the entire dwelling and all the improvements thereon, (b) is for a term of at least twelve (12) months, and (c) is otherwise in compliance with the rules and regulations as may be promulgated and published from time to time by the Board of Directors. All leases shall be required to be in writing, and prior to commencement of any such lease, the Property Owner shall provide the Association and the managing agent of the Association, if any, with copies of such lease. Any lessee or tenant shall in all respects be subject to the terms and conditions of this Declaration and the rules and regulations adopted hereunder. Notwithstanding any provisions in this Section 12.01 to the contrary, Declarant, its successors or assigns, if the right is so transferred by the Declarant, shall have the perpetual right to designate in writing to the Association from time to time dwellings in the development which may be leased for such period of time as the Declarant shall determine for these dwellings, Declarant shall not be required to supply copies of the leases therefore, to the Association.

Section 12.02. Exterior Appearances. Except for maintenance areas within the Common Area and those fences erected by Declarant or the Association, no chain link fences shall be permitted within the development unless approved by the Architectural Review Committee. Further, no foil, sunscreens, or other reflective materials shall be permitted. When not in use, all

garage doors shall be kept closed. No projections of any type shall be placed or permitted above the roof of any improvement except improved chimneys or vents or other objects as may be approved by the Architectural Review Committee.

Section 12.03. Signs. Except for uniform mail boxes and house numbers approved by the Architectural Review Committee and such signs 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 or on the property of a Property Owner located within the Property, including Dwelling "For Sale" signs of the Property Owner or a Realtor representing a Property Owner owned Dwelling. Developers or Realtors of Developers of newly constructed Dwellings may place "For Sale" signs on the designated property. Such signs are restricted to 4 square feet, must be kept in good repair and must be approved by the Architectural Review Committee. Inappropriate signs or signs not in good repair will be removed. Notwithstanding the foregoing, the restrictions of this Section 12.03 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 12.04. Other Buildings and Vehicles. No tent, trailer, manufactured home, barn or other similar outbuilding or structure, 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. Each Owner shall provide for off-street parking for at least two automobiles. 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 therefore 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, ATV's, 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. All Terrain Vehicles, four wheelers, motorized go-carts and other similar vehicles may not be ridden on the Common Areas, streets or home sites of Carolina Ridge. Motorcycles, used for transportation, may be ridden from the entrance to their destination and parked and must be equipped with a muffler. 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 (a) within enclosed garages or workshops or (b) 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 vehicles. The Declarant or Board of Directors may charge a fee for parking in such areas.

Section 12.05. 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 unkept 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, and 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 Common Facilities, and each Owner, his family, tenants, invitees, guests, servants and agents shall refrain from any act or use of a Lot, dwelling or the Common Areas and Common Facilities which would cause disorderly, unsightly, noisy or unkept 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 of 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 12.06. Antennas. No television antenna, satellite dish, radio receiver or similar device shall be attached to or installed on any portion of the Property, unless contained entirely within the interior of a building or other structure, or screened from view from street nor shall radio or television signals nor any other form of electromagnetic radiation be permitted to originate from any Lot which may unreasonably interfere with reception or other signals within the Property; provided however, that Declarant and the Association shall not be prohibited from installing equipment necessary for master antenna, security, cable television, mobile radio, or other similar systems within the Property and should cable television services be unavailable and adequate television reception not be otherwise available, then an owner may make written application to the Architectural Review Committee for permission to install a television antenna.

Section 12.07. Lights. The design and location of landscape lighting fixtures shall be subject to the approval of the Architectural Review Committee. Neither these nor any other illumination devices, including but not limited to Christmas ornaments, shall be located anywhere on the structure or grounds of any Lot in such a manner as to adversely illuminate or affect the nighttime environment of any adjoining Property.

Section 12.08. 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; provided however, if the supplement annexing such Lots to the Declaration so provide.

Section 12.09. 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 a sales office,

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 Declarant rights under this Section 12.09 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 12.10. Time-sharing. No Lots or dwellings shall be sold under any time-sharing, time-interval or assumption of right-to-use programs.

Section 12.11. 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 12.12. 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 itself, its successors in title, or assigns the right to replat any Lot or such Lots owned by it, shown on the plat of any subdivision within Carolina Ridge 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 12.12 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 12.13. Certain Construction Rights. The Declarant expressly reserves to itself, its successors in title, 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. Nothing in this section shall be construed as placing an affirmative obligation to the Declarant to provide or construct any such improvement.

Section 12.14. Certain Controls.

- A. 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 Review 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

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in writing for the need of such work and unless such Property Owner fails to perform the work within said thirty (30) day period.

- B. 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 maintain erosion prevention devices, or to provide water pollution control on any privately owned property.
- C. Entrance upon Property pursuant to the provisions of this Section 12.14 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 affect the stated intents and purpose of this Declaration.

Section 12.15. Water Wells and Sewer Treatment Systems. Except as herein provided, no water wells, septic tanks or sewage disposal systems shall be permitted on any Lot and no plans and specifications shall be approved by the Architectural Review Committee unless such plans and specifications provide that the Lot will be served by the water and sewer system serving the Property.

ARTICLE XIII [Rule Making]

Section 13.01. 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, Common Areas and Common Facilities. 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 XIV [Property Subject to this Declaration]

Section 14.01. The Property. The Property is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration.

Section 14.02. Phase Development. The Declarant expressly reserves the option, right and privilege: (a) to annex all or any portion of the real property described in Exhibit A-I which is the Additional Property, to the Property, and (b) by or as a result of such annexation to the annexed Additional Property to the provisions of this Declaration and the jurisdiction of the Association.

The provisions of this Declaration shall not affect or apply to any portion of the Additional Property unless and until such portion of the Additional Property is annexed to the Property pursuant to the provisions of Section 14.03 of this Article.

The Declarant shall not have the obligation, but only the option, right and privilege, to develop or annex any portion of the Additional Property. The Declarant expressly does not represent, warrant or guarantee to any Person that any portion of the Additional Property will be developed or will be annexed to the Property. By acceptance of a deed conveying any interest in a Lot, each Owner agrees and represents and warrants to the Declarant and the Association that, in purchasing or otherwise acquiring such interest in the Lot, the Owner has not relied on any proposed, current or future development of any portion of the Additional Property or annexation of any portion of the Additional Property to the Property.

Section 14.03. Annexation Procedures. To annex Additional Property to the Property as permitted by Section 14.02 of this Article, the Declarant shall execute and file for record a Supplement which describes the portion of the Additional Property being annexed to the Property and the new, amended or revised description of the Property. The option, right and privilege of the Declarant to annex any portion of the Additional Property to the Property is subject to the following provisions:

- A. The Declarant's option, right and privilege to annex Additional Property shall terminate and expire on January 1, 2020.
- B. The Declarant may annex any portion of the Additional Property at different times and in any sequence desired by the Declarant without regard to whether or not the portion of the Additional Property being annexed is contiguous or noncontiguous to the Property.
- C. The Supplement shall extend the provisions and scheme of this Declaration to the Additional Property being annexed, but the Supplement may contain such complementary additions to and modifications of the provisions of this Declaration as the Declarant determines to be appropriate or necessary for the different character or use, if any, of the Additional Property being annexed. Such complementary additions and modifications shall not be generally or substantially inconsistent with the provisions of this Declaration, except as permitted by Section 5.14 of Article V to equitable adjustments, and otherwise shall not amend or modify the provisions of this Declaration.

Section 14.04. Effect of Annexation. Upon the Supplement referred to in Section 14.03 of this Article being filed for record, the Additional Property described in the Supplement shall be annexed to the Property. Any and all Lots, the Common Area and the Common Facilities, including any Green Space, of or in the annexed Additional Property shall be subject to the provisions and scheme of this Declaration and the jurisdiction, functions, duties, obligations and membership of the Association, including the Charter, the Bylaws and the rules and regulations promulgated or adopted by the Board of Directors. All Owners of Lots shall be granted the rights contained in Article III to the Property as described after such annexation.

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Section 14.05. Additional Property Modifications. At any time or times prior, the Declarant shall have the option, right and privilege, but not the obligation, to amend the description of the Additional Property, as contained in Exhibit A-I, to include other real property the Declarant now or in the future may own or acquire, within the vicinity of, but expressly without the necessity or requirements of being contiguous to, the real property described in Exhibit A, if at such time or times the Declarant intends to develop such other real property in a manner consistent, compatible or in conformance with the Declarant's development of the Property. To amend the description of the Additional Property, the Declarant shall execute and file for record a Supplement which describes the other real property being included in the description of the Additional Property and the resulting new, amended or revised description of the Additional Property.

Section 14.06. Annexation Restrictions. Except for the Property and the Additional Property as amended or revised pursuant to Section 14.05 of this Article, other real property may be annexed to the Property or become subject to the provisions of this Declaration and the jurisdiction of the Association only by a vote of sixty percent (60%) of the voting power of each class of the members and such other consent as may be required under this Declaration.

Section 14.07. No Consent Required. The Declarant shall not be required to obtain any consent or approval of any Owner or other Person, including any Mortgagee, to annex any Additional Property to the Property as permitted by Section 14.05 of this Article or to amend the description of the Additional Property to include other real property as permitted by Section 14.05 of this Article, or to convey any lot to the Owners Association as additional common area. Each Owner, each mortgagee and each other Person, including, but not limited to, each grantee, heir or devisee, personal representative, successor and assign of an Owner, Mortgagee or other Person, by acceptance of any deed or other interest in or with respect to any Lot, including a deed of trust, mortgage or similar encumbrance, shall be deemed to have expressly agreed and consented to (a) each of the provisions of this Article, and (b) the execution, filing for record and provisions of any Supplement contemplated by this by this Article.

ARTICLE XV [General Provisions]

Section 15.01. 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 Lamar 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 15.02. Amendments. Notwithstanding Section 15.01 of this Article, the Covenants, Conditions and Restrictions of this Declaration may be amended by the Declarant prior to May 1,

2015 without approval of any Property Owners. All amendments, if any, shall be recorded in the Office of the Chancery Clerk of Lamar County, Mississippi.

Section 15.03. Enforcement of Declaration.

- A. Compliance. If any provision of this Declaration is breached or violated or threatened to be breached or violated by any Owner or other Person, then each of the other Owners, the Declarant and/or the Association, jointly or severally, shall have the right, but not the obligation, to proceed at law or in equity to compel a compliance with, or to prevent the threatened violation or breach of, the provisions of this Declaration. If any structure or other improvement located on any portion of the Property, including any Lot violates any provision of this Declaration, then the Declarant and/or the Association, jointly or severally, shall have the right, but not the obligation, to enter upon any portion of the Property, including any Lot, to abate or remove such structure or other improvement at the cost and expense of the Owners of the Lot where such structure or improvement is located or who otherwise causes such violation, if the violation is not corrected by such Owners within thirty (30) days after written notice of such violation. Any Person entitled to file or maintain a legal action or proceeding for the actual or threatened violation or breach of this Declaration shall be entitled to recover attorney's fees and other costs and expenses attributable to such action or proceeding, and the Association shall be entitled to recover and receive any other amounts specified in Section 5.09 of Article V. Any such entry and abatement or removal shall not be or be deemed to be a trespass. The failure by any Person for any period of time to enforce any provision of this Declaration shall not be or be deemed a waiver of the right to enforce or otherwise bar or affect the enforcement of any and all provisions of this Declaration at any time, including any future time.
- B. Enforcement. This Declaration shall be enforced by any appropriate proceeding at law or in equity (a) against any Person who breaches or violates or threatens to breach or violate any provision of this Declaration, (b) to recover damages for any such breach or violation, (c) to collect any amounts payable by any Owner to the Association under this Declaration, including Assessments, attorneys' fees, costs of collection, late charges, overhead charges or other amounts incurred by the Association to perform or discharge any obligation or duty of any Owner under this Declaration or otherwise specified in this Declaration, including Section 5.09 of Article V, and (d) to enforce any lien created by this Declaration. There is hereby created and declared to be a conclusive presumption that any actual or threatened violation or breach of this Declaration cannot be adequately remedied by an action at law exclusively for recovery of monetary damages. The Declarant, the Association and each Owner by acceptance of a deed or other conveyance document to a Lot waives and agrees not to assert any claim or defense that injunctive relief or other equitable relief is not any appropriate remedy.

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

Section 15.06. Notice 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 48 hours after a copy of same has been 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 15.07. Lender's Notices. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Lot or address, any mortgage holder, insurer, or guarantor will be entitled to timely written notice of:

- A. Any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage.
- B. Any sixty-day delinquency in the payment of assessments or charges owed by the Owner of any Lot on which it holds the mortgage.
- C. A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.
- D. Any proposed action that requires the consent of a specified percentage of mortgage holders.

Section 15.08. Consent of Eligible Mortgage Holders. The Owners, or the Board of Directors, or the Association, by any act or omission, shall not do any of the following things without the prior written consent and approval of the holders of fifty-one percent (51%) of outstanding Recorded first Mortgages who have requested notice from the Association of any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders:

- A. Abandon, partition, subdivide, encumber, sell 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.

A change to any of the following would be considered as material:

1. Voting Rights.
2. Assessments assessment liens, or subordination of assessment liens.

3. Reserves for maintenance, repair, and replacement of Common Areas.
 4. Responsibility for maintenance and repairs.
 5. Reallocation of interests in the Common Areas or Limited Common Areas, or rights to their use.
 6. Convertibility of Lots into Common areas or Common Areas into Lots, except as reserved by the Declarant under Article XVI.
 7. Expansion or contraction of the project or the addition, annexation, or withdrawal of property to or from the project, except as provided by Article XIV.
 8. Insurance or fidelity bonds.
 9. Leasing of Lots.
 10. Imposition of any restriction on an Owner's right to sell or transfer his or her Lots.
 11. Any provisions that expressly benefit Mortgages, insurers, or guarantors.
- D. Annex additional properties not included in Exhibit B or added thereto as provided by Section 14.05 of Article XIV; or merges or consolidates the Association.

Section 15.09. Additional Rights of Eligible Mortgage Holders—Notice.

- A. The Association shall promptly notify any Eligible Mortgage holder on any Lot, which such holder is the holder of a Recorded First Mortgage to any assessment levied pursuant to the Declaration, or any installment thereof, which shall become and remain delinquent for a period in excess of sixty (60) days, and the Association shall promptly notify such holder 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 V 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 Mortgage encumbering the Lot which is the subject matter of such suit 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, except for Supplements annexing Additional Property added pursuant to Article XIV.
- F. The holders, insurers or guarantors of any Recorded First Mortgage on a Lot who have requested the Association in writing will be entitled to: (1) inspect the books and records of the property during normal business hours; (2) receive an annual financial statement of the project within ninety days following the end of any fiscal year of the project; (3) written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings; and (4) current copies of this Declaration, the Bylaws of the Association and all other rules concerning the project.

Section 15.10. 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 15.11. Record of Mortgage. Any holder of a Recorded First mortgage 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 15.12. Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by certified mail, return receipt requested. 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, post pre-paid, addressed to any person at the address given by such person to the Association for the purpose of service of such notice, or 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 XVI
[Declarant's Rights and Reservations]

Section 16.01. Declarant's Rights and Reservations. No provisions in the Charter, Bylaws 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 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 Carolina Ridge, pursuant to Article XIV, Section 14.02 of this Declaration as Declarant deems advisable in the course of development of the Property. Such right shall include, but shall not be limited to, the right to install and maintain such structure, 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 one of the Declarant of Carolina Ridge, will be required before any amendment to this Article shall be effective while Declarant owns a Lot. Declarant shall be entitled to the nonexclusive 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.

DECLARANT:
SIGMA COMPANIES, LLC

By:

David L. Saulters, Managing Member

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STATE OF MISSISSIPPI

COUNTY OF LAMAR

Personally appeared before me, the undersigned authority in and for the above county and state, on this 28th day of June, 2007, within my jurisdiction, the within named David L. Saulters, who acknowledged that he is Managing Member of SIGMA COMPANIES, LLC, a Mississippi Limited Liability Company, and that for and on behalf of said company, and as its act and deed, he executed the above and foregoing instrument, and after first having been duly authorized by said company to do so.

My commission expires:
STATE OF MISSISSIPPI AT LARGE
COMMISSION EXPIRES: June 14, 2009
WONDER THRU NOTARY PUBLIC UNDERWRITERS



EXHIBIT A:

Carolina Ridge, Phase One:

A part of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ and a part of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 23, Township 4 North, Range 14 West, Lamar County, Mississippi, being more particularly described as Commencing at the Southwest corner of the said Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 23; thence run East for 691.13 feet; thence run South for 5.03 feet to the West Right-of-Way line of a proposed road, said point also being the Point of Beginning; thence run Northeasterly along said Right-of-Way line and a curve to the left for 143.52 feet, said curve having a radius of 170.00 feet, a chord bearing of N $24^{\circ}29'37''$ E and a chord distance of 139.29 feet; thence run N $00^{\circ}18'32''$ E along said Right-of-Way line, for 204.19 feet to the South Right-of-Way line of Lois Lane, a public road; thence run S $89^{\circ}41'28''$ E for 570.07 feet to a point on the East line of the said Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$; thence run S $00^{\circ}23'02''$ E along the East line of the said Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ and the East line of the said Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$, for 933.74 feet; thence run S $76^{\circ}22'52''$ W for 194.17 feet thence run N $37^{\circ}36'46''$ W for 728.43 feet to the South Right-of-Way line of a proposed road; thence run N $01^{\circ}26'42''$ W for 74.56 feet to the Point of Beginning, comprising 10.78 acre, more or less.

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EXHIBIT A-I:

Additional Property
(Legal Description of Additional Property)

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EXHIBIT B:

Schedule of Easements.

The following easements are hereby reserved on, over and across all lots.

1. Ten foot (10') easement along the property line of each lot that is adjacent to street right of-way for utility, walking paths and/or sidewalks.
2. All easements as shown on the recorded subdivision plat.
3. That certain Easement to South Mississippi Electric Power Association dated January 22, 1970, recorded in Book 4-S at Page 584, in the office of the Chancery Clerk of Lamar County, Mississippi.
4. Any Easement of record filed in the Office of the Chancery Clerk of Lamar County, Mississippi.



CERTIFICATE OF FILING AND RECORDING
STATE OF MISSISSIPPI • LAMAR COUNTY
WAYNE SMITH • CHANCERY CLERK
L.D. BOOK 19-I PAGE 743 777
INDEXED RECORDED ABSTRACTED
Rose Travis D.C.