

STATE OF MISSISSIPPI
 COUNTY OF PEARL RIVER

AMENDMENT TO
 RESTRICTIVE PROTECTIVE COVENANTS
 PONDEROSA SUBDIVISION
PARTS I AND II

WHEREAS, Builders Investment Company, Inc. was the original owner and developer of Ponderosa Subdivision in Section 21, Township 6 South, Range 17 West, Pearl River County, Mississippi, and prepared and recorded Restrictive Covenants of said subdivision Part I on December 27, 1963, and amended April 13, 1964; and on Part II on June 2, 1965, in Part Book No. 3, and recorded respectively in Land Deed Book No. 165, page 226, et seq., and 168 at Page 120, et seq., in the office of the Chancery Clerk of Pearl River County, Mississippi; and

WHEREAS, Builders Investment Company, Inc., Pasco Development, Inc. and Ponderosa Builders, Inc., jointly prepared and recorded an Amendment to said Protective Easements, Ponderosa Subdivision, Part II, June 2, 1965, and recorded in Land Deed Book No. 175 at Page 376, et seq.; and

WHEREAS, said Protective Covenants were further amended by a majority of the owners of the lots in said subdivisions, by that certain Amendment to Restrictive Protective Covenants dated August 13, 1992, and recorded in the office of the Chancery Clerk aforesaid in Deed Book 575 at Page 429 thereof; and

WHEREAS, the majority of the owners of the 144 lots in Part I and the 131 lots in Part II, desire to further amend said covenants in the entire Ponderosa Subdivision, City of Plemyune, Pearl River County, Mississippi, for the purpose of establishing properly owner's association as more fully set forth hereinafter; and

WHEREAS, the restrictive covenants of record provide that a majority of the lot owners may change and amend said covenants by recording an instrument for that purpose.

NOW, THEREFORE, in consideration of the advantage to accrue through the modification of the aforesaid Restrictive Covenants, as amended and modified, and other good and valuable considerations unnecessary to recite here in full, the undersigned lot owners or properly owners, being a majority of the lot owners of said Ponderosa Subdivisions, do hereby covenant and agree to amend the restrictive covenants of record, to read as follows:

DECLARATION OF
PONDEROSA PROPERTY OWNERS ASSOCIATION

RECITALS, INTENT AND PURPOSES:

WHEREAS, by this declaration, the said Ponderosa Subdivision, Part I, and Ponderosa Subdivision, Part II, shall be subjected to the benefits and burdens of this Property Owner's Agreement; and

WHEREAS, notwithstanding that each lot owner is the owner of an individual lot, however, the owners by entering into this agreement will own with each other owner any common area property which may be acquired in the future (although no common use property is owned at this time), including:

without intending to limit the same to such elements thereof as the parking lots, landscaped areas, swimming pool and related facilities used and controlled in a manner consistent both with the needs and desires of the residents and the community in which the property is located; and

WHEREAS, it is desirable, therefore, that this Declaration provide the basic requirements for such needs and provide for proper use of the Property, and that within these basic requirements, the Association hereinafter referred to, and its Board of Governors shall have the right and duty to effect the purposes of the association; NOW THEREFORE,

DECLARATION: The Lot Owners hereby declare on behalf of themselves, their successors, grantees and assigns to their grantees and their respective heirs, successors and assigns as well as any and all persons having, requiring or seeking to have or acquire any interest of any nature whatsoever in and to any part of the Property, as follows:

1. DEFINITIONS: As used herein or elsewhere in the Property Owner Association Documents, unless otherwise provided, or unless the context requires otherwise, the following terms shall be defined as in this Article provided:

1. Lot: Any one of the lots in Ponderosa Subdivision, Part I, and Ponderosa Subdivision, Part II.
2. Lot Owner: The person or persons holding title in fee simple to a lot in said subdivisions.
3. Assessment: That portion of the cost of maintaining, repairing and managing the Property which is to be paid by each lot owner.
4. Association: "Ponderosa Property Owner's Association" and its successors, the by-laws of which are annexed hereto and made a part hereof as Exhibit "A".
5. Common Elements: All that part of the property which is not designated as an individual lot on the official plat of Ponderosa Subdivision, Part I, and Ponderosa Subdivision, Part II, together with any other property or city owned parks which the Association may agree to utilize and maintain.
6. Common Expenses: The actual and estimated costs of:
 - (a) Ad Valorem taxes and taxes of all kind which might be lawfully assessed against the project, utilities not otherwise paid by the individual owners, insurance, maintenance, operation, repair and replacement of the Common Elements, pursuant to other provisions hereof, it is the responsibility of the Association to maintain, repair and replace;
 - (b) Management and administration of the Association, including, without limiting the same to compensation paid by the Association to a managing agent, accountants, attorneys and other employees;
 - (c) Any other items held by or in accordance with other Documents to be Common Expense.
7. Common Surplus: The excess of all receipts of the Association including but not limited to assessments, rents, profits, and revenues on account of the common elements, over the amount of common

expenses.

8. Property Owner's Association Documents: This declaration and the Exhibits annexed hereto as the same from time to time may be amended. Said exhibits are as follows:

Exhibit A - By-laws of Ponderosa Property Owner's Association

Exhibit B - Rules and Regulations of the Association

9. Person: Any individual, firm, corporation, trustee or other entity capable of holding title to real property.

10. Property: As defined and described in this Property Owner's Association Declaration.

11. Share: The percentage attributed to each lot.

II. COMMON ELEMENTS USE: The common elements, which may be acquired in the future, shall be used in accordance with and subject to the following provisions:

1. Covenant against Partition. In order to effectuate the intent hereof and to preserve the

Property Owner's Association, the Property shall remain undivided and no person, irrespective of the nature of his or her interest in the Property, shall bring any action or proceedings for partition or division of the Property or any part thereof until the termination of the Declaration in accordance with provisions herein elsewhere contained.

2. Rules and Regulations Promulgated by Association. No person shall use the Common Elements or any part thereof in any manner contrary to or not in accordance with such rules and regulations pertaining thereto as from time to time may be promulgated by the Association. Without in any manner intending to limit the generality of the foregoing, the Association shall have the right but not the obligation to promulgate rules and regulations limiting the use of the common elements to members of the Association and their respective families, guests, invitees and servants, as well as his guests, for specific occasions, of the swimming pool or other similar facilities. Such use may be conditioned upon, among other things, the payment by the Lot Owner of such assessment as may be established by the Association for the purpose of defraying costs thereof.

3. Maintenance, repair, management, and operation of the Common Elements shall be the responsibility of the Association, but nothing herein contained, however, shall be construed so as to preclude the Association from delegating to persons, firms or corporations of its choice, such duties as may be imposed upon the Association by the terms of this subarticle II (3) and as are approved by the Board of Governors of the Association.

4. Expenses incurred or to be incurred for the maintenance, repair, management and operation of the Common Elements shall be collected from Lot Owners as assessed in accordance with provisions contained elsewhere herein.

5. Subject to the rules and regulations from time to time pertaining thereto, all Lot Owners may use the Common Elements, in such manner as will not restrict, interfere with, or impede the use thereof by other Lot Owners.

6. Alterations and Improvements. The Association shall have the right to make or cause to be made such alterations and improvements to the Common Elements (which do not prejudice the right of any Lot Owner unless his written consent has been obtained), provided the making of such alterations and

improvements are first approved by the Board of Governors of the Association and all first mortgagees of individual units. The costs of such alterations and improvements shall be assessed as Common Expenses, unless in the judgment of not less than 80% of the Board of Governors, the same are exclusively or substantially exclusively for the benefit of the Lot Owner or Owners requesting the same, in which case such requesting Lot Owner shall be assessed therefor in such proportions as they approve jointly and failing such approval, in such proportions as may be determined by the Board of Governors of the Association.

7. Shares of Lot Owners. The Shares of the Lot Owners in the Common Elements shall be one

(1) share for each lot and may be altered only by amendments hereof executed in form for recording by all of the Lot Owners and First Mortgagees of such Owners. No such alterations shall affect the lien of prior recorded mortgages unless written consent of the holder of such mortgage is obtained and recorded.

8. The Share of a Lot Owner in the Common Elements is appurtenant to the lot owned by him and inseparable from such lot ownership.

III. MAINTENANCE AND REPAIR OF COMMON ELEMENTS:

1. The Association, at its expense, shall be responsible for the maintenance, repair and replacement of the common elements of the subdivision.

2. Appurtenances. Each lot in the subdivision shall include and the same shall pass with each lot as inseparable appurtenance thereto, whether or not separately described, conveyed or encumbered, all of the rights, title and interest of a Lot Owner in the property, which shall include but not be limited to:

- (a) Common Elements: The common areas are owned by the owners of the lots as tenants in common, in equal shares, one for each lot.
- (b) A license to maintain a private passenger automobile at and on a parking space in accordance with the Rules and Regulations of the Association.
- (c) Association membership and funds and assets held by the Association for the benefit of the Lot Owner.
- (d) All such appurtenances, however, shall be and continue to be subject to the easements for the benefit of other lots.
- (e) The following easements from each Lot Owner to each other Lot Owner and to the Association:
 - (i) Ingress and Egress. Easements through the Common Elements for ingress and egress for all persons making use of such Common Elements in accordance with the terms of the Association Documents.
 - (ii) Maintenance, repair and replacement. Easements through the Common Elements for maintenance, repair and replacement of the Common Elements.

IV. USE RESTRICTIONS:

In order to provide for a congenial occupation of the each lot in the subdivision and to provide for the protection of the value of the lots therein, the use of the Property shall be restricted to and be in accordance with the following provisions:

1. The lots in the subdivision shall be used for residential purposes only.
2. The Common Elements shall be used for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of the Lot Owners.
3. Nuisances. No nuisances shall be allowed upon the property nor shall any use or practice be allowed which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the Property by its residents.

4. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Property, nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The respective responsibilities of Lot Owners and the Association of complying with the requirements of governmental bodies which require maintenance, modification or repair of the Property shall be the same as hereinabove provided for the maintenance and repair of that portion of the property subjected to such requirements.

5. Regulations. Regulations concerning use of the Property may be promulgated by the Association as hereinabove set forth provided, however, that copies of such regulations are furnished to each Lot Owner prior to the time that the same become effective. The initial regulations, which shall be deemed effective until amended by the Association, are annexed hereto and made a part hereof as Exhibit "B". Any amendments thereto shall be recorded in the official Records of Pearl River County, as amendments to said Exhibit. Such regulations shall not impair or limit the rights of mortgagees, as elsewhere recited.

6. Leasing. No portion of any lot or home thereon (other than the entire lot or home thereon) shall be leased for any period. Any owner of any lot who shall lease such lot or home thereon shall promptly following the execution of any such lease, forward a conformed copy thereof to the Board of Governors. Any such lease shall contain a provision to the effect that the rights of the tenant to use and occupy the lot or home thereon shall be subject and subordinate in all respects to the provisions of the Declaration and By-Laws and to such other reasonable rules and regulations relating to the use of the common elements or other rules, as the Board of Governors may from time to time promulgate. The provisions of this subsection shall not apply to any institutional mortgagee of any lot who comes into possession of the unit by reason of any remedies provided by law or in such mortgage or as a result of foreclosure sale or other judicial sale or as a result of any proceeding, arrangements, or deed in lieu of foreclosure.

V. ADMINISTRATION:

The administration of the Property, including but not limited to the acts required by the Association, shall be governed by the following provisions:

1. The Association shall be a non-profit Association of the Owners of the units with a Board of Governors elected by said Owners.
2. The By-Laws of the Association shall be in the form attached as Exhibit "A" until such are amended in the manner therein provided.
3. The duties and powers of the Association shall be those set forth in this Declaration and the By-Laws, together with those reasonably implied to effect the purposes of the Association and this

Declaration, provided, however, that if there are conflicts or inconsistencies between this Declaration and the By-Laws, the terms and provisions of this Declaration shall prevail and the Lot Owners covenant to vote in favor of such amendments in the By-Laws as will remove such conflicts or inconsistencies. The powers and duties of the Association shall be exercised in the manner provided by the By-Laws and any duties or rights of the Association which are granted by or to be exercised in accordance with the provisions of this Declaration, shall be so exercised except that whenever this Declaration requires the act or approval of the Board of Governors of the Association, such act or approval must be that of the Board done or given in accordance with the By-Laws.

4. The Association shall make available to Lot Owners and lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the Declaration, By-Laws and other rules and regulations promulgated by the Board of Governors, upon request during normal business hours or under other reasonable circumstances.

5. Notices or demands, for any purpose, shall be given by the Association to Lot Owners and by Lot Owners to the Association and other Lot Owners in the manner provided for notices to members of the Association by the By-Laws of the Association.

6. Upon written request by any mortgage holder, insurer or guarantor which sets forth their name, address and the number of the lot which is the subject of the request, the Association shall give such mortgage holder, insurer or guarantor timely written notice of:

- (a) Any condemnation or casualty loss that affects either a material portion of the project or the lot securing its mortgage.
- (b) Any 60-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 owners' association.
- (d) Any proposed action that requires the consent of a specified percentage of mortgage holders.

7. All funds and titles of all properties acquired by the Association and the proceeds thereon after deduction therefrom the costs incurred by the Association in acquiring the same shall be held for the benefit of the Lot Owners for the purposes herein stated.

8. All income received by the Association from the rental or licensing of any part of the Common Elements (as well as such income anticipated) shall be used for the purpose of reducing prospective Common Expenses prior to establishing the annual assessment for Common Expenses.

VI. INSURANCE:

The insurance which shall be carried upon the Property shall be governed by the following provisions:

1. Authority to Purchase: All insurance policies upon the Property (except as hereinafter provided) shall be purchased by the Association for the benefit of the Lot Owners and their respective mortgages as their interests may appear and shall provide for the issuance of certificates of insurance mortgage endorsements to the holders of mortgages on the lots or any of them, and, if insurance

companies will agree, shall provide that the insurer waives its rights of subrogation as to any claims against Lot Owners, the Association and their respective servants, agents and guests. Such policies and endorsements shall be deposited with the Insurance Trustee, (as hereinafter defined) who must first acknowledge that the policies and any proceeds thereof will be held in accordance with the terms hereof, and such acknowledgment shall be in writing duly delivered to the Board of Governors.

2. Lot Owners Personal Property and Liability: Each Lot Owner may obtain insurance, at his own expense, affording coverage upon his personal property and for his personal liability and as may be required by law, but all such insurance shall contain the same waiver of subrogation as that referred to in Article VI (1) hereof (if same is available).

3. Mandatory Coverage:

(a) Casualty. The Building and all other insurable improvements upon the land and all personal property as may be owned by the Association shall be insured in an amount equal to the maximum insurable replacement value thereof (exclusive of excavation and foundations) as determined annually by the insurance company affording such coverage. Such coverage shall afford protection against:

- (i) Loss or damage by fire and other hazards covered by the standard extended coverage endorsement;
- (ii) Such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use as the Building, including but not limited to, vandalism, malicious mischief, windstorm and water damage.
- (b) Public Liability and property damage in such amounts and in such forms as shall be required by the Association, including but not limiting the same to water damage, legal liability, hired automobile, non-owned automobile and off-premises employee coverages;
- (c) Workmen's Compensation policy to meet the requirements of law;
- (d) All liability insurance shall contain cross liability endorsements to cover liabilities of the Lot Owners as a group to a Lot Owner.

4. Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association and charged to Common Expenses.

5. Insurance. The Association shall obtain and continue in effect master or blanket policies (including, without limitation, fire and other hazards) and liability insurance to insure the project and the owners thereof against risks of whatever character, without prejudice to the right of each Owner to additionally insure his own family home on his own account and for his own benefit. Such insurance shall be written in the name of the Association or any person designated in the By-Laws of this Declaration as a Trustee for each family home owner and each family home owner's mortgage, if any. Each owner and his mortgagee, if any, shall be a beneficiary, even though not expressly named, in the percentage or fractions established in this Declaration. In the event of loss, the Association is irrevocably designated as trustee of each of the owners for purposes of adjusting losses with the carrier on the master policy, and shall have full control of the proceeds for purposes of reconstruction.

The Association shall be required to make every effort to secure insurance policies providing:

- (a) Waiver of subrogation by insurer as to any claims against the Association, Manager and Owners, their respective families, servants, agents and guests;
- (b) That the master policy not be cancellable, invalidated or suspended on account of the conduct of one or more of the individual owners, or their respective families, servants, agents and guests;
- (c) That the master policy not be cancellable, invalidated or suspended on account of the conduct of the Association or manager without prior demand that the Association or Manager cure the defect; and,
- (d) That the no "other insurance" clause in the master policy exclude Owner's policies from consideration.
- The insurance cost and premiums for any such blanket or master insurance coverage shall be a Common Expense to be paid by monthly or other periodic assessments as determined by the Association, and all such payments collected for insurance costs or premiums as the same become due.
- In the event a lot owner may carry property or liability insurance individually upon his interest in the project, which, in case of loss, results in proration of insurance proceeds between the master policy carried by the Association and the Owner's insurer, the proceeds available under the Owner's policy shall be payable to the Association, who is irrevocably designated as trustee of such insuring Owner for the purpose of reconstruction. Any surplus remaining upon completion of reconstruction directly affecting any such Owner shall thereupon be paid by Association to Owner.
- Each Owner acquiring additional separate insurance coverage will furnish Association with a copy of each such policy within ten (10) days following acquisition. Insofar as may be permitted by law, each such policy acquired by Owner shall contain waivers of subrogation and of any defense based on co-insurance and shall further provide that any such policy shall not be cancellable, invalidated or suspended on account of the conduct of one or more of the Owners, or his respective family, servants, agents and guests.
- VII. RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE:
- A. If any part of the Common Elements shall be damaged by casualty, the determination of whether or not to reconstruct or repair the same shall be made as follows:
1. Partial destruction, which shall be deemed to mean destruction which does not render one-half (1/2) or more of the homes of the subdivision untenable - shall be reconstructed or repaired unless at a meeting of the members of the Association which shall be called prior to commencement of such reconstruction or repair, this Declaration is terminated.
 2. Total destruction, which shall be deemed to mean destruction which does render one-half (1/2) or more of the homes of the subdivision untenable - shall not be reconstructed or repaired unless at a meeting which shall be called within ninety (90) days after the occurrence of the casualty or if by such date, the insurance loss has not been finally adjusted, then within thirty (30) days thereafter, Lot Owners who, in the aggregate, own 80 percent or more of the shares, vote in favor of such reconstruction or repair.
1. Estimate of costs. Immediately after a casualty causing damage to property for which the Association has the responsibility and repair, the Association shall obtain reliable and detailed estimates of

the cost to place the damaged property in a condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Governors desires.

2. Assessments: If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction (including the aforesaid fees and premiums, if any) assessments shall be made against the Lot Owners who own the damaged property in sufficient amount to provide funds to pay the estimated costs. If at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the Lot Owners who own the damaged property in sufficient amount to provide for the payment of such costs.

3. Insurance Adjustments: Each Lot Owner shall be deemed to have delegated to the Board of Governors his right to adjust with insurance companies all losses under policies purchased by one lot owner, subject to the rights of mortgages of such Lot Owners.

VIII. ASSESSMENTS:

Assessments against the Lot Owners shall be made or approved by the Board of Governors of the Association and paid by the Lot Owners to the Association in accordance with the following provisions:

1. Shares of Expenses: Common Expenses -- Each Lot Owner shall be liable for his share of the Common Expenses, and any Common Surplus shall be owned by each Lot Owner in a like share.

2. Assessments other than Common Expenses: Any assessments, the authority to levy which is granted to the Association or its Board of Governors by the Association Documents, shall be paid by the Lot Owners to the Association in the proportions set forth in the provision of the association documents authorizing the assessment.

3. Reserve Fund for Capital Improvements, Replacements and Repair: All sums collected by the Association from assessments may be co-mingled in a single fund, but they shall be held for the Lot Owners in the respective shares in which they are paid and may be credited to separate accounts from which shall be paid common expenses, alterations and improvements, reconstruction and repairs and emergency needs. Such a fund will be established and maintained to meet the estimated expenditures for a minimum of two months operation of the Association. The proportionate interest of any Lot Owner in any reserve fund shall be considered an appurtenance of his lot and shall not be separately withdrawn, assigned or transferred or otherwise separated from the lot from which it is appurtenant and shall be deemed to be transferred with the conveyance of such lot.

4. Assessments for Common Expenses: Assessments for Common Expenses shall be made for the calendar year annually in advance on or before the second Monday in December of the year preceding for which the assessments are made and at such other and additional times as in the judgment of the Board of Governors, additional Common Expenses assessments are required for the proper management, maintenance and operation of the Common Elements. Such annual assessments shall be due and payable in twelve (12) equal consecutive monthly payments, on the first day of each month, beginning with January of the year for which the assessments are made. The total of the assessments shall be in the amount of the estimated Common Expenses for the year including a reasonable allowance for contingencies and reserves less the estimated payments to the Association for defraying the costs of the use of Common Elements, PROVIDED HOWEVER, that such assessment shall not increase by more than twenty (20%)

each year. If an annual assessment is not made as required, a payment in the amount required by the last prior assessment shall be due upon each assessment payment date until changed by a new assessment.

5. Other assessments shall be made in accordance with the provisions of the Association Documents and if the time of payment is not set forth in the Association Documents, the same shall be determined by the Board of Governors of the Association.

6. Assessments for individual lots. In the event a Lot Owner does not comply with the provisions of this Declaration or the Rules and Regulations of the Association, as same may be amended from time to time, and such non-compliance shall continue for a period of thirty (30) days after notice to the Lot Owner, the Association, by and through the Board of Governor, shall have the right, but not the duty, to take such steps as may be necessary to bring such lot or lots into compliance with this Declaration or the Rules and Regulations of the Association. Any costs which may be incurred by the Association to bring such lot or lots into compliance shall be assessed against the lot or lots involved therein and shall be due and payable as other assessments herein.

7. Assessments for Emergencies: Assessments for Common Expenses or emergencies which cannot be paid from the Common Expense Account shall be made only by the Board of Governors of the Association.

8. Assessments for Liens: All liens of any nature including taxes and special assessments levied by governmental authority which are a lien upon more than one lot or upon any portion of the Common Elements, shall be paid by the Association as a Common Expense and shall be assessed against the lot in accordance with the Shares of the lots concerned or charged to the Common Expense Account, whichever in the judgment of the Board of Governors is appropriate.

9. Assessment Roll: The assessments against all Lot Owners shall be set forth upon a roll of the lots which shall be available in the office of the association for inspection at all reasonable times by the Lot Owners or their duly authorized representatives, such authorization to be presented in writing signed by the Owner. Such roll shall indicate for each lot the name and addresses of the Owner or Owners, the assessments for all purposes and the amounts of all assessments paid and unpaid. The Association shall issue such certificates to such persons as a Lot Owner may request in writing.

10. Liability for assessments: The owner of a lot and his grantee shall be jointly and severally liable for all unpaid assessments due and payable at the time of conveyance but without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefor. Such liability may not be avoided by a waiver of the use or enjoyment of any Common Element or by abandonment of the lot for which the assessments are made. A purchaser of a lot at a judicial or foreclosure sale or a first mortgagee who accepts a deed in lieu of foreclosure shall be liable only for assessments coming due after such sale and for that portion of due assessments provided to the period after the date of such sale. Such a purchaser as aforesaid shall be entitled to the benefit of all pre-paid assessments paid beyond the date such purchaser acquires title.

11. Lien for Assessments: The unpaid portion of an assessment which is due shall be secured by a lien on:

- (a) The lot and all appurtenances thereto when a notice claiming the lien has been

recorded by the Association in the public records of Pearl River County. The Association shall not, however, record such claim of lien until the assessment is unpaid for not less than twenty (20) days after it is due. Such a claim of lien shall also secure all assessments which come due thereafter until the claim of lien is satisfied, except that such lien shall be subordinate to prior bona fide liens of record.

(b) All tangible personal property located in the lot or home thereon except that such lien shall be subordinate to prior bona fide liens of record.

12. Application:

(a) Interest: Application of Payments:

Assessments and installments thereof paid on or before ten (10) days after the date when due shall not bear interest, but all sums not paid on or before twenty (20) days after the date when due shall bear interest at the rate of 8% per annum from the date when due until paid. All payments upon account shall be applied first to interest and then to the assessment payment first due. All interest collected shall be credited to the Common Expense Account.

(b) Suit: The Association at its option may enforce collection of delinquent assessments by suit at law or by foreclosure of the liens securing the assessments or by any other competent proceeding and, in either event, the Association shall be entitled to recover in the same action, suit or proceeding the payments which are delinquent at the time of the judgment or decree, together with interest thereon at the rate of 8% per annum, and all costs incident to the collection and the action, suit or proceedings, including without limiting the same to, reasonable attorneys' fees.

IX. COMPLIANCE AND DEFAULT:

Each Lot Owner shall be governed by and shall comply with the terms of the Association Documents and Regulations adopted pursuant thereto and said Documents and Regulations as they may be amended from time to time. A default shall entitle the Association or other Lot Owners to the following relief:

(a) Legal Proceeding: Failure to comply with any of the terms of the Association

Documents and Regulations adopted pursuant thereto, shall be grounds for relief which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien or any combination thereof, and which relief may be sought by the Association or if appropriate, by an aggrieved Lot Owner.

(b) A Lot Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or by that of any member of his family or their guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in the fire insurance rates occasioned by use, misuse, occupancy or abandonment of any lot or its appurtenances. Nothing herein contained however, shall be construed so as to modify any waiver by insurance companies

of rights of subrogation.

(c) Costs and Attorneys' Fees: In any proceeding arising because of an alleged default by a Lot Owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the Court.

(d) No Waiver of Rights: The failure of the Association or of a Lot Owner to enforce any right, provision, covenant or condition which may be granted by the Association Documents shall not constitute a waiver of the right of the Association or Lot Owner to enforce such right, provision, covenant or condition in the future.

(e) All rights, remedies and privileges granted to the Association or a Lot Owner pursuant to any terms, provisions, covenants or conditions of the Association Documents shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies or privileges as may be granted to such party by the Association Documents or at law or in equity.

X. AMENDMENT:

Except for alterations in the Shares which cannot be done except with the consent of all Lot Owners whose Shares are being affected, and their mortgages, the Association Documents may be amended in the following manner:

1. Declaration: Amendments to the Declaration shall be proposed and adopted as follows:

(a) Notice: Notice of the subject matter of the proposed amendment in reasonably detailed form shall be included in the Notice of any meeting at which a proposed amendment is considered.

(b) Resolution: A resolution adopting a proposed amendment may be proposed by either the Board of Governors of the Association or by the Lot Owners meeting as members of the Association and after being proposed and approved by the others. Governors and Lot Owners not present at the meeting considering such amendment may express their approval in writing or by proxy. Such approvals must be by not less than seventy-five percent (75%) of the Governors and seventy-five percent (75%) of the Lot Owners and their mortgages.

(c) Recording: A copy of each amendment shall be certified by at least two (2) officers of the Association as having been duly adopted and shall be effective when recorded in the Office of the Chancery Clerk of Pearl River County, Mississippi. Copies of same shall be sent to each Lot Owner and his mortgagee in the manner elsewhere provided for the giving of notices but the same shall not constitute a condition precedent to the effectiveness of such amendment.

2. Association By-Laws: The By-Laws of the Association shall be amended in the manner provided by such document.

XI. TERMINATION:

The Association shall be terminated, if at all, in the following manner:

1. The termination of the Association may be effected by the agreement of all Lot Owners and

First Mortgagees, which agreement shall be evidenced by an instrument or instruments executed in the manner required for conveyance of land. The termination shall become effective when such agreement has been recorded in the public records of Pearl River County, Mississippi.

2. Destruction. If it is determined in the manner elsewhere provided, that the property shall be not reconstructed after casualty, the Association will be terminated and the Association Documents revoked. The determination not to reconstruct after casualty shall be evidenced by a certificate of the Association certifying as to the facts effecting the termination which certificates shall become effective upon being recorded in the public records of Pearl River County, Mississippi.

3. Shares of Lot Owners after Termination. After termination of the Association, the Lot Owners shall own the funds and other property owned by the Association as tenants in common in undivided shares of the Lot Owners. All funds held by the Association and insurance proceeds, if any, shall be the amount of the assessments paid by each Lot Owner. The costs incurred by the Association in connection with the termination shall be a Common Expense.

4. The members of the Board of Governors acting collectively as agents for Lot Owners, shall continue to have such powers as in this Article are granted, notwithstanding the fact that the Association itself may be dissolved upon a termination.

XII. COVENANTS RUNNING WITH THE LAND:

All provisions of the Association Documents shall be construed to be covenants running with the land and with every part thereof and interest therein including but not limited to every lot and the appurtenances therefor and every Lot Owner and Claimant of the Property or any part thereof or interest therein, and his heirs, executors, administrators, successors and assigns shall be bound by all of the provisions of the Association Documents.

XIII. If any term, covenant, provision, phrase or other element of the Association Documents is held to be invalid or unenforceable for any reason whatsoever, such holding shall not be deemed to affect, alter, modify or impair in any manner whatsoever any other term, provision, covenant, or element of the Association Documents.

XIV. DEEDS:

Any transfer of a lot shall include all appurtenances thereto whether or not specifically described.

XV. CAPTIONS:

Captions used in the Association Documents are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning or meanings of any of the text of the Association Documents.

XVI. GENDER, SINGULAR, PLURAL:

Whenever the context so permits, the use of the plural shall include the singular, the singular shall include the plural and any gender shall be deemed to include all genders.

XVII. SINGULARITY:

If any provision of this Declaration, or any section, sentence, clause, phrase or word, or the application thereof in any circumstances be judicially held in conflict with the Laws of the State of Mississippi, then the said laws shall be deemed controlling and the validity of the remainder of this

Declaration and the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

IN WITNESS WHEREOF, the lot owners have executed this Declaration, this the 2nd day of

August, 1993.

James J. [Signature] 68894
James J. [Signature] 994101
Gay O. Beard 102
James [Signature] 103
Monty D. [Signature] 104
John [Signature] 75
[Signature] 916
Joseph J. [Signature] 98
[Signature] 61
Michael [Signature] 62
Glenda Merrill 131
[Signature] CHL 101
Cynthia [Signature] 106
[Signature] 77, 102
[Signature] 119
[Signature] 103
[Signature] 76
Ray Langham

Declaration and the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

IN WITNESS WHEREOF, the lot owners have executed this Declaration, this the 2nd day of

August, 1993.

Erny Street 1002	1002 Charlotte
Alan K. Allen	905 Charlotte 905
Leona Sue	805 Charlotte
(+) Dennis W. Hingley, 121, 122, 123, 123	801 Charlotte
W. G. H. H.	820 Charlotte
Mary Rivers	689 Charlotte
(S) M. J. Decker (P.O. Box 215)	920 Charlotte
By Akiba	923 Charlotte
Frank S. S.	906 Charlotte
Bob Kempner	913 Charlotte
Ann Campbell	915 Charlotte
907 1/2 P. Dean	607 Charlotte
Alma (Johnson)	610 Charlotte
Fred Pickman	223 Charlotte
W. G. H. H.	604 Charlotte 225
W. G. H. H.	604
Bernice S. Davis	600 Charlotte
Orlene Terrell	910
William D. Mortimer, 121	1003 Charlotte Dr.
W. G. H. H.	727 Charlotte Dr.
Lois McDonald	712 Charlotte Dr.

Declaration and the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

August, 1993.

① Roland Summers

lot 76

① Donald K. Hill

lot 71

① Tom Pugh

lot 139

① Robert G. Johnson

lot 72

① Robert McLaughlin

lot 138

① Robert Johnson

lot 64

① David A. Powell

lot 86

② Billy R. Kennedy

lot 41

③ Sylvia M. Hill

lot 40

① Mrs. Frank A. Lewis

lot 26, 27

① Geraldine R. W. Adams

lot 38, 39, 109

② Mrs. Frank A. Lewis

lot 32

① Wayne R. Pittman

lot 35 & lot 110

① William B. Hill

lot 32

② Audrey Blake

lot 42

① Joyce B. Lewis

lot 44 + 45

① Clarence J. Pittman

lot 140

① William B. Hill

lot 141

② Audrey Blake

lot 43 & 65

① Joyce B. Lewis

lot 37

① Clarence J. Pittman

lot 11

Declaration and the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

IN WITNESS WHEREOF, the lot owners have executed this Declaration, this the 7th day of

August, 1993.

122-125, 124

③ Jerry R. Kullback (3045)

2811 Dixie

④ Dr. Owen Stolar (Dr. Stolar)

2812 Dixie

① Anthony Sturison lot 133

2810 Dixie

① Lewis & Clark lot 30

2816 Dixie

① Henry Wood lot 146

2815 Dixie

① Bert T. For lot 11

2403 Lawrence

① Janet & James Stolar

2405 Lawra

① Anita Myrkinhan

2409 Lawrence

① H. J. Quapp

2813 Dixie DR.

① Scott & Ann

2502 LAUREA DR.

① Betty Lewis

2411 Laura Dr.

④ George & Joan

2404 LAURA DR.

① Naomi Skiff

2401 Lawrence

① Laine Kellip

Series of horizontal lines for additional entries.

Declaration and the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

IN WITNESS WHEREOF, the lot owners have executed this Declaration, this the 2nd day of

August, 1993.

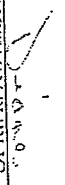
118, 147, 253, 123

<u>Stephen M. Spindler</u> <small>4.75</small>	<u>1019 Shirley Dr.</u>
<u>Richard J. Cummings</u>	<u>1012 Shirley Dr.</u>
<u>Bob S. Clark</u>	<u>1018 Shirley Dr.</u>
<u>Paul J. Bergeson</u>	<u>1016 Shirley Dr.</u>
<u>Pat J. Storm</u>	<u>1008 Shirley Dr.</u>
<u>Ben Bell</u>	<u>1002 Shirley Dr.</u>
<u>Oliver Type Kewey</u>	<u>995 Shirley Avenue</u>
<u>Donald K. Nimske</u> (2)	<u>987 Shirley Dr.</u>
<u>William J. H. H. H.</u>	<u>971 Shirley Dr.</u>
<u>Gene F. D. D.</u>	<u>959 Shirley Dr.</u>
<u>John A. W. W.</u>	<u>933 Shirley Dr.</u>
<u>Lawrence K. K.</u>	<u>929 Shirley Dr.</u>
<u>Maureen J. J.</u>	<u>917 Shirley Dr.</u>
<u>Edward J. J.</u>	<u>910 Shirley Dr.</u>
<u>Donald J. J.</u>	<u>905 Shirley Dr.</u>
<u>John J. J.</u>	<u>976 Shirley Dr.</u>
<u>John J. J.</u>	<u>1004 Shirley Dr.</u>
<u>John J. J.</u>	<u>1013 Shirley Dr.</u>
<u>John J. J.</u>	<u>1011 Union Rd.</u>
<u>John J. J.</u>	<u>1005 Union Rd.</u>
<u>John J. J.</u>	<u>999 Union Rd.</u>
<u>John J. J.</u>	<u>985 Union Rd.</u>
<u>John J. J.</u>	<u>981 Union Rd.</u>
<u>John J. J.</u>	<u>1010 Shirley Dr.</u>
<u>John J. J.</u>	<u>969 Shirley Dr.</u>
<u>John J. J.</u>	<u>1007 Union Rd.</u>
<u>John J. J.</u>	<u>John J. J.</u>
<u>John J. J.</u>	<u>2905 Shirley Dr.</u>
<u>John J. J.</u>	<u>2807 Victoria Dr.</u>
<u>John J. J.</u>	<u>2703 Victoria Dr.</u>
<u>John J. J.</u>	<u>2812 Victoria Dr.</u>

STATE OF MISSISSIPPI
COUNTY OF PEARL RIVER

THIS DAY PERSONALLY CAME AND APPEARED BEFORE ME, the undersigned authority in and for the jurisdiction aforesaid, the above signed lot and home owners in Ponderosa Subdivision, Parts 1 and 2, who acknowledged to and before me that they signed and delivered the above and foregoing instrument as their free and voluntary act and deed on the day and in the year therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL, OF OFFICE, this the 31st day of August, 1993.


NOTARY PUBLIC

My Commission Expires:
8-8-97

Exhibit "A"

BY-LAWS OF PONDEROSA PROPERTY OWNER'S ASSOCIATION

PREAMBLE

The Lots Owners of Ponderosa Subdivision, Part I, and Ponderosa Subdivision, Part II, have executed that certain Amendment to Restrictive Protective Covenants in order to establish a property owner's association to be known as "Ponderosa Property Owner's Association" as more particularly defined, described and provided for in said attached Declaration of Ponderosa Property Owner's Association (hereinafter referred to as "Declaration") contained in said Amendment and does hereby adopt the following By-Laws which shall govern the administration of such association as provided for in compliance with the laws of the State of Mississippi.

All present or future owners, tenants, future tenants or their employees, or any other person who might use the facilities of the subdivisions, in any manner, are subject to the regulations set forth in these By-Laws. The more acquisition, rental or occupancy of any of said lots of said subdivision will signify and constitute a ratification and acceptance of these By-Laws by any such Owner or person.

1. This association established under the foregoing and attached Declaration shall be known as "Ponderosa Property Owner's Association".

2. Members:

- (1) Members shall be the owners of the lots and said persons shall be entitled to one vote for each lot owned. The annual members' meeting shall be held at the office of the corporation at 8:00 o'clock P.M. Central Standard Time, on the second Monday in January, beginning in the year 1994, and with subsequent meetings in the years 1996, 1998, 2000, 2002, 2004 and each even numbered year thereafter, for the purpose of electing governors and of transacting any other business authorized to be transacted by the members; provided however, if that day is a legal holiday, the meeting shall be held at the same hour on the next succeeding day.
- (2) Special members' meeting shall be held whenever called by the President or Vice President or by a majority of the Board of Governors, and must be called by such officers upon receipt of a written request from one-third of the entire membership.
- (3) Notice of all members' meetings stating the time and place and the objects for which the meeting is called shall be given by the President or Vice President or Secretary unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be

waived before or after meetings.

- (4) A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such member for the purpose of determining a quorum.
- (5) The vote of the owners of a lot owned by more than one persons or by a corporation or other entity shall be cast by the person named in a certificate signed by all of the owners of the lot, and filed with the Secretary of the Association. Such certificate shall be valid until revoked by a subsequent certificate. If such a certificate is not on file the vote of such owners shall not be considered in determining the requirement for a quorum nor for any other purpose.
- (6) Proxies: Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting.
- (7) Approval or disapproval of the lot owner upon any matter, whether or not the subject of an Association meeting, shall be by the same person who would cast the vote of such owner if in an Association meeting.
- (8) Adjourned meetings: If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.
- (9) The order of business at annual members' meetings, and, as far as practical at all other members' meetings, shall be:
- (a) Election of chairman of the meeting.
 - (b) Calling of the roll and certifying of proxies.
 - (c) Proof of notice of meeting or waiver of notice.
 - (d) Reading and disposal of any unapproved minutes.
 - (e) Reports of officers.
 - (f) Election of inspectors of election.
 - (g) Election of governors.
 - (h) Unfinished business.
 - (i) New business.
 - (j) Adjournment.

3. Governors.

- (1) The Board of Governors shall consist of not less than nine (9) persons as is determined from time to time by the members and shall serve a two (2) year terms. Each member of the Board of

Governors shall be either the owner of a lot, have an interest therein or in the event of corporate ownership, any officer or designated agent thereof.

- (2) Election of governors shall be conducted in the following manner:
 - (a) Members of the Board of Governors shall be elected by a plurality of the votes cast at the meeting of the members of the Association.
 - (b) Vacancies in the Board of Governors may be filled until the date of the next annual meeting by the remaining governors.
- (3) The term of the initial governor's service shall extend to the second annual meeting of the members and the term of each governor's service thereafter shall extend for a period of one (1) year until the next annual meeting of the members and thereafter until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.
- (4) The organization meeting of a newly elected Board of Governors shall be held within ten (10) days of their election at such place and time as shall be fixed by the governors at the meeting at which they are elected, and no further notice of the organization meeting shall be necessary providing a quorum shall be present.
- (5) Regular meetings of the Board of Governors may be held at such time and place as shall be determined from time to time, by a majority of the governors. Notice of regular meetings shall be given to each governor personally or by mail, telephone or telegraph at least three (3) days prior to the day named for such meetings unless such notice is waived.
- (6) Special meetings of the governors may be called by the President and must be called by the Secretary at the written request of one-third of the votes of the Board. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.
- (7) Waiver of notice: Any governor may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.
- (8) A quorum at governors' meetings shall consist of the governors entitled to cast a majority of the votes of the entire board. The acts of the board approved by a majority of votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Governors unless specifically otherwise provided in the Declaration of Association. If at any meeting of the Board of Governors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At an adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a governor in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such director for the purpose of determining a quorum.

(9) The presiding officer of governors' meetings shall be the chairman of the board if such officer has been elected; and, if none, then the President shall preside. In the absence of the presiding officer the governors present shall designate one of their number to preside.

(10) Governors' fees, if any, shall be determined by the members.

4. Powers and duties of the Board of Governors: All of the powers and duties of the Association shall be exercised by the Board of Governors, including those existing under the common law and statutes, the Articles of Incorporation of the Association, and the documents establishing the association. Such powers and duties of the governors shall be exercised in accordance with the provisions of the Declaration of Association which governs the use of the land, and shall include but shall not be limited to the following:

- (1) To make and collect assessments against members to defray the costs of the association.
- (2) To use the proceeds of assessments in the exercise of its powers and duties.
- (3) The maintenance, repair, replacement and operation of the association property.
- (4) The reconstruction of improvements after casualty and the further improvement of the property.
- (5) To make and amend regulations respecting the use of the property in the association.
- (6) To enforce by legal means the provisions of the Association Documents, the Articles of Incorporation, the By-Laws of the Association, and the Regulations for the use of the property in the Association.
- (7) To contract for management of the association and to delegate to such contractor all powers and duties of the Association except such as are specifically required by the association documents to have approval of the Board of Governors or the membership of the Association. Any contracts for management of the Association shall be in writing and terminable for cause upon 30 days notice, and will have a term of not less than one year nor more than three years in duration and be renewable by agreement of the Association and the other party. No contracts for management or services required for property administration of the purposes of the Association negotiated by the Developer will exceed one year in term, commencing from the date the first lot is conveyed.
- (8) To pay taxes and assessments which are liens against any part of the association other than individual lots and the appurtenances thereto, and to assess the same against the lots subject to such liens.
- (9) To carry insurance for the protection of lot owners and the Association against casualty and liabilities.
- (10) To pay the cost of all power, water, sewer and other utility services rendered in the

association and not billed to owners of individual lots.

(11) To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association.

5. Officers.

(1) The executive officers of the Association shall be a President, a Vice President, a Treasurer, a Secretary and an Assistant Secretary, all of whom shall be a governor. The Board of Governors shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

(2) The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the President of an association, including, but not limited to the power to appoint committees from among the members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association.

(3) The Vice President shall in the absence or disability of the President exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the directors.

(4) The Secretary shall keep the minutes of all proceedings of the governors and the members. He shall attend to the giving and serving of all notices to the members and governors and other notices required by law. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an association and as may be required by the Governors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

(5) The Treasurer shall have custody of all property of the Association, including funds, securities and evidence of indebtedness. He shall keep the assessment rolls and accounts of the members; he shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer.

6. Removal of Governors and Officers.

(1) Removal of Governors. At a regular meeting, or special meeting duly called for such purpose, any governor may be removed with or without cause by the affirmative vote of the majority of the Lot Owners of record and a successor may then and there be elected to fill the vacancy thus created. Any governor whose removal has been presented shall be

given an opportunity to be heard at the meeting. The term of any governor who becomes more than sixty (60) days delinquent in payment of any assessment or related charges due the Association shall be automatically terminated and the remaining governors shall appoint his successor.

(2) Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Governors, any officer may be removed with or without cause, and his successor elected at any regular meeting of the Board of Governors, or at any special meeting of the Board of Governors called for such purpose.

7. Fiscal Management: The provisions for fiscal management of the association set forth in the Declaration of Association shall be supplemented by the following provisions:

(1) Assessment roll: The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each lot. Such an account shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts in which the assessments come due, the amounts paid upon the account and the balance due upon assessments.

(2) The Association shall maintain books and records reflecting the income, expenses, assets, liabilities, surplus and other financial data of the Association. Such books, records and financial statements shall be made available to the Lot Owners and lenders and to holders, insurers or guarantors of any first mortgage for inspection, upon request, during normal business hours or under other reasonable circumstances.

(3) Budget:
(a) The Board of Governors shall adopt a budget for each calendar year which shall contain estimates of the cost of performing the functions of the Association, including, but not limited to the following items:

- (1) Common Expenses Budget:
 - (i) Maintenance and operation of common elements;
 - Landscaping - Office and shop
 - Street and walkways
 - Swimming pool - guest rooms
 - (ii) Utility services
 - (iii) Casualty insurance
 - (iv) Liability insurance
 - (v) Administration
 - (vi) All taxes.
- (2) Proposed assessments against each member.

(b) Copies of the proposed budget and proposed assessments shall be transmitted to each member on or before January 1st of the year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished to each member concerned.

(4) The depository of the Association shall be such bank or banks as shall be designated from time to time by the governors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the governors.

(5) An audit of the accounts of the Association shall be made annually by a certified public accountant, and a copy of the report be furnished to each member not later than April 1 of the year following the year for which the report is made.

(6) Fidelity bonds shall be required by the Board of Governors from all officers and employees of the Association and from any contractor handling or responsible for Association funds. The amount of such bonds shall be determined by the governors, but shall be at least 150 per cent of the amount of the total annual operating expenses, including reserves. The fidelity bonds shall name the Association as obligee. The premiums on such bonds shall be paid by the Association.

(7) Parliamentary rules: Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and By-Laws of the corporation or with the Statutes of the State of Mississippi.

(8) Amendments: Amendments to the By-Laws shall be proposed and adopted in the following manner:

(1) Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

(2) A resolution adopting a proposed amendment must receive approval of two-thirds of the votes of the entire membership of the Board of Directors and 75% of the votes of the entire membership of the Association. Directors and members not present at the meeting considering the amendment may express their approval in writing.

(3) Initiation: An amendment may be proposed by either the Board of Directors or by the membership of the Association, and after being proposed and approved by one of such bodies, it must be approved by the other.

(4) Effective date: An amendment when adopted shall become effective only after being recorded in the Office of the Chancery Clerk of Pearl River County, Mississippi.

(5) These By-Laws shall be amended, if necessary, so as to make the same consistent with the provisions of the Declaration of Association.

RULES AND REGULATIONS

1. No improvements located on any lots shall be allowed to fall into a state of disrepair. All yards shall be maintained, including but not limited to, cutting of grass, trimming of hedges, bushes and other vegetation, and edging of all sidewalks, curbs and driveways.
2. No automobiles, motor homes, boats, trailer, trampolines, lawn equipment, swing sets, swimming pools, clothes lines or other such property shall be permitted to remain in the front lawn of any lot, except that parking is permitted in the driveways and side yards of the lots. Automobile engines are not to be pulled out of vehicles from trees and are not to be left visible to the general public. No toys, shoes, bicycle tires or other such objects shall be placed on or allowed to remain on the roofs of any homes.
3. The maintenance, keeping, boarding and/or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited on any lot or within any dwelling situated upon any lot, except that this shall not prohibit the keeping of dogs, cats, and/or caged birds as domestic pets provided they are not kept, bred or maintained for commercial purposes and, provided further, that such domestic pets are not a source of annoyance or nuisance to the neighborhood or other members. Pets shall be registered, licensed and inoculated as may from time to time be required by law. Any member of the Association who keeps or maintains any pet upon any portion of the common areas shall be deemed to have indemnified and agreed to hold the Association and each of its members free and harmless from any loss, claim or liability of any kind or character whatsoever arising by reason of the keeping or maintaining of such pet upon the common areas. The Board of Governors shall have the right to order any member of the Association whose pet is a nuisance to remove such a pet from the property and the Board of Governors shall have the sole and exclusive authority to determine, after notice to such member and affording such member an opportunity for a hearing before the Board of Governors, whether or not any pet is a nuisance.
4. No burning of any trash and no accumulation or storage of litter, fires, bicycles, lumber, scrap metals, refuse, bulk materials, waste, new or used building materials, or trash of any other kind, with the exception of firewood which shall be neatly stacked, shall be permitted on any lot; provided, however, that the storage of building materials and equipment shall be permitted during periods of new construction, remodeling and/or renovation of any improvements located upon any lot.
5. Except as hereinafter provided, no junk vehicles, commercial vehicle, trailers, tractor/trailers, house trailers or other machinery or equipment of any kind or character (except for such equipment and/or machinery as may be reasonable, customary and usual in connection with the use and maintenance of any dwelling or other improvements located upon any lot and except for such equipment

and/or machinery as the Association may require in connection with the maintenance and operation of the common areas and community facilities) shall be kept upon any lot (except for bona fide automobiles or other vehicles be carried out thereon); provided, however, that this restriction shall not apply to vehicles, trailers, boats, machinery, equipment or similar property which are stored and kept within an enclosed storage room or garage.

6. Trash and garbage container shall not be permitted to remain in public view except on days of trash collection. No incinerator shall be kept or maintained upon any lot. Garbage, trash and other refuse shall be place in containers.

7. Fences shall not be erected or placed between the front building line and the front property line; hedges and shrubbery may be place or grown in this area but same shall not exceed two (2) feet in height. Fencing of rear lawns shall be erected of materials designed for residential use only. No livestock or poultry fencing shall be permitted

8. No sign of any kind shall be displayed to the public view on any lot except one sign of not more than six (6) square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction or sale.

9. No structure of a temporary character, and no trailer, tent, shack, barn, pen, kennel, run stable, or other buildings shall be erected, used or maintained on any lot at any time; provided however, that the foregoing restriction shall not prohibit the maintenance of those temporary structures, trailers, or the like which are necessary during the construction, remodeling and/or renovation of any improvements thereon. No such structure, trailer or the like shall be utilized for dwelling purposes and all such structures, trailers or the like shall be removed from the lot promptly following the completion of any such improvements.

10. No Lot Owner shall make or permit any disturbing noises in the building by himself, his family, servants, employees, agents, visitors and licensees, nor do or permit anything by such persons that will interfere with the rights, comforts or conveniences of other Lot Owners.

11. All new construction and renovations and/or repairs shall conform with existing architectural design and aesthetically blend with the overall neighborhood appearance.

MISSISSIPPI
 I HEREBY CERTIFY THE FOREGOING INSTRUMENT WAS READ AND EXPLAINED TO
 SAID PARTY AND THAT HE UNDERSTANDS THE CONTENTS AND EFFECTS THEREOF.
 WITNESSED BY ME IN MY OFFICE AND IN THE PRESENCE OF TWO OTHER
 PERSONS THIS 10th day of October, 1993 at 10 o'clock A.M. in the
 Parish of Pike, State of Mississippi.
 Notary Public
 My Comm. Expires 10/10/95
 My Office is located at 1000 N. 1st St., P.O. Box 109, Vidalia, LA 70588.
 My Seal is on file in my office.

Barbara Burgess

RL
 Retasson 101
 Dianne L. Miller
 PO Box 942
 Picouville, MS 39416