

578841

***AMENDED AND RESTATED
DECLARATION
OF
COVENANTS, CONDITIONS
AND RESTRICTIONS
FOR
CHARLTON PLACE***

November 14, 2008

INDEXING INSTRUCTIONS:

1487

Charlton Place Subdivision according to the Plat filed in Plat Cabinet E Slides 63B and 64A including Lots 1 through 53; SE $\frac{1}{4}$ of Section 22, the SW $\frac{1}{4}$ of Section 23; the NW $\frac{1}{4}$ of Section 26; the NE $\frac{1}{4}$ of Section 27; the SE $\frac{1}{4}$ of Section 27; the NW $\frac{1}{4}$ of Section 34; the NE $\frac{1}{4}$ of Section 34; and the SE $\frac{1}{4}$ of Section 34; all in Township 9 North, Range 1 East, Madison County, Mississippi

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AMENDED AND RESTATED DECLARATION
OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR CHARLTON PLACE

This Amended and Restated Declaration of Covenants, Conditions and Restrictions for Charlton Place ("Declaration") is made on this the 14th day of November 2008, by Highway 22 Property, LLC, a Mississippi limited liability company ("Declarant"). This Declaration amends and restates in its entirety that certain Declaration of Covenants, Conditions and Restrictions for Charlton Place dated July 13, 2007, which was recorded in Book 2216 at Page 0190 in the land records of the Chancery Clerk's office of Madison County, Mississippi, concerning the Property (as hereinafter defined).

Declarant owns certain property consisting of approximately 681 acres, more or less, located in Section 3, Township 8 North, Range 1 East, and Section 34, Township 9 North, Range 1 East, Madison County, Mississippi, said property being more particularly on Exhibit A attached hereto and made a part hereof by reference (the "Property") (sometimes hereinafter referred to as "Charlton Place").

Declarant desires to create and develop a residential community entitled Charlton Place on the Property. The Declarant desires to provide for the preservation of the values and amenities in, and the enhancement of the charm and beauty of Charlton Place and for the designation, administration and maintenance of the Common Areas and Common Facilities. Therefore, the Declarant desires to subject all of the Property, including any and all improvements constructed or to be constructed on the Property, to the covenants, conditions, restrictions, uses, limitations, obligations, easements, servitudes, charges, assessments and liens contained in this Declaration which individually and collectively are for the benefit of the Property, each Owner and Declarant.

Declarant desires the efficient preservation of the values and amenities in, and the enhancement of the charm and beauty of Charlton Place. Therefore, the Declarant has created and organized the Charlton Place Property Owner's Association, Inc., a Mississippi nonprofit corporation, and has delegated and assigned the powers and duties created by and in this Declaration to the Association for the administration and maintenance of the Common Areas and Common Facilities, the administration and enforcement of the provisions of this Declaration, and the determination, collection and disbursement of special assessments and other charges.

Charlton Place is located adjacent to and/or in close proximity with other tracts of property owned by Charlton Property, LLC ("Charlton Property") (the property hereinafter referred to as "Meadows of Charlton") and Phoenix Development Company, LLC ("Phoenix") (the property hereinafter referred to as "Phoenix Property") (collectively sometimes referred to as the "properties"). Meadows of Charlton and Charlton Place will share certain common areas and amenities, namely the North Lake, boat landings, boat docks, drives and parking areas, Windermere

Boulevard, and two entrance gates located on Windermere Boulevard. The Declarant, Charlton Property and Phoenix (hereinafter sometimes referred to collectively as “the Parties” or singularly as “Party”) desire to create and develop a cohesive residential community which incorporates all three of the aforementioned properties; therefore, the Parties desire to subject Meadows of Charlton, Charlton Place and Phoenix Property to certain covenants, conditions, restrictions, uses, limitations, obligations, easements, servitudes, charges, assessments and liens contained in this Declaration and in the Declaration of Covenants, Conditions and Restrictions of the Meadows of Charlton Place (“Declaration of the Meadows of Charlton Place”) and the Declaration of Covenants, Conditions and Restrictions of Phoenix Property (“Declaration of Phoenix Property”) which individually and collectively are for the benefit of all three properties, each Owner and Declarant.

Now, therefore, Declarant declares that the Property is and shall be owned, leased, held, transferred, assigned, sold, conveyed, rented, used, occupied, hypothecated or encumbered, and improved subject to the provisions of this Declaration which (i) are agreed and declared to be beneficial for and in aid of the development of the residential community and the improvements of the Property and properties, (ii) shall be deemed to run with and bind the Property, and (iii) shall inure to the benefit of and be enforceable by Declarant and the Parties, as applicable, their successors and assigns, and each Person who has or acquires any interest in any portion of the Property or properties, as applicable, or the improvements on the Property or properties, as applicable, including the Association, any Owner and any Person who holds such interest solely as security for the performance of an obligation or the payment of a debt.

ARTICLE I. DEFINITIONS

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

“Additional Property” shall mean any other property in Madison County, Mississippi, contiguous or adjacent to or in close proximity to the Property and owned by the Declarant, any of its partners or any other entity in which the Declarant or its partners own an interest.

“Architectural Review Committee” shall mean and refer to the committee which shall be appointed by the Association’s Board of Directors to approve exterior and structural improvements, additions, and changes within Charlton Place as provided in Article X hereof. The Architectural Review Committee created pursuant to this Declaration shall only review and approve improvements, additions and change within Charlton Place.

“Assessment” shall mean the share allocated to a Parcel and thereby the Owners of such Parcel of the Association’s (i) maintenance Assessments, (ii) special Assessments, and (iii) expenses, costs, charges and other amounts incurred with respect to either such Parcel or the satisfaction, discharge or compliance with any obligations or duties of the Owners of such Parcel as specified in

this Declaration. Owners of Parcels within the Property shall be Members of the Association and pay Assessments to the Association.

“Association” shall mean the Charlton Place Property Owner’s Association, Inc., a Mississippi nonprofit corporation, and its successors and assigns.

“Board of Directors” shall mean the Board of Directors of the Association.

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

“Charter” shall mean The Articles of Incorporation of the Association, as amended from time to time.

“Common Areas” shall mean all real property conveyed to the Association in fee or by easement or otherwise made available to the Association and/or the Parcel Owners for the common use, benefit and enjoyment of the Members and/or Parcel Owners.

“Common Facilities” shall mean all the buildings and other improvements constructed on any portion of the Common Area for the common use, benefit and enjoyment of the Members, and may include, without limitation, any of the following:

- (a) Subdivision entrance walls, irrigation system, landscaping and other improvements;
- (b) All paved roadways which serve the Parcels together with all medians and “islands” located within the roadway system;
- (c) Such gates, levy areas and boat landings, boat docks, drives and parking areas as may be constructed in the Common Area;
- (d) Private street lighting fixtures, wiring and lamps located along the private roadway system, and all other lighting in the Common Areas;
- (e) Those common facilities specified in Article IV hereof, including without limitation, Windermere Boulevard, North Lake and boat landing, boat docks, drives and parking areas, guard houses, gates, entrance, fencing, landscaping and similar improvements; and
- (f) Such other improvements as the Association shall from time to time construct or acquire.

“Declarant” shall mean Highway 22 Property, LLC, a Mississippi limited liability company, and its successors and assigns.

“Declaration” shall mean this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Charlton Place, as amended and supplemented from time to time. This Declaration amends and restates in its entirety that certain Declaration of Covenants, Conditions and Restrictions for Charlton Place dated July 13, 2007, which was recorded in Book 2216 at Page 0190 in the land records of the Chancery Clerk’s office of Madison County, Mississippi, concerning the Property (as hereinafter defined).

“Developer” shall mean the Declarant and each Person who are successors in title to or acquires a fee simple interest from the Declarant with respect to any Parcel, except the Association, and with the Declarant’s permission is engaged in the business of the development, improvement and sale of any Parcel, including the construction and sale of a Dwelling and related improvements or appurtenances on any Parcel.

“Dwelling” shall mean a fully detached residence of at least 2,750 square feet heating and cooled space which is designed and used as a conventional single family home, and which should be designed to maximize views, climatic conditions, and the environmental amenities of the site.

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

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

“Invitees” shall mean an Owner’s tenants, guests, patrons, employees or other guests or invitees.

“Lake” shall mean a lake or lakes as indicated on the Plat or as otherwise located on the Property. There are two (2) Lakes on the Property, as set forth herein.

“Lake Parcel” shall mean any Parcel that abuts or is in part covered by a Lake.

“Management Agent” means the Person, if any, employed or retained by the Board of Directors for the purpose of conducting and managing the daily operations of the Association as to Charlton Place.

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

“Mortgagee” shall mean any Person who owns, holds or is the beneficiary of a mortgage, deed of trust or similar encumbrance creating a lien or encumbrance against any Parcel, including,

but not limited, to (i) a bank, (ii) a savings and loan association, (iii) a trust company, (iv) an insurance company, (v) a mortgage company, (vi) a trust, (vii) a mortgage insurance company, (viii) a mutual savings bank, (ix) a real estate investment trust, (x) a credit union, (xi) a pension fund, (xii) the Federal National Mortgage Association, (xiii) the Federal Home Loan Mortgage Corporation, (xiv) a recognized institutional type lender or loan correspondent, (xv) any agency or a department of The United States of America or any state, county or municipal government, (xvi) a corporation, or (xvii) an individual.

“North Lake” shall mean the Lake located in the northwestern corner of the Property as indicated on the survey attached hereto as Exhibit B.

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

“Parcel” shall mean and refer to any subdivided tract of land constituting a portion of the Property, which is shown and designated as a numbered lot on a recorded subdivision plat, if such a recorded plat exists, or if no such recorded plat exists, a lot or tract or parcel indicated by some other means upon which a single-family home may be built. These Parcels, as same currently exist, may be further subdivided into smaller Parcels, subject to the provisions of the zoning and subdivision ordinances of Madison County Mississippi and any other applicable governmental rules, regulations, ordinances and laws. However, the minimum Parcel size is five (5) acres. Only one Dwelling may be constructed on each Parcel.

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

“Plans” shall mean the plans, blueprints, drawings, specifications and samples prepared by or for a Developer or other builder or owner in connection with the development or improvement of a Parcel.

“Plat” shall mean a subdivision map(s) or plat(s) of the Property which has been or shall be filed for record in the office of the Chancery Clerk of Madison County, Mississippi.

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

“South Lake” shall mean the Lake located on the south west corner of the Property, designated as the “Proposed Lake” on Exhibit B.

“Supplement” shall mean any amendment, modification, change or restatement of or to this Declaration.

ARTICLE II.
PROPERTY SUBJECT TO DECLARATION

Section 2.01. The Property. The real property which is and shall be owned, leased, held, transferred, assigned, sold, conveyed, rented, used occupied, hypothecated or encumbered, and improved subject to this Declaration is both the Property as described in Exhibit A and such portions of the Additional Property which may be annexed to the Property from time to time as provided by Section 2.03 hereof.

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

Section 2.03. Annexation of Additional Property. At any one or more times prior to December 31, 2021, and without the consent of the Class A Members, the Declarant, or any other person with the written consent of the Declarant, shall have the right, privilege or option (but not the obligation) to annex to the Property any of the Additional Property. Any such annexation shall have the effect of making the annexed property part of the Property and extending the scheme of the within covenants and restrictions to such annexed property. However, no such annexation shall occur until same has been accomplished in the manner herein prescribed.

Any annexations of Additional Property to the Property shall be made by recording a Supplementary Declaration of Covenants, Conditions and Restrictions in the land records in the office of the Chancery Clerk of Madison County, which Supplementary Declaration shall extend the scheme of the within covenants and restrictions to the annexed Additional Property therein described. Such Supplementary Declaration shall be executed by the person who owns the fee simple title to the Additional Property being annexed, and if such person is other than the Declarant, shall be executed also by the Declarant. Such Supplementary Declaration may contain whatever additions, changes and modifications to the provisions of the Declaration as may be appropriate to reflect the different character or use, if any, of the annexed Additional Property, including, but not limited to changes in (i) setback lines, (ii) total square footage to be contained within any residence, (iii) easements, (iv) minimum Parcel size, (v) access and use of the North Lake and other Common Areas, (vi) treatment of roads within subdivision, (vii) degree of care and Assessments for any care not rendered to all of the Property, (viii) amount of Assessments and method of assessing same, and such other items as Declarant may elect.

ARTICLE III.
ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

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

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

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

(a) Whenever a vote of the Class A Members is required or permitted under this Declaration, the aggregate voting power of all Class A Members shall be equal to the aggregate number of Parcels owned by all Class A Members. Class A Members shall be entitled to one vote for each Parcel owned by such Class A Members. When more than one Member owns or otherwise holds an interest or interests in a Parcel, then the one vote for such Parcel shall be exercised as such Members shall determine, but in no event shall more than one vote be cast with respect to any Parcel. However, no Class A Member shall be entitled to vote so long as the Class B Member owns any Parcel, property or parcel in the Property.

(b) The Class B Members shall be the Declarant, who shall be entitled to four votes for each Parcel owned by the Declarant.

(c) As set forth herein above, the current Parcels may be subdivided into smaller Parcels, so long as the minimum size requirement of five (5) acres are met, and so long as the subdivision of a Parcel is approved and allowed by applicable governmental regulation. If an existing Parcel is subdivided into new, smaller Parcels, the new, smaller Parcels shall each have one vote.

Section 3.04. Membership Appurtenant to Real Property. The membership of both the Class A Members and the Class B Member shall be appurtenant to the ownership of a Parcel. 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 Parcel to which the membership is appurtenant.

Section 3.05. Voting Conflict Between Members. If the fee title to a particular Parcel on the Property is owned of record by more than one Member, then the one vote appurtenant to such Parcel may be exercised by any one of such Members, unless the other Members who own an interest in such fee title to the Parcel shall object prior to the completion of voting upon the particular matter

under consideration. In the event of any such objection, the one vote appurtenant to such Parcel shall not be counted.

Section 3.06. Termination and Reinstatement of Class B Members. If on any one or more occasions all Class B memberships should terminate, and if after any such termination the Declarant, by annexation to the Property in accordance with the Declaration, should add Additional Property to the Property theretofore subject to the Declaration, then on each such occasion the status of the Declarant as a Class B Member shall be fully reinstated, and following each such occasion, the Declarant, or the nominee or nominees, if any, of the Declarant, shall continue to be Class B Members until such time as the Declarant shall have sold, conveyed or transferred all Parcels that the Declarant owns within the Additional Property. At such time, the Class B membership resulting from such addition shall cease. Following each such reinstatement of the Class B memberships, for so long thereafter as the Class B memberships shall continue to exist, the Declarant, and the nominee or nominees, if any, of the Declarant, shall have all rights and powers of Class B membership, as herein provided.

Section 3.07. Proxies. A Member may appoint any other Member or the Declarant or any other person permitted by law or by the Bylaws as his proxy. In no case may any Member (except the Declarant) cast more than one vote by proxy in addition to his own vote. Any proxy must be in writing and must comply with all requirements imposed by law or by the Association's Bylaws. Any restrictions on the proxy holder's discretion to vote must be contained in the written proxy.

Section 3.08. Quorum. The presence, either in person or by proxy, of Members representing at least fifty-one percent (51%) of the total votes entitled to be cast shall be requisite for, and shall constitute a quorum for, the transaction of business at all meetings of Members. If the number of Members at a meeting drops below the quorum and the question of a lack of a quorum is raised, no business may thereafter be transacted.

Section 3.09. Other Voting Provisions. The Charter and/or the Bylaws contain other provisions relating to voting rights of Members with respect to matters or issues unrelated to this Declaration, including, but not limited to, the election of individuals to the Board of Directors.

ARTICLE IV. BOARD OF DIRECTORS AND OFFICERS OF THE ASSOCIATION AND MANAGEMENT AGENT

Section 4.01. Board of Directors. The Association and the affairs of the Association shall be managed and controlled by the Board of Directors which shall have all the power, authority and duty necessary or appropriate for such management and control. The Board of Directors shall consist of three individuals or such greater number of individuals as may be prescribed in the Bylaws from time to time. Directors are not required to be Members, and shall be appointed by the Declarant or elected by the Members in the manner prescribed in the Bylaws.

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

(a) To provide for the maintenance, care, upkeep, surveillance, services and efficient operation of the Common Areas and Common Facilities.

(b) To establish, determine, assess, collect, use and expend the Assessments from the Members, and to file and enforce liens for such Assessments.

(c) To adopt, promulgate and enforce such rules, regulations, restrictions and requirements as may be recommended by the Architectural Review Committee, the Management Agent pursuant to Section 4.04 (d), or as the Board of Directors may consider appropriate with respect to the Property, the Parcels, any improvements on the Parcels, including Dwellings, the Lakes, or the use, occupancy and maintenance of the Common Areas and Common Facilities including, but not limited to, rules, regulations, restrictions and requirements designed to (i) prevent unreasonable interference with the use, benefit and enjoyment of the Common Areas and Common Facilities by the Members and other authorized Persons, (ii) control traffic flow in and about Charlton Place, and (iii) govern activities which may be environmentally dangerous or hazardous, including, without limitation, the use or application of fertilizers, pesticides and other chemicals in or on the Property.

(d) To purchase insurance upon the Common Areas and Common Facilities.

(e) To maintain, repair, restore, reconstruct or demolish all or any portion of the Common Areas or Common Facilities after any casualty loss, and to otherwise improve the Common Areas and/or Common Facilities.

(f) To lease or grant licenses, easements, rights-of-way and other rights of use in or option, sell, assign, exchange, trade, transfer, quitclaim, surrender, release, abandon, or otherwise convey all or any portion of the Common Areas and/or Common Facilities upon such terms, conditions and provisions as the Board of Directors considers to be advisable, appropriate, convenient or advantageous for or to the Association, subject to the provisions of Section 9.01(j) hereof.

(g) To lease as tenant, purchase or otherwise acquire Parcels and to option, lease, sell, assign, exchange, trade, transfer, quitclaim, surrender, release, abandon, mortgage or encumber or otherwise convey any of such Parcels upon such terms, conditions and provisions as the Board of Directors considers to be advisable, appropriate, convenient or advantageous for or to the Association.

(h) To retain or employ a Management Agent for such compensation and for the performance of such duties and services as established or prescribed by the Board of Directors from time to time.

(i) To negotiate, prepare, execute, acknowledge and deliver all contracts, agreements, commitments and other documents relating to the Association's affairs.

(j) To prosecute, defend, appeal, settle, compromise or submit to arbitration any suit, action, claim or proceeding at law or in equity or with or before any governmental agency or authority which involves or affects the Association, including the Common Areas and/or Common Facilities.

(k) To retain or employ and pay the fees, expenses or other compensation of accountants, attorneys, architects, landscape architects, contractors, engineers, consultants or other persons who may be helpful, necessary, appropriate or convenient in or to the Association's affairs, whether or not related to or affiliated with any director or officer of the Association or any Member.

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

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

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

(a) To collect Assessments, and enforce liens to secure the collection of such Assessments.

(b) To provide for the maintenance, care, upkeep, surveillance, services and efficient operation of the Common Areas and Common Facilities.

(c) To select, designate, train, hire, supervise and discharge personnel necessary or appropriate for the proper maintenance, care, upkeep, surveillance, services and efficient operation of the Common Areas and Common Facilities.

(d) To enforce and recommend that the Board of Directors approve and enforce such rules and regulations, restrictions and requirements relating to maintenance, care, upkeep, surveillance, services and operation of the Common Areas and Common Facilities as may be recommended by the Management Agent from time to time.

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

Any management agreement entered into by the Association and any Management Agent shall permit (i) immediate termination for cause, and (ii) termination without cause by the Association upon 30 days' written notice to the Management Agent. The term of any such management agreement shall not exceed one year, but may be renewable by mutual agreement of the parties for successive one-year terms.

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

Section 4.06. No Discrimination. Neither the Board of Directors nor the Association shall take, at any time, action that would unfairly discriminate in any manner against any Owner(s) in favor of the other Owners.

ARTICLE V. ASSESSMENTS

Section 5.01. Covenants For Assessments. Each Owner by acceptance of a Deed or other conveyance document for such Parcel, whether or not expressed in any such Deed or other

conveyance document, shall be deemed to covenant and agree to pay to the Association any maintenance or special Assessments which shall be levied by the Association. Each such Assessment shall be a charge on the land, and shall be a continuing lien upon each Parcel and the personal obligation of the Person who is the owner of such Parcel at the time the Assessment fell due. No Class A Member may become exempt from other otherwise avoid liability for the payment of any Assessment by the abandonment of any Parcel or by the abandonment or release of the Member's rights to use, benefit and enjoy the Common Area and/or Common Facilities.

Section 5.02. Maintenance Assessments. Except as permitted by Section 5.07, any maintenance Assessments levied by the Association shall be used exclusively (i) to promote the health, safety and welfare of the residents of the Property, including the improvement, maintenance and repair of the Common Areas and/or Common Facilities and (ii) to pay the cost of labor, the purchase or rental of equipment and materials used or required for, and the management, care and supervision of, the Common Areas and/or Common Facilities. The purposes for which the maintenance Assessments may be levied include, but are not limited to, the following purposes:

(a) The amount of all operating expenses of or for the Common Areas and/or Common Facilities and the services furnished or provided to or in connection with the Common Areas and/or Common Facilities, including charges for any services furnished or provided by the Association.

(b) The costs of appropriate or necessary management and administration of the Common Areas, including fees or other compensation paid to a Management Agent.

(c) The amount of all taxes and assessments levied against Common Areas and Common Facilities.

(d) The costs of fire and extended coverage and liability insurance on the Common Areas and/or Common Facilities and the Association's other assets and the costs of such other insurance with respect to the Common Areas and/or Common Facilities and the Association's other assets and affairs as the Board of Directors considers appropriate.

(e) The costs of garbage and trash collection to the extent provided by the Association, and of utilities and other services which may be provided by or for the Association for or to the Common Areas, and/or the Parcels.

(f) The costs to maintain, replace, repair and landscape all Common Areas, the Lakes, and easements and to keep same in a good and safe condition, including, but not limited to, the costs to maintain, replace and repair private roads, fences, gates, boat landings, boat docks and parking areas, levies, monuments, irrigation, and other improvements, Common Facilities and equipment as the Board of Directors shall determine to be necessary or appropriate in connection with such maintenance, replacement, repair, landscaping and safe operating condition.

(g) The costs to fund all reserves established by the Association, including any appropriate general operating reserve and/or reserve for replacement of assets.

Section 5.03. Annual Maintenance Assessment. Prior to the first day of January in each year, the Board of Directors shall adopt a budget estimated by the Board of Directors to be sufficient to meet the cost and expenses described in Section 5.02 hereof and shall fix and levy the "Annual Maintenance Assessment" at an amount sufficient to meet the budget adopted by the Board of Directors. The Board of Directors shall have the authority to add or remove any amounts that they decide should be included or excluded from the annual maintenance Assessment. Assessments provided for herein shall commence at the time of conveyance to the initial Owner. The first Annual Assessment shall be adjusted according to the number of months remaining in the calendar year. Assessments shall be made and assessed on a per Parcel basis. If a Parcel is subsequently subdivided as allowed herein, then in such event each of the subdivided tracts shall constitute new Parcels, and each new Parcel shall be assessed and must pay an Assessment.

Section 5.04. Special Assessments. In addition to the annual maintenance Assessments authorized in this Article V, the Association may levy special Assessments as follows:

(a) In any fiscal year the Association may levy a special Assessment applicable only to that fiscal year (i) for the purpose of paying all or a portion of the costs of any construction, reconstruction, replacement or inordinate repair or maintenance of improvements on the Common Areas, including the fixtures and personal property on or related to the Common Areas and/or Common Facilities, or (ii) for any such other purposes as the Board of Directors may consider to be appropriate. Any such special Assessment must be approved by a vote of two-thirds of the voting power of each class of the Members. Such a Special Assessment shall also be assessed on a per Parcel basis.

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

Section 5.05. Dwelling and Lawn Maintenance. The Association shall have the responsibility and duty only for the maintenance, repair and care of the Common Areas and Facilities.

Section 5.06. Assessments Are Not Dues. No portion of the annual maintenance Assessment and special Assessments provided in or permitted by this Article V are intended to be, or shall be construed to be, dues for membership in the Association.

Section 5.07. Costs and Expenses of Certain Damage. Whether or not specifically provided in this Declaration, if the Board of Directors determine that any Owner (i) has failed or refused to properly satisfy or discharge any maintenance, repair, care, upkeep, replacement or any other obligations or duties for which the Owner is responsible under this Declaration, or (ii) is responsible for damage to the area of common responsibility which is not covered by insurance, then, if deemed to be necessary or appropriate by the Board of Directors, the Association may provide such maintenance, repair, care, upkeep or replacement or satisfy or discharge any such other obligations or duties at the Owner's sole cost and expense. Such costs and expenses shall be increased by all amounts described in Section 6.03. All such amounts shall be considered to be a special Assessment under Section 5.04 against the Parcel, and the Owners of such Parcel shall be personally responsible and liable for the payment of all such amounts immediately upon notice from the Association, and all such amounts shall become a lien against such Parcel which shall be enforceable by the Association.

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

Section 5.09. Uniform Rate for Assessments. All Assessments shall be levied on a per Parcel basis rate for each Parcel to which Class A membership is appurtenant, except special Assessments which apply only to individual Parcels as set forth in this Article V. This provision is subject to the provisions regarding the annexation of Additional Property set forth above and the provisions regarding equitable adjustment set forth in Section 5.11 below.

Section 5.10. Commencement of Assessments. The Association is hereby authorized and empowered to collect any Assessment, or portion thereof, levied by the Association against any Parcel from the Owner and Purchaser of such Parcel at the time of the closing of such Parcel from the Declarant.

Section 5.11. Equitable Adjustments. If a Supplement is filed for record which annexes Additional Property to the Property and specifies that a greater or lesser level of use, benefit or enjoyment of the Common Area or of services shall be available or provided by the Association with respect to any portion of the annexed Additional Property, then the Supplement may provide a different method or basis for the establishment, determination and calculation of the Annual Maintenance Assessment or special Assessments under Section 5.02, Section 5.03 or Section 5.04 with respect to such annexed Additional Property. In such event, the Association shall have the authority and the duty to make equitable adjustments in and to the procedures described in this Article V for the establishment, determination and calculation of the annual maintenance and special Assessments to reflect any such different level of use, benefit and enjoyment of the Common Area or services available or provided by the Association.

ARTICLE VI.
ENFORCEMENT OF ASSESSMENTS

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

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

The Association shall have the right to reject partial payments of an Assessment and to demand the full payment of such Assessment. The lien for unpaid Assessments shall be unaffected by any sale or other transfer or conveyance of the Parcel subject to the Assessments, and the lien shall continue in full force and effect. No Member may waive or otherwise avoid or escape personal liability for payment of any Assessment by abandonment of his Parcel or by abandonment or release of the Member's rights to the use, benefit and enjoyment of the Common Areas and Common Facilities.

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

Section 6.03. Amount of Lien. Upon the default by any Owner of any Parcel in the payment of any installment of an Assessment, the entire unpaid balance of all Assessments against the Parcel and the Owners of the Parcel shall immediately be and become due and payable, unless the Board of Directors shall otherwise direct. In addition to the amount of the unpaid annual maintenance and

special Assessments, the following amount shall be considered to be special Assessments against the Parcel and the Owners of such Parcel and shall be subject to the lien of Assessments provided under Section 6.01:

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

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

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

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

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

Section 6.05. Subordination to Mortgages. As provided by Section 6.04, the lien against any Parcel to secure payment of any Assessment shall be subordinate to the lien of any duly recorded First Mortgage on or against the Parcel made in good faith and for value received and duly recorded prior to the Assessment creating the lien against the Parcel, or duly recorded after receipt of a certificate under Section 6.02 stating that payment of the Assessment was current as of the date the First Mortgage was filed for record, and, subject to the foregoing, shall not affect the rights of the holder of any First Mortgage. However, the lien shall be subordinate only to Assessments which have become due and payable prior to the sale or other transfer of or conveyance of the Parcel pursuant to a foreclosure of any such First Mortgage, or prior to the execution of any deed, assignment or other proceeding or arrangement in lieu of foreclosure. Any such holder of a First Mortgage who acquires possession of such Parcel pursuant to a foreclosure or pursuant to the execution of any deed, assignment or other proceeding or arrangement in lieu of foreclosure, and any purchaser or assignee at a foreclosure sale or any transferee under any deed, assignment or other proceeding or arrangement in lieu of foreclosure, shall acquire the Parcel free of any claims for

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

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

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

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

ARTICLE VII. INSURANCE

Section 7.01. Association's Insurance. The Association shall apply for, obtain, pay the costs or premiums of and maintain insurance in such limits and forms and from such companies as the Board of Directors shall consider appropriate; provided that, at a minimum the Association shall obtain the following insurance:

- (1) casualty insurance covering all insurable common private improvements, including the common fences within the development; and
- (2) a public liability policy covering the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents with limits of at least: a One Million Dollars (\$1,000,000.00) single person limit for bodily injury and property

damage; a One Million Dollars (\$1,000,000.00) limit per occurrence; and a Thirty Thousand Dollars (\$30,000.00) minimum property damage limit.

All policies shall name Declarant and Charlton Property as additional insureds.

Section 7.02. Owner's Insurance. Each Owner shall insure his Dwelling and other improvements on his Parcel at all times for full replacement value against losses due to hazards which may be insured or covered under extended coverage provisions, including fire, windstorm, hail explosion, riot, civil commotion, aircraft, vehicles, and smoke, and other hazards. Each Owner shall be responsible at his own expense and cost for his own personal insurance on the contents of his Dwelling and other improvements, including decorations, furnishings and personal property in or on such Dwelling or the other improvements, and his personal property stored elsewhere on his Parcel or the Property, and for his personal liability to Persons which is not covered by liability insurance for all Owners obtained by the Association and included in the Annual Maintenance Assessments.

ARTICLE VIII. AD VALOREM TAXES

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

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

ARTICLE IX. PROPERTY RIGHTS

Section 9.01. Member's Easements of Enjoyment. Every Member shall have a right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every Parcel, subject to the following provisions:

(a) The right of the Association, acting by and through its Board of Directors, to levy reasonable admission and other fees for the use of any Common Areas and Common Facilities by the Members and their families and Invitees. Any such fees shall be charged on a uniform basis for each Member.

(b) The right of the Association, acting by and through its Board of Directors, to suspend any Member's voting rights and any Member's rights to use the Common Areas and Common Facilities for any period during which any Assessment remains unpaid and for any period not exceeding 60 days for any infraction, breach or violation of rules and regulations of the Association.

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

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

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

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

(g) The roads and drainage within the Property are, and shall remain, private roads and private drainage, and shall not be dedicated to Madison County or any other governmental body unless an instrument agreeing or consenting to such dedication or transfer that is executed by Members representing at least two-thirds of the voting power of each class of Members. Notwithstanding the foregoing or anything else to the contrary contained in this Declaration, so long as the Declarant owns any Parcel, property or parcel in the Property, the Declarant may, in the Declarant's sole discretion, cause any or all private roads other than Windermere Boulevard within the Property to be dedicated to Madison County without the approval of the Owners, Members or the Association. The roads located within the Property are, or shall be, owned by the adjacent Parcel Owners, to the center line of the road.

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

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

(j) For a period of ten (10) years from the date of this Declaration, the right of the Declarant to sell, transfer or convey any portion of the Common Area without the approval of the Owners, Members or the Association.

Section 9.02. Delegation of Use. In accordance with the Bylaws and subject to such reasonable rules and regulations as the Board of Directors may adopt or promulgate and uniformly apply and enforce, any Member may delegate his rights to the use, benefit and enjoyment of the Common Areas and Common Facilities to (i) family members who reside permanently with such Owner, (ii) contract purchasers who reside on the Property, and (iii) Invitees.

ARTICLE X. ARCHITECTURAL CONTROL

Section 10.01. Establishment of the Architectural Review Committee. There is hereby established the Charlton Place Architectural Review Committee (referred to herein as "Architectural Review Committee"). The Architectural Review Committee shall be appointed by the Declarant as long as Declarant owns of record any Parcel, any of the Property or any Additional Property subject to Annexation. Thereafter, the Architectural Review Committee shall be appointed by the Board of Directors.

Section 10.02. Architectural Review Committee. After the Declarant has sold all Parcels on the Property and the Additional Property, the Architectural Review Committee shall consist of not less than three nor more than five individuals who shall be appointed or designated from time to time by the Board of Directors and who may be but are not required to be Members. The members of the Architectural Review Committee shall serve at the pleasure of the Board of Directors and may be removed at any time by the Board of Directors with or without cause. The affirmative vote of a majority of the members of the Architectural Review Committee shall be required to make any finding, determination, ruling or order or to issue any permit, consent, approval or disapproval under this Declaration, including this Article X and the approval or disapproval of all or any portion of any Plans, or to recommend that the Board of Directors adopt any rule or regulation relating to the provisions of this Article X.

Section 10.03. General Requirements. Except for the purposes of proper maintenance and repair, no improvement, including, but not limited to, buildings, fences, walls or other structures, and no exterior addition, change or alteration to any improvement, including any change or alteration of color, shall be commenced, erected, constructed, placed, altered, moved, maintained or permitted to remain on any portion of the Property, including any Parcel, until after compliance with the review process of this Article X and approval of the Plans by the Architectural Review Committee. Any Developer or other builder, including any Owner or lessee of a Parcel shall not remodel or alter existing improvements on any Parcel until approval has been granted by the Architectural Review Committee in accordance with the review process of this Article X. The Developer or other builder, at its expense, shall complete and submit to the Architectural Review Committee two complete sets of Plans for review by the Architectural Review Committee. The Plans shall provide for a first class

structure, workmanship and materials. Specific requirements of the submittals shall be established by the Architectural Review Committee and approved by the Board of Directors and may include the following:

(a) Building plans, at a reasonable scale, and building specifications, which shall be prepared and/or signed by an architect and shall include the location, nature, shape, height, materials, color and finish of materials, type of construction, floor plans and elevations, details of exterior wall construction and other exterior features, gross square footage and other characteristics of the improvements and other information required or specified by the Architectural Review Committee. Each building plan also shall show the minimum floor area of a single family dwelling, exclusive of porches and garages, to be at least two thousand seven hundred fifty (2,750) square feet.

(b) A drainage plan which will coordinate with the overall area drainage. Where a drainage pipe may be required for a driveway, such pipe shall be concrete and shall include head walls of a structural concrete nature.

(c) A site plan, at a reasonable scale, which will include an accurate grading plan and which shall show the location of all (i) improvements, (ii) exterior lighting and signs, (iii) pedestrian walkways, vehicular circulation and parking areas, and (iv) designation of all proposed utility lines, air-conditioning units, aerial lines, pipes, conduits, transformers and similar equipment.

(d) Tree clearing plan, a landscaping and hardscaping plan for the Parcel.

(e) A statement by the Developer's or other builder's architect and engineer or, if none, by the Developer or other builder that the proposed construction complies with all applicable building and zoning codes and regulations and this Declaration, including all building codes.

Until after compliance with the review process of this Article X and approval of the Plans by the Architectural Review Committee, no Developer or other builder shall (i) install, erect, attach, apply, paste, hinge, screw, nail, guild, alter, remove or construct any (1) lighting, (2) shade, screen, awning or patio cover, (3) exterior decoration, (4) fence or wall, (5) aerial line, (6) antenna, radio or television broadcasting or receiving device, (7) slab, sidewalk, driveway, road, curb or gutter, or (9) patio, balcony or porch, (ii) make any change or otherwise alter, including any change or alteration of color, in any manner whatsoever to the exterior of any improvement constructed upon any Parcel or upon any portion of the Common Areas, (iii) combine or otherwise join two or more Dwellings except on Parcels specifically permitted by this Declaration and/or as shown and designated on the Plat, or partition such Dwellings after combination, or (iv) make any change or alteration to the interior or exterior of any Dwelling which will alter the structural integrity of the building or otherwise affect the Parcel or the Property, the interest or welfare of any other Owner or the Association, materially increase the cost of operating or insuring any of the Common Areas, Common Facilities, or impair any easement.

Section 10.04. Review Process. Within 45 days after receipt of all of the Plans, the Architectural Review Committee shall review the Plans and shall either approve or disapprove in writing all or any portion of the Plans. Written notice of such decision shall be given to the Developer or other builder, and such notice shall specify the reasons for any disapproval. The Architectural Review Committee's right to disapprove the Plans shall be limited to (i) the failure of the Developer or other builder to include information required by, or otherwise satisfy the requirements of, this Article X or other provisions of this Declaration, (ii) objections to the design, general massing, color, materials or development of any proposed building or improvement which the Architectural Review Committee determines to be incompatible with the existing or surrounding structures on, or the topography and conformity with the design concept of or for, the Property, (iii) objections that the Plans do not provide for first-class structure, workmanship or materials, (iv) failure to provide a grading, drainage, tree clearing, landscaping and hardscaping plan which is consistent with the quality, development or design of the Property, (v) matters that do not satisfy the requirements of this Article X or other provisions of this Declaration, or (vi) any other reason or reasons which are not arbitrary or capricious, including, but not limited to, aesthetic considerations.

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

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

If the Developer or other builder desires to materially modify or change the Plans after approval of the Plans, but not including modifications or changes of or to the interior design, then the Developer or other builder shall submit two complete copies of such proposed changes to the Architectural Review Committee for review and approval or disapproval.

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

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

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

Section 10.05. Disclaimer. The Board of Directors, the Architectural Review Committee, each director and each officer of the Association, each member of the Architectural Review Committee and the Association and, if applicable, the Declarant shall not be liable to any Owner or to any other Person on account of any claim, liability or expense suffered, incurred or paid by or threatened against such Owner or other Person arising or resulting from or in any way relating to the subject matter of any reviews, acceptances, inspections, permissions, consents or required approvals which must be obtained from the Architectural Review Committee or public authorities, whether given, granted or withheld. No approval of Plans and no publication of architectural standards or bulletins shall be construed either to represent, guarantee or imply that such Plans or architectural standards will result in a properly designed Dwelling or other improvement, or to represent, guarantee or imply that any Dwelling or other structure or improvement will be built or constructed in a good, workmanlike manner. Approval of any particular Plans shall not be construed as a waiver of the right of the Architectural Review Committee to disapprove any portion of the Plans if such Plans are subsequently submitted for use in any other instance.

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

Section 10.07. [Intentionally Omitted].

Section 10.08. Variances. The Declarant and/or the Architectural Review Committee may, in their sole discretion, grant variances to any setbacks shown on any recorded plat concerning Meadows of Charlton Place or in this Declaration, so long as said variances do not violate applicable zoning and setback regulations.

Section 10.09. Minimum Square Footage. The minimum square footage of a dwelling is 2,750 square feet of heated and cooled space.

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 shown and designated on a Plat, and the right to remove any obstruction in any utility or drainage easement which may interfere either with the use of any utility or drainage easement or with the installation, operation, use, maintenance, repair and removal of such utility or drainage facility.

In addition to any utility easements which may be reserved otherwise, a thirty (30) foot utility easement is hereby reserved along all boundaries of each Parcel on the Property. A thirty (30) foot utility easement is hereby reserved along the entire outside perimeter of the Property.

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

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

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

ARTICLE XII. USE AND OTHER RESTRICTIONS AND REQUIREMENTS

Section 12.01. Use of Parcels and Dwellings. Except (i) for the activities of a Developer or other builder during the construction and development of a Parcel or the Common Areas (ii) for activities and uses expressly permitted and not substantially inconsistent with the provisions of this Declaration (iii) as may be necessary or appropriate in connection with reasonable and necessary repairs or maintenance to any Dwelling or other improvements on a Parcel, the Common Areas and (iv) as permitted by Section 12.03, each Parcel and Dwelling shall be used for residential purposes only, and no trade and business of any kind or nature may be conducted on or in such Parcel or Dwelling. The use of a portion of a Dwelling as an office by the Owner or his tenant shall not be considered to be a violation of this Section 12.01 if such use does not create regular or continual customer, client, or employee traffic. In no event shall any Parcel or Dwelling or other improvements on a Parcel be used as a storage area for any building contractor or real estate developer, except as specifically permitted by this Declaration. No activity shall be present on any Parcel that is or may become, in the Board of Directors' reasonable judgment, an annoyance or nuisance to the other Owners.

Section 12.02. Lease of Dwelling. The lease or rental of a Dwelling for residential purposes on any of the Property shall not violate Section 12.01 if (i) the Lease is in writing, (ii) prior to commencement of the Lease the Owner pays to the Association a deposit of \$1,000 which may be used by the Association as needed for maintenance and upkeep of the rented Parcel and improvements located thereon, (iii) the entire Dwelling and all the improvements on the Parcel are leased, (iv) the term of the lease is at least one year, (v) the lease otherwise complies with any additional rules and regulations adopted and promulgated from time to time by the Board of Directors, and/or the Declarant and (vi) the lease is subordinate and subject to this Declaration and is in writing. Prior to commencement of any lease term, the Owner shall provide the Association and Management Agent, if any, with copies of the lease.

Section 12.03. Sales and Construction Activities. The Declarant is expressly permitted and authorized to maintain and conduct such facilities and activities as may be reasonably appropriate, necessary, required, convenient or incidental to the construction, completion, improvement and sale of Parcels and/or Dwellings or the development of Parcels, Dwellings and other improvements, and the Common Areas, including, without limitation, the installation and operation of sales and construction trailers, offices and other structures or other improvements. The Location of any construction trailers of any Developer or other builder shall be subject to the Declarant's approval. The right to maintain and conduct such facilities and activities specifically includes the right to use

Dwellings as model residences, as offices for the sale of Parcels and/or Dwellings, and for related activities. The Declarant is expressly permitted and authorized to use, stock, maintain, locate, store and place on any portion of the Property any and all equipment, tools and vehicles as may be reasonably appropriate, necessary, required, convenient or incidental to such construction, improvement, completion, sale or development, including, but not limited to, construction equipment and construction machinery and vehicles.

Section 12.04. Time Sharing. No Parcels or Dwellings on any of the Property shall be sold, assigned or leased under any time sharing, time interval or right-to-use programs or investments.

Section 12.05. Trespass. Whenever the Association and/or the Declarant is permitted by this Declaration to repair, clean, clear out or do any action on any part of the Property, including perform obligations or duties imposed on any Owner under this Declaration, then entering any Parcel or any portion of the Property for such purposes and taking such action shall not be or be deemed to be a trespass.

Section 12.06. Easement Interference. No structure, planting or other material shall be placed or permitted to remain upon any Parcel which may damage or interfere with any easement for the installation or maintenance of utilities, or which may unreasonably change, diminish, obstruct, or retard the direction of flow of surface water runoff in any drainage easement, swale or channel.

Section 12.07. Reconstruction after Fire or Other Casualty Loss. If a Dwelling on any of the Property is partially or completely destroyed by fire or other casualty, the Owner of such Dwelling shall promptly clear the Parcel or restore or reconstruct such Dwelling, at his own expense, in accordance with the original Plans.

Section 12.08. Vacant Parcel Maintenance. Each Owner of a Parcel on any of the Property shall be responsible for the proper seeding, fertilization, watering, mowing, removal of litter and maintenance of any Parcel which is undeveloped. If fill is placed on the Parcel and the construction of the improvements is not promptly commenced and completed, then the Owner will be required to maintain such Parcel.

Section 12.09. Signs. Except as may be required by legal proceedings, no signs, advertising or ornaments of any kind shall be placed, maintained or permitted on a Parcel on any of the Property or within any windows or on the exterior of any Dwelling or other structure located on any Parcel by any Person, including the Owner, without the approval of the Declarant and/or the Architectural Review Committee. The approval of any signs and posters, including name and address signs, shall be upon such conditions as the Declarant and/or the Architectural Review Committee shall determine from time to time, and approval may be arbitrarily withheld. Any approved sign or advertising device shall only contain one name and/or one number plate which shall not exceed 120 square inches, and, if advertising the Parcel or Leasehold Interest and/or Dwelling "for sale" or "for lease," such sign shall not exceed five square feet in area and shall be subject to the Architectural Review Committee's right to restrict color and content. The restrictions of this Section 12.09 shall not apply

to the Declarant. The Board of Directors shall have the right to erect reasonable and appropriate signs on any portion of the Common Areas and Common Facilities and within easement areas established by this Declaration.

Section 12.10. Parcel Division and Addition. After conveyance of a Parcel by the Declarant, the further subdivision of such Parcel shall be allowed by this Declaration, subject to applicable governmental rules, regulations, ordinances and laws, so long as the resulting new, smaller Parcels are at least five (5) acres in area. No owner of another Parcel in the Property may object to the subdivision of a Parcel by an Owner, so long as the resulting Parcels meet the minimum area criteria set forth herein. *However, it is expressly agreed and understood that Declarant makes no representation or warranty regarding the subdivision of Parcels, as same is subject to governmental rule and regulation.*

If two or more adjoining Parcels are purchased by one Owner to be used as a single-family dwelling, those Parcels shall become one Parcel. Only one Dwelling shall be constructed on the Parcel. In the event that the Owner wishes to sell one of the original Parcels and the Dwelling is located on the remaining Parcel within the specified setbacks, the Owner may divide the Parcels back to the original Parcel lines, subject to approval from the Board of Directors.

Section 12.11. Exterior Decorations, Antenna, Garbage, etc.

(a) No Owner or occupant of any Parcel on any of the Property may allow anything to be hung from windows or displayed from the outside wall of any Dwelling other than the American Flag, plants, or similar items; provided that tasteful holiday decorations shall be permitted. Except with the prior written approval of the Architectural Review Committee, no radio, or television antenna or dish may be affixed to an exterior wall or roof of any structure, or mounted in the Parcel; provided that a satellite dish no larger than eighteen inches (18") in diameter shall be permitted if located out of public view. Each residence may contain a built-in concealed T.V. antenna or cable system if desired. Except as permitted in Article XII, no "For Rent" signs may be displayed by individual owners or their agents.

(b) All equipment, utility meters, garbage cans, service yards, wood piles or storage piles on any of the Property shall be kept screened by adequate planting or fencing so as to conceal such items from the view of the private drives, streets and/or dedicated roads (if any). All rubbish, trash, or garbage shall be regularly removed from the Parcel and shall not be allowed to accumulate thereon.

Section 12.12. Pets. Subject to Section 12.13 below, no animals, livestock or poultry of any kind, shall be raised, bred, kept, staked or pastured on any Parcel of the Property or on any portion of the Common Areas, except dogs, cats, birds or other household pets for noncommercial purposes and which are suitable to be kept in Dwellings. Such pets shall not be a source of annoyance or a nuisance to the development or any Member. The Board of Directors shall have the right, but not the obligation, to prohibit or bar a specific dog or dogs or other specific pet from any Parcel or

Dwelling or other structure on the Parcel or any portion of the development. Pets shall be attended at all times and shall be registered, licensed and inoculated as required by law. Pets shall not be permitted upon the Common Areas, unless accompanied by an adult individual and either carried or leashed. In all instances, dogs shall be restrained within fenced areas or kept under leash or control. All animals shall be provided with shelter from the elements and properly cared for. The Board of Directors shall have the right to adopt such additional rules and regulations regarding pets from time to time as considered necessary or appropriate, including more restrictive "leash" regulations.

Section 12.13. Horses. Horses may be kept, raised, bred and boarded on any Parcels of the Property, subject to the following provisions:

(a) Up to two (2) horses may be kept, maintained or cared for on any Parcel that has a minimum area of not less than six (6) acres. For every additional two (2) acres of property, the Owner may have one (1) additional horse.

(b) No Owner shall keep a horse on his or her Parcel, unless said horse is owned by the Parcel Owner or an individual residing on the Parcel in compliance with this Declaration.

(c) No horses shall be permanently "pastured" and all equine shall be provided with adequate shelter from the elements, which shall include a stable constructed, in all aspects, in compliance with the architectural requirements of this Declaration and approved by the Architectural Review Committee. Any barn, stable or approved shelter shall be constructed with an automatic fly or insect control system.

(d) The location of any "turn out" areas shall be designated on the site plan submitted in connection with obtaining Architectural Review Committee approvals and shall be located in a manner to prevent areas which may become extensively grazed from being visible from the streets, roads or adjacent Parcels. Horses shall be allowed to be "turned out" or pastured in a front yard as long as aesthetically pleasing and with the express consent of the Architectural Review Committee.

(e) No horse shall be brought onto a Parcel or the Property by an Owner, Member or any other person unless such horse has been tested within the preceding 180 days for equine infectious anemia ("EIA") by a Mississippi licensed veterinarian, who shall have administered a "Coggins Test" or such other comparable test as is then being utilized to detect the presence or absence of "EIA" in equine animals. The Owner of the affected Parcel shall furnish evidence of a "negative" result of such testing upon the request of the Association or any other Owner. In the event an equine animal tests "positive" for EIA, then such animal shall immediately be removed from the Property by the affected Parcel Owner. The provisions of this Article may be specifically enforced by injunction or otherwise, in the event an Owner or any person refuses or neglects to comply with the terms contained herein. Attorneys' fees shall be paid by the defaulting party.

(f) Nothing contained in this Article (or elsewhere in this Declaration) shall, in any manner, limit the number of horses which Declarant may elect to maintain on the Property retained by Declarant adjacent to the Property or in any manner restrict, control, impact or otherwise have any effect upon the Declarant's ability to keep, breed, board, and/or maintain horses on Declarant's adjacent property.

Section 12.14. Vehicle Use and Storage.

(a) All vehicles on the Property shall be currently licensed and maintained in operating condition, so as not to cause or create hazards or nuisances by excessive noise levels, exhaust emissions, or appearance. Inoperative motor vehicles are strictly prohibited from the Property except for emergency situations.

(b) Overnight parking on the Property of all recreational vehicles, boats, all terrain vehicles, motorcycles, and related trailers (including horse trailers), trucks, and/or sports equipment shall be in garages or appropriately screened enclosures, designed for parking and completely screened from the view of neighbors from streets and roads.

(c) No motor vehicle may be repaired (except for emergency repairs) on any Parcel, street, or Common Areas within the Property except where such repairs are done within an enclosed garage or in an area screened from public view.

Section 12.15. [Intentionally Omitted].

Section 12.16. [Intentionally Omitted].

ARTICLE XIII.

BUILDING AND CONSTRUCTION CRITERIA AND REQUIREMENTS

Section 13.01. Parking Requirements. All buildings and other structures and improvements on the Property shall be designed, located and constructed to permit all vehicles entering upon any Parcel to be parked, maneuvered, loaded or unloaded entirely or completely on such Parcel. All driveways and parking areas shall be equivalent to or better than concrete. No parking on streets or roads shall be permitted, which prohibits, among other things, parking for the purpose of fishing in any Lake. Each Dwelling shall provide for a minimum of two permanent garaged parking spaces and a minimum of two guest parking spaces. All four of these spaces must be permanent and off the streets and roads.

Section 13.02. Fencing Swimming Pools. All private residential swimming pools on the Property shall be screened from the street and constructed in the rear yard. The actual pool and surrounding patio or deck shall be built only in a location approved by the Architectural Review Committee. A secure fence approved by the Architectural Review Committee shall enclose the pool area. Spa units shall be screened from view from the streets and roads and shall be constructed in

locations and according to plans and specifications approved by the Architectural Review Committee.

Section 13.03. Auxiliary Structures. Garden structures, gazebos, and other auxiliary structures on the Property shall be subject to the setbacks from the property lines as set forth in Section 13.12 hereof. Such auxiliary structures shall match the Dwelling by incorporating the same building materials (e.g., brick, paint colors, roofing), as approved by the Architectural Review Committee.

Section 13.04. Storage Areas. Outside storage areas shall be fenced or screened in accordance with requirements of the Architectural Review Committee. No fence or screen shall be closer to any street or Parcel boundary line than the established setback line. The provisions of this Section 13.04 shall apply to mechanical and similar or other storage buildings and structures not directly connected to the Dwelling. Plans for storage buildings must be submitted to the Declarant and/or Architectural Review Committee for approval prior to construction and/or erection.

Section 13.05. Utility Lines. All telephone, electrical, cable television and other utilities installed by Owners on the Property (except Declarant) shall be located underground and shall conform to all existing, applicable electrical and other codes.

Section 13.06. Drainage Requirements. All Parcels have natural drainage. All maintenance expenses associated with the drainage on each Parcel on the Property are the responsibility of the individual Owner of such Parcel. Any modification to the natural drainage flow shall be designed by an engineer according to the final Plat and approved by Declarant or the Architectural Review Committee. Upon purchase of a Parcel, each Owner will be required to sign a form stating that Declarant will not be held responsible for any drainage problems that might arise after the sale of the Property. Any drainage structures constructed by the Owner which do not satisfy the provisions of this Section 13.06 shall be removed and rebuilt, at the Owner's expense, to conform with such provisions. The Parcel shall be developed to direct the drainage from the Parcel to the adjoining designated drainage waterways and shall not be developed to force water onto adjoining Parcels or the Common Areas.

Section 13.07. Water Supply System. No individual potable water supply system is permitted on any Parcel on the Property.

Section 13.08. Fencing and Screening. All fences located in front of the residences or that face a private or dedicated road shall be approved by the Architectural Review Committee. Privacy and sight-proof fences are not allowed on any property line within the Property. No fence of any type shall be located on the Property within thirty (30) feet of the edge of the road pavement. All fencing and screening is subject to Architectural Review Committee approval.

Section 13.09 Materials Storage. No building material of any kind or character shall be placed or stored upon a Parcel within the Property until the Owner is ready to begin improvements.

Building materials, dumpsters, portable toilets or other construction-related appurtenances shall not be placed or stored on a private or dedicated road or within thirty (30) feet of the edge of the road pavement. No such building material shall be placed or stored on property lines during construction.

Section 13.10. Sedimentation and Erosion Control. Each Owner is required to protect adjoining property, streams and public stormwater systems from sedimentation during construction. No construction on the Property shall be commenced until appropriate erosion controls are in place, and such erosion control (e.g., silt fencing, staked bails, etc.) shall be maintained throughout the period of construction. Owners shall promptly clear any silt or construction debris from the roads and easement areas.

Section 13.11. Setbacks. Except as otherwise provided herein and pursuant to Section 14.05, building setback lines shall be the minimum distances from the street rights of way. Principal structures on the Property shall be a minimum of fifty (50) feet from any side and one hundred (100) feet from front and rear property line. Auxiliary structures on the Property approved by the Architectural Review Committee shall be a minimum of twenty (20) feet from any side or rear property line. Notwithstanding the preceding, the Architectural Review Committee shall have the right to exercise of its sole discretion to modify the aforesaid setbacks as to individual Parcels in the event the Architectural Review Committee determines that a variance is appropriate. Variances may be based upon the configuration of the Parcel or Parcels or specific drainage considerations, or to preserve existing vegetation, together with the overall planned improvements for such Parcel. Upon request of the Parcel Owner, the Architectural Review Committee shall execute documentation prepared by the Owner or their agent, in recordable form, confirming the variance if granted.

Section 13.12. Security Gates. Any security gate installed by an Owner on any Parcel of the Property must meet the requirements of the fire code of the Madison County Fire Department and be no less than thirty (30) feet from the edge of the road pavement.

Section 13.13. Guest Houses and Pool Houses. Guest houses or pool houses (hereinafter referred to collectively as "Guest Houses") may be built on the Property only under the following conditions:

- (a) The conditions set forth in Article XIV; and
- (b) The Guest House must be a part of the Plans, including Parcel plan, drainage plan and master residence as submitted to and approved by the Architectural Review Committee. There shall be no more than one Guest House on a Parcel. Any regulation, rule, guideline or directive issued by the Architectural Review Committee regarding the construction and maintenance of any Guest House shall carry the same force and effect as those issued concerning a Dwelling, and a violation of said regulation, rule, guideline or direction shall be deemed a violation of this Declaration. The Association shall have all remedies available in this Declaration for such violation.

Section 13.14. Trees, Etc.

(a) After the Plans for a Dwelling have been approved by the Architectural Review Committee, no tree larger than four (4) inches in diameter measured twelve (12) inches from the grade shall be removed without the approval of the Architectural Review Committee; provided that if a tree is dead and poses a threat to the safety and welfare of the individuals residing in the Dwelling, such tree may be removed without Architectural Review Committee approval.

(b) No standing or partially standing trees which are obviously dying or dead shall be allowed to remain within (30) feet of any right-of-way. If Owner fails to remove said tree or trees within thirty (30) days of written notification from the Association, the Association may, at its option, go onto the Parcel, remove said tree or trees and assess the cost against the Owner.

(c) Other trees, shrubs, vines, debris, and plants which die shall promptly be removed from the Parcels. Declarant and/or the Association, at their option and their discretion, may mow and have dead trees and debris removed from the Parcels, and the Owner of such Parcel shall be obligated to reimburse Declarant and/or the Association for the cost of such work should such Owner refuse or neglect to comply with the terms of this paragraph. Each Parcel shall be maintained as to present a neat and attractive manner. It is acknowledged that a park-like, wooded character is deemed appropriate, yet any installed lawn areas, driveways, or hardscape elements, which are viewed from the public or Common Areas shall be kept, mowed and cleared at regular intervals by the Owner thereof so as to maintain the same in a neat and attractive manner.

Section 13.15. Mail Receptacle. No mail box or other mail receptacle, other than the mail receptacle designated by the Architectural Review Committee, shall be placed on any Parcel, and such receptacle shall be placed only at the location selected by the Architectural Review Committee. The Owner(s) of each Parcel shall be responsible for purchasing and installing an approved mail receptacle.

Section 13.16. Exterior Lighting. Exterior security or spot lights shall be directed toward the ground and away from adjacent Parcels or private roads on adjacent Parcels.

ARTICLE XIV.
JOINT COVENANTS OF HIGHWAY 22 PROPERTY, LLC,
CHARLTON PROPERTY, LLC AND
PHOENIX DEVELOPMENT COMPANY, LLC

As stated hereinabove, Declarant, Charlton Property and Phoenix desire to create and develop a cohesive residential community which incorporates all three properties. Therefore, the Parties desire to subject Meadows of Charlton, Charlton Place and Phoenix Property to certain covenants, conditions, restrictions, uses, limitations, obligations, easements, servitudes, charges, assessments and liens contained in this Declaration and in the Declaration of the Meadows of Charlton Place and the Declaration of Phoenix Property which individually and collectively are for the benefit of all three properties, each Owner and Declarant. Furthermore, the covenants contained in this Article

shall not be amended without the prior written consent of all the Parties. The Parties agree and covenant as follows:

Section 14.01. Windermere Boulevard. Charlton Property, Declarant and Phoenix, each Owner and the Association shall have and is granted and conveyed a perpetual nonexclusive easement for pedestrian and vehicular traffic, ingress and egress on and across (i) that certain road known as Windermere Boulevard, as presently constructed and shown on the Plat of Charlton Place Subdivision as filed in Plat Cabinet E Slides 63B and 64A in the office of the Chancery Clerk of Madison County, Mississippi and (ii) that certain property described Exhibit C attached hereto and made a part hereof, together with the right and enjoyment to use the gated entrances, and other appurtenances thereto (the "Easement"); but subject to the terms, restrictions, covenants, conditions, assessments, releases and reservations contained herein. Windermere Boulevard begins at Highway 22 and as constructed or to be constructed runs in a northerly direction to and through Charlton Place, Meadows of Charlton and the Phoenix Property and ends at Stokes Road. Windermere Boulevard will be used for purposes of ingress and egress by the owners of property in Charlton Place, Meadows of Charlton and Phoenix Property in accordance with the Easement. Once Windermere Boulevard in the Meadows of Charlton and Phoenix Property is completed in conformity with Madison County requirements and specifications and in a manner similar to other private streets in a first-class neighborhood, the respective owners of the properties shall be responsible for the maintenance, repair, replacement and upkeep of the portion of Windermere Boulevard located within their respective properties. The respective owners shall maintain, repair and replace the portion of Windermere Boulevard located within their respective properties in a manner similar to other private streets in a first-class neighborhood and not less than the Madison County requirements and specifications, and the road right of way, including the cutting of grass on a routine, as needed basis, so the right of way areas are kept in a neat and husband-like manner. Until Charlton Property and Phoenix have constructed and completed their respective portion of Windermere Boulevard, Charlton Property is responsible for and shall pay twenty eight percent (28%), Phoenix is responsible for and shall pay twenty eight percent (28%), and Declarant is responsible for and shall pay forty four percent (44%) of the costs associated with the maintenance, repair, replacement and upkeep of the entirety of Windermere Boulevard in a manner similar to other private streets in a first-class neighborhood and not less than the Madison County requirements and specifications, which shall be paid to Highway 22. This pro rata share of costs for Windermere Boulevard shall only include the costs associated with the maintenance, repair, replacement and upkeep of the paved road and not the entire right of way.

Section 14.02. Lake. Declarant and Charlton Property, each Owner and the Association of Charlton Place and the Meadows of Charlton shall have and is granted and conveyed a perpetual nonexclusive easement for the use and enjoyment of the existing lake located on the property of Declarant and Charlton Property and known as the "North Lake" and the boat landing, dock area, drives, parking areas and other improvements to be constructed on the property of Charlton Place and Meadows of Charlton, all as shown on the plat attached hereto as Exhibit B and made a part hereof; but subject to the terms, restrictions, covenants, conditions, assessments, releases and reservations contained herein. The North Lake is located in part on Charlton Place and in part on

Meadows of Charlton. The North Lake is for the common use and benefit of all owners of property within Charlton Place and Meadows of Charlton. Charlton Property and Declarant are each responsible for and shall pay fifty percent (50%) of the costs associated with the construction of North Lake related facilities and improvements such as boat landing, boat ramp, dock area, drives, parking areas and other improvements (all such facilities and improvements being collectively referred to herein as the "North Lake Improvements"). Upon completion of the North Lake Improvements, Declarant is responsible for and shall pay sixty percent (60%) and Charlton Property is responsible for and shall pay forty percent (40%) of the costs associated with the maintenance, repair, replacement and upkeep of the North Lake and North Lake Improvements. Declarant and Charlton Property shall share in the management of the North Lake. Further, Charlton Property and Declarant agree that any and all plans for the North Lake Improvements or any maintenance, repair, replacement and upkeep of the North Lake and any and all expenditures relating thereto shall be agreed upon by both Parties in writing prior to commencement of any maintenance, repair, replacement and upkeep of the North Lake and the North Lake Improvements.

- (a) No property owner whose property includes a portion of North Lake may drain the lake or cut or remove the dam therefor. Notwithstanding the maintenance obligations set forth in Section 14.02 hereof, each property owner whose property includes a portion of the dam of North Lake or any portion of North Lake, or whose property is appurtenant thereto, shall maintain said property in order to prevent the dam from erosion or from becoming weakened by lack of care. Each owner of such Parcel on North Lake shall cooperate in such upkeep and maintenance. Pumping of water from the North Lake is prohibited. Only small fishing boats with motors of less than 25 horsepower and slow pontoon-type boats are allowed on the North Lake. No jet skis or similar water craft are allowed. No boats shall be operated at more than (5) miles per hour are allowed and no boats are allowed to leave a wake. Declarant and Charlton Property (or any homeowners' association formed for Charlton Place or the Meadows of Charlton) may adopt reasonable rules and regulations for the use and enjoyment of the North Lake.
- (b) At such time as any portion of any Parcel abuts or is covered by North Lake, then in that event, the owner of said Parcel shall have full use of the North Lake and an easement is granted and conveyed to Charlton Property and Declarant, their respective successors and assigns, for the use and benefit of the owners of all Parcels within Charlton Place and the Meadows of Charlton over and across all portions of any Parcel under the body of water contained within the boundaries of the North Lake and an easement over, on, and across the entire body of water comprising such North Lake.
- (c) Charlton Property shall have and is granted and conveyed a perpetual and nonexclusive easement over and across any portion of the Charlton Place constituting a portion of North Lake or adjoining North Lake, necessary for the purpose of maintaining the dam on North Lake and for the purpose of overflow from North

Lake, construct a flume or drainage structure to North Lake or one of its tributaries, which easement shall affect only those Parcels affording such maintenance and drainage.

- (d) No house sites, no building or other structure shall be constructed or maintained on the properties within one hundred feet (100') of the mean water line or level of the North Lake as determined by the Parties. No parking areas designated to accommodate more than two (2) automobiles shall be constructed or maintained on the properties within one hundred feet (100') of North Lake. All fencing on Lake Parcels shall be constructed of wrought iron.
- (e) Access to the North Lake and the use thereof shall be permitted to all Owners; provided that such access shall be limited to certain Common Areas or such other location as is specified by the Declarant. No fencing, improvements or obstruction shall be permitted that would impair the access to the North Lake by an Owner. The cost of maintenance and other costs relating to the North Lake shall be shared by all Parcel Owners as part of the Assessments.
- (f) If additional Lakes shall become a part of the Property by annexation or otherwise, the Declarant and/or Board of Directors shall develop specific rules and regulations for the operation of any such Lakes, as they see fit.
- (g) Boat Dock/House.
 - (i) Any Boat Dock/House on a Parcel must be a part of the Plans submitted to and approved by the Declarant's Architectural Review Committee. A Boat/Dock House cannot be lived in at any time, either temporarily or permanently. Any regulation, rule, guideline or directive issued by the Declarant's Architectural Review Committee regarding the construction and maintenance of any Boat Dock/House shall carry the same force and effect as those issued concerning a Dwelling, and a violation of said regulation, rule, guideline or direction shall be deemed a violation of this Declaration. Charlton Property and Declarant (or any homeowners' association formed for Charlton Place or the Meadows of Charlton) shall have such remedies as are available in this Declaration for any such violation.
 - (ii) Requirements and Specifications. Generally, the Declarant's Architectural Review Committee shall require the following with respect to any Boat Dock/House: complete color scheme for siding/brick/trim, finished floor elevation, landscape plan, roofing to match the Dwelling or comparable thereto; two story boathouses may or may not be approved by the Declarant's Architectural Review Committee in its discretion and depending on the impact to neighboring Parcels; grinder pumps may be required for sanitary

sewer; all venting and finials shall be copper; all windows must match/complement the Dwelling; placement of windows must be approved by Declarant's Architectural Review Committee; all details must match details of Plans submitted; colors must match or blend with Dwelling.

- (h) No Boat House, dock or pier shall be constructed on any of the Property that encroaches more than ten (10) feet into the North Lake beyond the high water mark, and any such improvement shall be subject to Declarant's Architectural Review Committee approval.
- (i) During construction of any improvements on any of the Property, and at all times thereafter, adequate silt control mechanisms (including silt fencing, staked straw bales and such other measures as determined by Declarant or Charlton Property to be appropriate) shall be implemented, utilized and maintained in order to prevent any siltation of the North Lake. Sod may be required by Declarant to prevent siltation of swales and areas abutting, or in the proximity of the North Lake.
- (j) No mechanical devices such as fountains, lights or similar items may be installed in the North Lake on any of the Property without the approval of Declarant, the Declarant's Architectural Review Committee and the Owners of all Lake Parcels. Pumping of water from the North Lake is prohibited, except for irrigation purposes.
- (k) There shall be a perpetual easement outside the perimeter of the North Lake and immediately adjacent thereto which shall be over and upon that property located within twenty (20) feet of the high water mark of the North Lake (based upon the initial configuration of the North Lake). Such easement shall be for the benefit of Declarant, the Association and the Parcel Owners and shall be used only for maintenance of the North Lake, including dam maintenance, as appropriate.
- (l) Building minimum setback lines on all of the Property shall be a minimum of one hundred (100) feet from the high water mark of the North Lake.
- (m) The physical configuration of the North Lakes shall in no event be modified without the approval of all Lake Parcel Owners and the Declarant.
- (n) Within two (2) years from the date an Owner receives a deed to a Lake Parcel, said Owner shall establish the shoreline of said Parcel by establishing erosion control by grassing as approved by the Declarant's Architectural Review Committee or such other plan as may be submitted by the Owner and approved by the Declarant's Architectural Review Committee. In the event such Owner has not complied with the requirements of this paragraph within said two (2) year period of time, the Association or the Declarant shall have the option, but not the obligation, to stabilize

said shoreline and charge the cost of said work to the Owner as an Assessment against said Parcel. The Association and/or the Declarant, severally, their heirs, successors and assigns and agents shall have the right to enter upon such Parcel for the purpose of performing said work. The Declarant or the Association, as the case may be, shall give the Owner notice that the work must be completed within a reasonable time or that such work shall be performed by the Association or the Declarant, as the case may be. Such notice shall specify the work to be done and the time by which such work must be completed.

Section 14.03. Gated Entrance. Until Phoenix has constructed the gated entrance, fencing, and landscaping ("Entrance Improvements") at Stokes Road, Charlton Property is responsible for and shall pay twenty eight percent (28%), Phoenix is responsible for and shall pay twenty-eight percent (28%), and Declarant is responsible for and shall pay forty four percent (44%) of the direct costs associated with the maintenance, repair, replacement and upkeep of the Entrance Improvements located on Charlton Place at the Highway 22 entrance. Upon completion of the gated entrance by Phoenix at Stokes Road, Declarant shall be responsible for and shall pay all costs associated with the maintenance, repair, replacement and upkeep of the Entrance Improvements located on Charlton Place at the Highway 22 entrance, and Phoenix shall be responsible for and shall pay all costs associated with the maintenance, repair, replacement and upkeep of the Entrance Improvements located on Phoenix Property at the Stokes Road entrance.

Section 14.04. Pro Rata Assessment.

- (a) Pro Rata Assessment is defined as follows: (i) as to Phoenix, Phoenix's pro rata percentage of the charge or cost for Windermere Boulevard and Entrance Improvements; and (ii) as to Declarant and Charlton Property, each entity's pro rata percentage of the charge or cost for Windermere Boulevard, the North Lake Improvements and the Entrance Improvements.
- (b) The Parties covenant and agree that any expenditures for maintenance, repair, replacement or upkeep activities in excess of \$5,000.00 shall be approved by all Parties to be assessed for such expense prior to commencement of such maintenance, repair, replacement or upkeep activities. The Parties covenant and agree to pay their Pro Rata Assessment to Highway 22 (or its successors and assigns, including a homeowners' association for Charlton Place if so designated by Highway 22) as and when same is due. The Pro Rata Assessment shall be (i) a charge on each Party, (ii) a continuing lien upon and against the property owned by each Party, (iii) binding upon the each Party, and (iv) the continuing joint and several personal obligation and liability of each person or entity who was an owner of the respective properties when any portion of the Pro Rata Assessment became due and payable, which shall not be extinguished or diminished by any transfer or conveyance of any of the property.

- (c) The personal obligation of each Party and its successors and assigns to pay the Pro Rata Assessment levied against its respective property shall continue for the full statutory period permitted by law, and a suit to recover a monetary judgment for the non-payment of all or any portion of any Pro Rata Assessment, including any installment, together with all legal fees and costs of collection, may be commenced and maintained by Declarant or its successors or assigns (including a homeowners' association for Charlton Place) without the foreclosure or waiver of any lien created hereunder. Declarant or its successors or assigns may commence and maintain an action at law or in equity against any Grantee and/or may foreclose the lien against the property in the manner now or hereafter provided in the State of Mississippi for foreclosure of mortgages and other liens on real property containing a power of sale provision. Any such foreclosure shall be subject to the substantive and procedural requirements prescribed by the laws of the State of Mississippi applicable to the foreclosure of mortgages and other liens on real property containing the power of sale provision.
- (d) Declarant or its successors or assigns may suspend each Party's or its successors and assigns' rights to use any of the shared common areas and facilities described herein if it fails to pay its Pro Rata Assessment as and when due.
- (e) The lien for unpaid Pro Rata Assessments shall be unaffected by any sale or other transfer or conveyance of the property, and the lien shall continue in full force and effect.

Section 14.05. Building and Construction Criteria and Requirements.

- (a) The properties shall be used for single family residential purposes only. No structures shall be erected altered, or replaced or permitted to remain on any Parcel other than a single family dwelling not exceeding two and one-half (2 ½) stories in height above the first floor building foundation, together with the usual and customary outbuildings such as garages. All buildings erected on any Parcel shall be of new construction. Only one (1) residence per Parcel shall be allowed, except the guest houses as provided for herein. The term "residential purpose" as used herein shall be construed to exclude among other things, hospitals, duplex houses, apartment houses, garage apartments, and to exclude commercial and professional use, except as an office in the home and these covenants do hereby prohibit such usage; however, such usage shall not be such as to be a nuisance to the neighborhood or to create the appearance of a commercial enterprise.
- (b) The properties of Meadows of Charlton and Phoenix Property may not be subdivided into parcels or tracts smaller than five (5) acres.
- (c) Any dwelling constructed on the properties must contain at least 2,750 square feet of heating and cooled space.

- (d) No trailer, "Manufactured Home," or mobile home shall be placed on any Parcel, whether used for residential purposes or not. "Manufactured Home" as used herein, means any dwelling which as a whole or in components is fabricated elsewhere and moved to the parcel, or is classified as a "shell house" or in common parlance is referred to as a "Jim Walter" house.
- (e) Concrete blocks and asbestos siding as building materials for an exterior finish are prohibited. Building materials, dumpsters, portable toilets or other construction-related appurtenances shall not be placed or stored on a private or dedicated road or within thirty (30) feet of the edge of the road pavement. No such building material shall be placed or stored on property lines during construction.
- (f) Except as otherwise provided herein, building setback lines shall be the minimum distances from the street rights of way. Structures on a Parcel shall be a minimum of fifty (50) feet from any side and one hundred (100) feet from front and rear property line.
- (g) Guest houses or pool houses (hereinafter referred to collectively as "Guest Houses") may be built in on the properties only under the following conditions:
 - (i) The Guest House shall not be leased or rented under any condition whatsoever.
 - (ii) Except in the case of family members of the owner, the Guest House shall not be used for permanent living. The maximum stay for any guest who is not a family member of the owner shall be one hundred twenty (120) days per year.
 - (iii) The minimum heated and cooled square footage of a Guest House is 1,000 square feet.
 - (v) No Guest House can be built and used for a permanent residence, except as hereinabove provided.

Section 14.06. Miscellaneous Provisions.

- (a) Each Party may designate a representative to exercise any rights held by such Party herein, or may assign to any person or entity or association its rights in whole or in part.
- (b) If any provision of this Article is breached or violated or threatened to be breached or violated by any Owner of the properties or a Parcel therein, then any other Owner of a Parcel or any portion of the properties and any other homeowner's association formed by an Owner of any portion of the properties, 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 Article. Any person entitled to file or maintain a legal action or proceeding for the actual or threatened violation or breach of this Article shall be entitled to recover attorney's fees and other costs and expenses attributable to such action or proceeding. The provisions of this Article are subject to the provisions of Article XV "Enforcement of Declaration" which are incorporated herein by reference.

- (c) This Article shall run with and bind Charlton Place and shall inure to the benefit of and be enforceable by Charlton Property and/or Phoenix, any homeowners' association formed for the Meadows of Charlton and/or Phoenix Property, the owners of any of Charlton Place property, their respective legal representatives, heirs, devisees, successors and assigns, until January 1, 2049. After such date, this Article shall be automatically extended for successive periods of ten years, unless a supplement executed by the owners of at least a majority of the Parcels of the Meadows of Charlton, Charlton Place, and Phoenix Property (or any homeowners' association formed for on one of them) has been properly filed of record to abolish or terminate all or a substantial portion of this Declaration.
- (d) Notwithstanding anything contained herein to the contrary, except as to Section 14.02, this Article may be amended only by a supplement properly filed of record and executed by Declarant, Charlton Property and Phoenix (or any homeowners' association formed for the Parties, if Parties no longer owns any of their respective property). Section 14.02 may be amended only by a supplement properly filed of record and executed by Declarant and Charlton Property (or any homeowners' association formed for either entity of either entity no longer owns any of their respective property).
- (e) If any provision contained in this Article XIV conflicts with any other provision contained in this Declaration, the provision of Article XIV shall prevail.

ARTICLE XV ENFORCEMENT OF DECLARATION

Section 15.01. Compliance. If any provision of this Declaration is breached or violated or threatened to be breached or violated by any Owner or other Person, then each of the other Owners, the Declarant and/or the Association, jointly or severally, shall have the right, but not the obligation, to proceed at law or in equity to compel a compliance with, or to prevent the threatened violation or breach of, the provisions of this Declaration. In the event of a violation of 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 Parcel, to abate, remove or cure such violation at the cost and expense of the Owner(s) of the Parcel where such violation is located or who otherwise causes such violation, if the violation is not corrected by such Owners within 30 days after written notice of such violation. Any Person entitled to file or maintain a legal action or proceeding for the actual or threatened violation or breach of this Declaration shall be entitled to recover attorney's fees and other costs and expenses attributable to such action or

proceeding, and the Association shall be entitled to recover and receive any other amounts specified in Section 6.03. Any such entry and abatement, cure or removal shall not be or be deemed to be a trespass. The failure by any Person for any period of time to enforce any provision of this Declaration shall not be or be deemed a waiver of the right to enforce or otherwise bar or affect the enforcement of any and all provisions of this Declaration at any time, including any future time.

Section 15.02. Enforcement. This Declaration shall be enforced by any appropriate proceeding at law or in equity (i) against any Person who breaches or violates or threatens to breach or violate any provision of this Declaration, (ii) to recover damages for any such breach or violation, (iii) to collect any amounts payable by any Owner to the Association under this Declaration, including Assessments, attorneys' fees, costs of collection, late charges, overhead charges or other amounts incurred by the Association to perform or discharge any obligation or duty of an Owner under this Declaration or otherwise specified in this Declaration, including Section 6.03, and (iv) to enforce any lien created by this Declaration. There is hereby created and declared to be a conclusive presumption that any actual or threatened violation or breach of this Declaration cannot be adequately remedied by an action at law exclusively for recovery of monetary damages. The Declarant, the Association and each Owner by acceptance of a deed or other document to a Parcel waives and agrees not to assert any claim or defense that injunctive relief or other equitable relief is not an appropriate remedy.

ARTICLE XVI. GENERAL PROVISIONS

Section 16.01. Duration. This Declaration shall run with and bind the land subject to this Declaration, and shall inure to the benefit of and be enforceable by the Declarant, the Association and the Owners of any land subject to this Declaration, their respective legal representatives, heirs, devisees, successors and assigns, until January 1, 2049. After such date, this Declaration shall be automatically extended for successive periods of ten years, unless a Supplement signed by a majority of the Owners has been properly filed of record to abolish or terminate all or a substantial portion of this Declaration. Such Supplement must be properly filed of record at least one year prior to the effective date of such abolishment or termination.

Section 16.02. Amendments. Notwithstanding Section 16.01, this Declaration may be amended, modified and/or changed by the Declarant properly filing for record a Supplement prior to December 31, 2018. The Declaration may also be amended by a Supplement properly filed of record and executed by the Owners of at least 75% of the Parcels on the Property if relating to the Association or otherwise relating to the Property. In the event this Declaration is amended, Declarant shall give Charlton Property and Phoenix, or its respective homeowners' association, notice of such amendment. Further, if Declarant sells the Property in its entirety, Declarant shall give Charlton Property and Phoenix, or its respective homeowners' association, notice of the new Declarant.

Section 16.03. Interpretation. The provisions of this Declaration shall be construed to implement the purpose of the creation of a uniform plan for the development of the Property.

Section 16.04. Severability. Invalidation of any provision of this Declaration by judgment or court order shall not affect any other provisions of this Declaration which shall remain in full force and effect.

Section 16.05. 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 16.06. Notices to Owner. Any notice required to be given to any Owner under the provisions of this Declaration shall be deemed to have been properly delivered when deposited in the United States mails, postage prepaid, addressed to the last known address of the Person who appears as Owner on the records of the Association or, if applicable, the Declarant at the time of such notice is mailed.

Section 16.07. Successors of Declarant. All or any portion of any and all rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant under this Declaration may be assigned and transferred exclusively by the Declarant with or without notice to the Association.

Section 16.08. Incorporation by Reference on Resale. In the event any Owner sells or otherwise transfers any Parcel, any deed or assignment purporting to effect such transfer shall contain a provision incorporating by reference the provisions of this Declaration.

Section 16.09. No Dedication to Public Use. No provision of this Declaration shall be construed as a dedication to public use or as an acceptance for maintenance of any Common Areas by any public agency of authority or by any utility or shall be interpreted as imposing upon any public agency or authority or any utility any responsibility or liability for the maintenance or operation of any portion of the Common Areas.

Section 16.10. Consents of Eligible Mortgage Holders. The Owners, or the Board of Directors, or the Association, by any act or omission, shall not do any of the following things without the prior written consent and approval of the holders of fifty-one percent (51%) of the outstanding First Mortgages who have requested notice from the Association of any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders:

(a) Abandon, partition, subdivide, encumber, sell, assign or transfer any of the Common Areas or Common Facilities, but the realignment of boundaries, the granting of rights-of-way, easements and similar rights or interests for utilities or for other purposes consistent with the use of the Common Areas by the Members of the Association shall not be considered to be such an encumbrance, sale, assignment or transfer.

(b) Abandon or terminate this Declaration.

(c) Modify or amend any material or substantive provision of this Declaration or the Bylaws pertaining to the rights of the holders of First Mortgages.

(d) Substantially modify the method of determining and collecting Assessments as provided in this Declaration.

Section 16.11. Notice to and Rights of Eligible Mortgage Holders. The Association shall promptly notify any Eligible Mortgage Holder on any Parcel for which any Assessment remains delinquent for at least 60 days, and the Association shall promptly notify the holder of the First Mortgage on any Parcel for which there is default by the Owner with respect to performance of any other obligation or duty under this Declaration which remains uncured for at least 60 days following the date of such default. Any failure to give any such notice shall not affect the validity or priority of any First Mortgage on any Parcel, and the protection provided in this Declaration to any Eligible Mortgage Holder on any Parcel shall not be altered, modified or diminished by reason of such failure, nor shall any such failure affect the validity of the lien of any Assessment or affect any of the priorities for liens as specified in Article V.

No suit or other proceeding may be brought to foreclose the lien for any Assessment levied pursuant to this Declaration, except after 10 days written notice to any Eligible Mortgage Holder holding a First Mortgage encumbering the Parcel which is the subject matter of such suit or proceeding.

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

Section 16.12. Captions and Gender. The captions contained in this Declaration are for convenience only and are not a part of this Declaration and are not intended to limit or enlarge the terms and provisions of this Declaration. Whenever the context requires, the male shall include all genders and singular shall include the plural.

Section 16.13. Exhibits. All Exhibits which are referred to in this Declaration are made a part of and incorporated into this Declaration by reference.

Section 16.14. Construction Entrances. A construction entrance shall be established by Declarant, and Declarant reserves the right to establish, without the approval of interested parties, such additional construction entrances as Declarant sees fit from time to time.

Section 16.15. The South Lake. There are two (2) Lakes located on the Property. The first Lake, known as the "South Lake, or "Lake # 1" (as designated on the Plat) is only for the use of and by the adjacent Parcel Owners. No other Members of the Association or other Property owners shall have rights to use the South Lake. It is not for the use of all Parcel Owners or Association Members. Accordingly, only the owners of adjacent Parcels shall be charged with the maintenance and other costs relating to the South Lake. These costs will be collected by the Association as an addition or

supplement to the Assessments assessed to and collected from the Owners of Parcels adjacent to the South Lake.

(a) No property owner whose property includes a portion of South Lake may drain the lake or cut or remove the dam therefor. Notwithstanding the maintenance obligations set forth in Section 16.15 hereof, each property owner whose property includes a portion of the dam of South Lake or any portion of South Lake, or whose property is appurtenant thereto, shall maintain said property in order to prevent the dam from erosion or from becoming weakened by lack of care. Each owner of such Parcel on South Lake shall cooperate in such upkeep and maintenance. Pumping of water from the South Lake is prohibited. Only small fishing boats with motors of less than 25 horsepower and slow pontoon-type boats are allowed on the South Lake. No jet skis or similar water craft are allowed. No boats shall be operated at over five (5) miles per hour are allowed and no boats are allowed to leave a wake. Declarant (or any homeowners association formed for Declarant) may adopt reasonable rules and regulations for the use and enjoyment of the South Lake.

(b) Declarant shall have and is granted and conveyed a perpetual and non-exclusive easement over and across any portion of the Property constituting a portion of South Lake or adjoining South Lake, necessary for the purpose of maintaining the dam on South Lake and for the purpose of overflow from South Lake, construct a flume or drainage structure to South Lake or one of its tributaries, which easement shall affect only those Parcels affording such maintenance and drainage an as to which drainage and maintenance.

(c) No house sites, no building or other structure shall be constructed or maintained on the properties within on hundred (100') of the mean water line or level of the South Lake as determined by the Parties. No parking areas designated to accommodate more than two (2) automobiles shall be constructed or maintained on the properties within one hundred feet (100') of South Lake. All fencing on Lake Parcels shall be of wrought iron.

(d) Boat Dock/House.

(i) Any Boat Dock/House on a Parcel must be a part of the Plans submitted to and approved by the Declarant's Architectural Review Committee. A Boat/Dock House cannot be lived in at any time, either temporarily or permanently. Any regulation, rule, guideline or directive issued by the Declarant's Architectural Review Committee regarding the construction and maintenance of any Boat Dock/House shall carry the same force and effect as those issued concerning a Dwelling, and a violation of said regulation, rule, guideline or direction shall be deemed a violation of this Declaration. Declarant (or any homeowners association formed for Declarant) shall have such remedies as are available in this Declaration for any such violation.

(ii) Requirements and Specifications. Generally, Declarant's Architectural Review Committee shall require the following with respect to any Boat Dock/House: complete color scheme for siding/brick/trim, finished floor elevation, landscape plan, roofing to match the Dwelling or comparable thereto; two story boathouses may or may not be approved by Declarant's Architectural Review Committee in its discretion and depending on the impact to neighboring Parcels; grinder pumps may be required for sanitary sewer; all venting and finials shall be copper; all windows must match/complement the Dwelling; placement of windows must be approved by Declarant's Architectural Review Committee; all details must match details of Plans submitted; colors must match or blend with Dwelling.

(e) No dock or pier shall be constructed on any of the Property that encroaches more than ten (10) feet into the North Lake beyond the high water mark, and any such improvement shall be subject to Declarant's Architectural Review Committee approval.

(f) During construction of any improvements on any of the Property, and at all times thereafter, adequate silt control mechanisms (including silt fencing, staked straw bales and such other measures as are determined by Declarant to be appropriate) shall be implemented, utilized and maintained in order to prevent any siltation of the South Lake. Sod may be required by Declarant to prevent siltation of swales and areas abutting, or in the proximity of the South Lake.

(g) No mechanical devices such as fountains, lights or similar items may be installed in the South Lake on any of the Property without the approval of Declarant, Declarant's Architectural Review Committee and the Owners of all Lake Parcels. Pumping of water from the South Lake is prohibited.

(h) There shall be a perpetual easement outside the perimeter of the South Lake and immediately adjacent thereto which shall be over and upon that property located within twenty (20) feet of the high water mark of the South Lake (based upon the initial configuration of the South Lake). Such easement shall be for the benefit of Declarant, the Association and the Parcel Owners entitled to use the particular Lake and shall serve for maintenance of the South Lake, including dam maintenance, as appropriate.

(i) Building minimum setback lines on all of the Property shall be a minimum of one hundred (100') feet from the high water mark of the South Lake.

(j) The physical configuration of the South Lake shall in no event be modified without the approval of all Lake Parcel Owners and the Declarant.

(k) Within two (2) years from the date an Owner receives a deed to a Lake Parcel, said Owner shall establish the shoreline of said Parcel according to the shoreline stabilization criteria adopted the Declarant's Architectural Review

Committee or such other plan as may be submitted by the Owner and approved by the Architectural Review Committee. In the event such Owner has not complied with the requirements of this paragraph within said two (2) year period of time, the Association or the Declarant shall have the option, but not the obligation, to stabilize said shoreline in accordance with the shoreline stabilization criteria adopted by the Declarant's Architectural Review Committee and charge the cost of said work to the Owner as an Assessment against said Parcel. The Association and/or the Declarant, severally, their heirs, successors and assigns and agents shall have the right to enter upon such Parcel for the purpose of performing said work. The Declarant or the Association, as the case may be, shall give the Owner notice that the work must be completed within a reasonable time or that such work shall be performed by the Association or the Declarant, as the case may be. Such notice shall specify the work to be done and the time by which such work must be completed.

ARTICLE XVII. DECLARANT'S RIGHTS AND RESERVATIONS

Section 17.01. Declarant's Rights and Reservations. No provisions in the Charter, the Bylaws or this Declaration shall limit, and no Owner or the Association shall interfere with, the right of Declarant to (i) subdivide or re-subdivide any portions of the Property, (ii) complete or alter additional or other improvements, lakes or refurbishments to and on the Common Areas and Common Facilities or any other portion of the Property (including Parcels) owned or leased under the Lease by Declarant, (iii) alter the construction plans and designs, modify the planned Common Area and/or Community Facilities, or construct such additional improvements or add future phases as Declarant deems advisable during development of the Property. Such right shall include, but shall not be limited to, the right to install and maintain such structures, displays, signs, billboards, flags and sales offices as may be reasonably necessary for the conduct of Declarant's business or completion of the work and disposition of the Parcels by sale, lease or otherwise. Each Owner by accepting a deed or other conveyance document to a Parcel 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. Declarant reserves the right to convey land, property, Parcels or Parcels to the Association at such times as Declarant deems appropriate and subject to such reservations, conditions and restrictions as Declarant deems necessary and prudent in his sole discretion.

Remainder of this page intentionally left blank. Execution page to follow.

Witness the duly authorized signature of the undersigned, as of the date first written above.

HIGHWAY 22 PROPERTY, LLC,
a Mississippi limited liability company

By: *Max Bowman*
Name: Max Bowman
Title: Managing Member

STATE OF MISSISSIPPI

COUNTY OF *Hinds*

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this *14th* day of November, 2008, within my jurisdiction, the within named Max Bowman, who acknowledged to me that he is the Managing Member of Highway 22 Property, LLC, a Mississippi manager-managed limited liability company, and that for and on behalf of said limited liability company, and as the act and deed of said limited liability company, he executed the above and foregoing instrument, after first having been duly authorized by said limited liability company so to do.

Sarah Young Jones
NOTARY PUBLIC

My commission expires:

(SEAL)

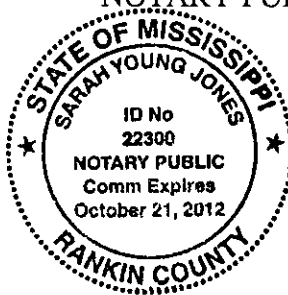


EXHIBIT A
THE PROPERTY

Charlton Place Subdivision according to the Plat filed in Plat Cabinet E Slides 63B and 64A in the office of the Chancery Clerk of Madison County, Mississippi, including Lots 1, 2a, 2b, 3a, 3b, 3c, 4a, 4b, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52 and 53.

**EXHIBIT B
SURVEY**

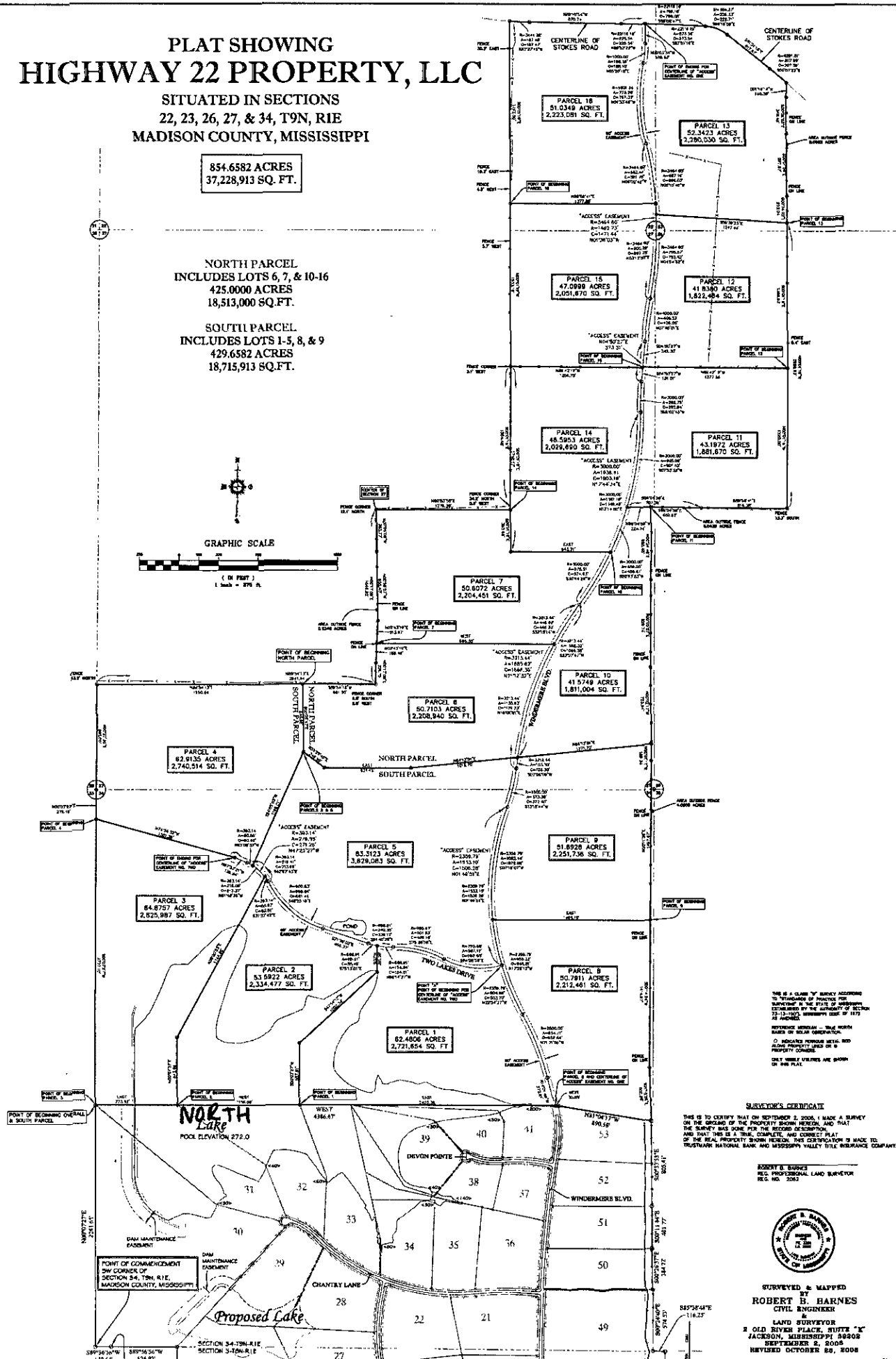
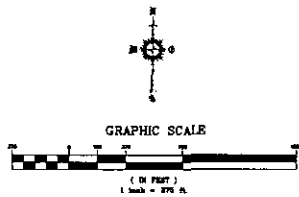
PLAT SHOWING HIGHWAY 22 PROPERTY, LLC

SITUATED IN SECTIONS
22, 23, 26, 27, & 34, T9N, R1E
MADISON COUNTY, MISSISSIPPI

854.6582 ACRES
37,228,913 SQ. FT.

NORTH PARCEL
INCLUDES LOTS 6, 7, & 10-16
425.0000 ACRES
18,513,000 SQ. FT.

SOUTH PARCEL
INCLUDES LOTS 1-5, 8, & 9
429.6582 ACRES
18,715,913 SQ. FT.



THIS IS A CLASS "M" SURVEY ACCORDING TO THE STANDARDS OF PRACTICE FOR SURVEYING IN THE STATE OF MISSISSIPPI ESTABLISHED BY THE JUDICIAL COUNCIL OF THE MISSISSIPPI BAR IN 1975.

REVIEWED AND APPROVED BY THE MISSISSIPPI BOARD OF SURVEYING ENGINEERS.

INDICATES PERMANENT METAL BOUNDS AND PROPERTY LINES OR A PROPERTY CORNER.

ONLY NECESSARY LINES ARE SHOWN ON THIS PLAN.

SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT ON SEPTEMBER 2, 2008, I MADE A SURVEY OF THE GRUND OF THE PROPERTY SHOWN HEREON, AND THAT THE SURVEY WAS DONE FOR THE PURPOSES OF THE PLAT OF THE REAL PROPERTY SHOWN HEREON. THIS CERTIFICATION IS MADE TO THE TRUSTEES NATIONAL BANK AND MISSISSIPPI VALLEY TITLE INSURANCE COMPANY.

ROBERT B. BARNES
REG. PROFESSIONAL LAND SURVEYOR
REG. NO. 3262



SURVEYED & MAPPED BY
ROBERT B. BARNES
CIVIL ENGINEER
&
LAND SURVEYOR
2 OLD RIVER PLACE, SUITE "A"
JACKSON, MISSISSIPPI 39208
SEPTEMBER 2, 2008
REVISED OCTOBER 26, 2008

EXHIBIT B

EXHIBIT C EASEMENT

A sixty foot (60') wide "access" easement situated in the SE ¼ of Section 22, the SW ¼ of Section 23, the NW ¼ of Section 26, the NE ¼ of Section 27, the SE ¼ of Section 27, the NW ¼ of Section 34, the NE ¼ of Section 34, and the SE ¼ of Section 34, all in Township 9 North, Range 1 East, Madison County, Mississippi, and being more particularly described by metes and bounds as follows, to-wit:

EASEMENT NO. ONE:

Commence at the southwest corner of the said Section 34 and run thence North 00° 07' 27" East for a distance of 2,281.65 feet along the western line of the said Section 34 to an iron pin; thence East for a distance of 4,355.78 feet to the centerline of a proposed road and the POINT OF BEGINNING for the centerline of the "access" easement herein described; thence North 14° 01' 46" West for a distance of 272.61 feet along the said centerline; thence run 654.71 feet along the arc of a 2,500.00 foot radius curve to the left along the said centerline, said arc having a 652.84 foot chord which bears North 21° 31' 55" West; thence run 504.66 feet along the arc of a 2,359.79 foot radius curve to the right along the said centerline, said arc having a 503.70 foot chord which bears North 22° 54' 27" West to the centerline intersection of two proposed roads, said intersection is hereby designated as Point "A" for future reference; thence run 1,533.10 feet along the arc of a 2,359.79 foot radius curve to the right along the said centerline, said arc having a 1,506.28 foot chord which bears North 01° 49' 51" East; thence run 373.36 feet along the arc of a 1,500.00 foot radius curve to the left along the said centerline, said arc having a 372.40 foot chord which bears North 13° 18' 44" East; thence run 1,685.62 feet along the arc of a 3,213.44 foot radius curve to the right along the said centerline, said arc having a 1,666.36 foot chord which bears North 21° 12' 32" East; thence run 1,936.61 feet along the arc of a 3,000.00 foot curve to the left along the said centerline, said arc having a 1,903.16 foot chord which bears North 17° 44' 34" East; thence run 292.75 feet along the arc of a 3,000.00 foot radius curve to the right along the said centerline, said arc having a 292.64 foot chord which bears North 02° 02' 43" East; thence North 04° 50' 27" East for a distance of 373.31 feet along the said centerline; thence run 406.23 feet along the arc of a 4,000.00 foot radius curve to the right along the said centerline, said arc having a 406.06 foot chord which bears North 07° 45' 01" East; thence run 1,482.73 feet along the arc of a 3,464.60 foot radius curve to the left along the said centerline, said arc having a 1,471.44 foot chord which bears North 01° 36' 03" West; thence run 773.26 feet along the arc of a 1,801.34 foot radius curve to the right along the said centerline, said arc having a 767.33 foot chord which bears North 01° 33' 48" West; thence run 188.38 feet along the arc of a 1,000.00 foot radius curve to the left along the said centerline, said arc having a 188.10 foot chord which bears North 05° 20' 15" East; thence North 00° 03' 34" West for a distance of 188.52 feet along the said centerline of a proposed road to the centerline of Stokes Road and the POINT OF ENDING for Easement No. One.

MADISON COUNTY MS. This instrument was
filed for record NOV. 14, 2008 at 5 P.M.

Book 2369 Page 304
ARTHUR JOHNSTON, C. C.

BY:  D.C.

