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ARTICLE VIII

RESALE, LEASE AND OCCUPANCY RESTRICTIONS

Section 1. Estoppel Certificate: Documents. No Owner, other than Declarant, may sell or convey his interest in a Lot unless all sums due the Association are paid in full and an estoppel certificate in recordable form to such effect shall have been received by the Owner. If all such sums shall have been paid, the Association shall deliver such certificate within ten (10) days of a written request therefor. The Owner requesting the certificate may be required by the Association to pay to the Association a reasonable sum to cover the costs of examining records and preparing the certificate.

Owners shall be obligated to deliver all documents originally received from Declarant, including this and other declarations and documents, and all amendments thereto, to any grantee of such Owner.

Section 2. Leases. No portion of a Lot or Home may be rented or leased other than an entire Lot and Home leased subject to and in accordance with this Declaration. All leases shall be in writing and shall provide (or be automatically deemed to provide) that the Association shall have the right to terminate the lease in the name of and as agent for the lessor upon default by tenant in observing any of the provisions of this Declaration, the Articles of Incorporation or Bylaws of the Association or its applicable rules and regulations or other applicable provisions of any agreement, document or instrument governing The Properties or administered by the Association as well as the Shared Use Agreement. The leasing of Lots and Homes shall also be subject to the prior written approval of the Association, which approval shall not be unreasonably withheld and which shall be deemed given if the Association does not deny approval within fifteen (15) days of its receipt of a request for approval together with a copy of the proposed lease and all supporting information reasonably requested by the Association. No approval of a lease shall be denied on the basis of its duration if such duration is for at least six (6) months.

Owners wishing to lease their Lots and Homes may, if the Board of Directors so elects, be required to place in escrow with the Association a sum of up to \$500.00 which may be used by the Association to repair any damage to the Common Areas or other portions of The Properties resulting from acts or omissions of tenants (as determined in the sole discretion of the Association). The Association shall not be required to pay or remit any interest on any such escrowed funds. The Owner will be jointly and severally liable with the tenant to the Association for any amount in excess of such sum which is required by the Association to effect such repairs or to pay any claim for injury or damage to property caused by the negligence of the tenant. Any balance remaining in the escrow account, less an administrative charge not to exceed \$50.00 and exclusive of any interest retained by the Association, shall be returned to the Owner within sixty (60) days after the tenant vacates the Home.

The provisions of this Section shall not apply to the Golf Club or to Declarant or any of its designees or to Lots or other property owned by Declarant or its designees (for so long as they shall own them).

Section 3. Members' Permittees. No Lot or Home shall be occupied by any person other than the Owner(s) thereof or the applicable Members' Permittees and in no event and under no circumstances other than as a single-family residence. For purposes of this Declaration, a Member's Permittees shall be the following natural persons and such of their respective family as shall reside with them: (i) an individual Owner(s), (ii) an officer, director, stockholder or employee of a corporate owner, (iii) a partner in or employee of a partnership owner, (iv) a manager or member of a limited liability company owner, (v) a fiduciary or beneficiary of an ownership in a trust, or (vi) occupants named or described in a lease or sublease, but only if approved in accordance with this Declaration. Under no circumstances may more than one family reside in a Home at one time. In no event shall occupancy (except for temporary occupancy by guests) exceed two (2) persons per bedroom and one (1) person per den (as defined by the Association for the purpose of excluding from such definition living rooms, dining rooms, family rooms, country kitchens and the like).

As used herein, "family" or words of similar import shall be deemed to include a spouse, children, parents, brothers, sisters, grandchildren and other persons permanently cohabiting the Home as or together with the Owner or other Member's Permittees. As used herein, "guest" or words of similar import shall include only those persons who have a principal residence other than the Home. Unless otherwise determined by the Board of Directors of the Association, a person occupying a Home for more than one (1) month who is not the Owner thereof or the applicable Member's Permittee shall not be deemed a guest but, rather, shall be deemed a lessee for purposes of this declaration (regardless of whether a lease exists or rent is paid) and shall be subject to the provisions of this Declaration which apply to leases and lessees. The purpose of this paragraph is to prohibit the circumvention of the provisions and intent of this Article and the Board of Directors of the Association shall enforce, and the Owners comply with, same with due regard for such purpose.

The provisions of this Section shall not apply to the Golf Club, nor shall they apply to the Declarant or Bennett V. York or to Lots or other property owned by Declarant or Bennett V. York (for so long as they shall own them).

ARTICLE IX

ENFORCEMENT

Section 1. Compliance by Owners. Every Owner and Member's Permittee shall comply with the restrictions and covenants set forth herein and any and all rules and regulations which from time to time may be adopted by the Board of Directors of the Association. Additionally, each Owner and Members' Permittee shall comply with all rules and regulations adopted by the Neighboring Association pertaining to the properties and/or facilities used per the Shared Use Agreement; any violation of such rules and regulations

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shall be deemed a violation under this Declaration entitling the Association and/or the Neighboring Association to all remedies arising from a violation under this Declaration.

Section 2. Violations. Failure of an Owner or his Member's Permittee to comply with any such restrictions, covenants or rules and regulations shall be grounds for immediate action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof, all to the extent of the Owner's liability under applicable law. The Association shall have the right to suspend the rights of use of Common Area recreational facilities of defaulting Owners and/or Member's Permittees (including those "Shared Common Areas", as defined in and used pursuant to the Shared Use Agreement). The offending Owner shall be responsible for all costs of enforcement including attorneys' fees actually incurred and court costs.

Section 3. Fines. In addition to all other remedies, and to the maximum extent lawful, in the sole discretion of a committee (the "Compliance Committee") appointed by the Board of Directors (consisting of at least three (3) persons, who may or may not be Board Members, meeting the requirements established by law), a fine or fines may be imposed upon an Owner for failure of an Owner or his Member's Permittees to comply with any such covenant, restriction, rule or regulation, provided the following procedures are adhered to:

(a) **Notice:** The Association shall notify the Owner of the alleged infraction or infractions. Included in the notice shall be the date and time of a special meeting of the Compliance Committee at which time the Owner shall present reasons why a fine(s) should not be imposed. At least fourteen (14) days' notice of such meeting shall be given.

(b) **Hearing:** The alleged non-compliance shall be presented to the Compliance Committee after which the Compliance Committee shall hear reasons why a fine(s) should not be imposed. The Owner shall have a right to be represented by counsel and to cross examine witnesses. A written decision of the Compliance Committee shall be submitted to the Owner by not later than twenty-one (21) days after the Compliance Committee's meeting. No fine shall be levied unless a majority of the Compliance Committee votes to do so.

(c) **Amounts:** The Compliance Committee (if its findings are made against the Owner) may impose an Individual Assessment against the Lot owned by the Owner not in excess of One Hundred Dollars (\$100.00) per violation, as each instance of a violation may be defined by the Board of Directors by duly adopted rule from time to time.

(d) **Payment of Fines:** Fines shall be paid not later than five (5) days after notice of the imposition of the fine in question.

(e) Collection of Fines: Fines shall be treated as an Individual Assessment subject to the provisions for the collection of Assessments, and the lien securing same, as set forth herein.

(f) Application of Proceeds: All monies received from fines shall be allocated as directed by the Board of Directors.

(g) Suspension of Use. An Owner's or Member's Permittee's right to use Common Area recreational facilities, as well as Shared Common Areas per the Shared Used Agreement, may also be suspended after the foregoing process results in a determination of a violation and the decision to suspend same.

(h) Non-exclusive Remedy: These fines shall not be construed to be exclusive, and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; provided, however, any penalty paid by the offending Owner shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner.

ARTICLE X

PROVISOS AS TO CERTAIN MEMBERS

Section 1. Preamble. In light of the benefits accruing to the Declarant, Owners and the Association by virtue of the orderly and efficient development and use of The Properties by Declarant and others, this Article has been adopted to cause this Declaration to accurately and reasonably reflect the operations and needs of Builders and the Golf Club Owner as a part of the general, uniform scheme of development of The Properties.

Section 2. Architectural Control.

(a) Builders. As to any initial construction on or improvement of a Lot, a Builder shall be subject to the provisions of Article X, Section 3 hereof until the Builder has completed a Home on a Lot and has received Declarant's final approval thereof, after which the Modifications Committee's approval of any alterations of such initial construction or improvements or of any subsequent construction or improvements shall be required as provided in Article VII, Section 10 hereof.

(b) Golf Club. Also for purposes of the exemption of Declarant and its designees as set forth in Article VII, Section 10 hereof, a Golf Club Owner shall be deemed a designee of Declarant with respect to the Golf Club and therefore exempt from architectural review/approval requirements with respect to the Golf Club.

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Section 3. Declarant's Approvals.

(a) General Restrictions. No Lot shall be replatted or subdivided, and no Lots shall be combined so as to constitute or be used as a single Lot, without the prior written approval of Declarant; Declarant may withhold consent to any replatting or subdivision in its sole discretion; provided, however, that the approval of a combination of two (2) or more Lots shall not be unreasonably withheld. If written approval is given as provided for the combination of two (2) or more Lots, the Lots so combined shall thereafter be deemed one (1) Lot for all purposes, including assessment purposes, and shall not be resubdivided without the approval required above.

(b) Requirement for Plan Approval. No grading, excavation, removal of trees, brush or undergrowth, planting, construction, erection, placement or installation of any improvements whatsoever upon any Lot shall be commenced unless and until Declarant gives its prior written approval of the plans and specifications therefor and of such other items as are required by Declarant. The foregoing shall include, but by no means be limited to, construction of Homes, installation of driveways and sidewalks, installation of landscaping, grading, excavation, removal of trees, brush or undergrowth or other changes to the condition of the Lot as same existed upon the date of an Owner's acquisition thereof.

The approval of plans, specifications and site and landscaping plans required under this section shall extend and apply to, without limitation, size, height, setback, positioning, apparent massing and scale; roof pitch, color and material; exterior materials, finishes and colors; garage size and positioning; doors and windows; fences and walls; lighting; mailboxes; porches, patios, balconies and the like; wood detailing; house numbers; landscaping; ancillary improvements and other facts deemed relevant by Declarant.

The architectural review and approval authority of the Declarant under this Declaration may be exercised by and through a committee (the "Initial Construction Committee") appointed and removed from time to time solely by the Declarant, which Committee shall not be deemed a committee of the Association. Accordingly, references in this Declaration to the Declarant in the context of such authority shall include within their meanings such Committee, if appointed by Declarant.

(c) Procedure for Plan Approval. Declarant will respond to a request for approval by an Owner within forty-five (45) days from the time that such plans and specifications and other items required by Declarant are delivered to it. Each Owner shall also promptly submit to Declarant any additional information or material reasonably requested by Declarant for the purpose of aiding its review of the original submission and the forty-five (45) day approval period shall not commence until such additional information and materials are received. If Declarant disapproves, Declarant shall so notify the party submitting the plans in writing

within said forty-five (45) day period stating the reasons for denying approval, whereupon the Owner shall revise the plans and specifications accordingly and resubmit same, at which time such resubmission shall be treated hereunder as an original submission. A failure to respond within such period shall constitute an automatic approval if, but only if (i) within five (5) days of the expiration of the forty-five (45) day approval period the party seeking approval notifies Declarant of such non-action via certified mail and (ii) Declarant still fails to respond within ten (10) days of receipt of such notice. All reviews of said plans and specifications and other items required by the Declarant shall be at the Owner's expense.

(d) Disclaimers Concerning Approval of Plans and Specifications. Declarant, the Association and/or Bennett V. York, his heirs or assigns ("York") may, from time to time, make available to Owners and purchasers of Lots certain home plans and/or specifications for use in connection with the construction of a Home. In connection therewith, each Owner and every other party dealing with any Lot shall be deemed to covenant and agree that any such plans and/or specifications shall not be used by the recipient thereof or any third party to whom the recipient discloses or divulges said plans and/or specifications or to whom copies thereof are disseminated or distributed for construction on a property other than the Owner's Lot. Additionally, said plans and/or specifications may be subject to copyright and, accordingly, any party using same shall be deemed to have indemnified Declarant, the Association and York for any loss, liability or damage incurred or sustained by Declarant, the Association and/or York as a result of the infringement or violation of said copyright by the Owner or any party receiving or dealing with the plans and/or specifications on the Owner's behalf or otherwise. Each Owner shall bear all risks associated with the use of any such plans and/or specifications, none of same being warranted in any manner by Declarant, the Association or York, and each Owner and other party using same shall be deemed to have waived and released Declarant, the Association and York from, any loss, liability or damage incurred or sustained in such regard and, further, to have agreed to indemnify and hold Declarant, the Association and York harmless from any loss, liability or damage incurred or sustained by Declarant, the Association and/or York, such Owner and/or any other party using the plans and/or specifications.

Any approval by Declarant of plans and specifications shall not affect the Owner's (or Owner's successors' and assignees') responsibility to obtain all easements, permits, licenses and approvals which may be necessary to improve the Lot in accordance with the approved plans and specifications or with any law, code or ordinance. Any such approval shall not be considered to be permission to encroach on another property owner's land or to interfere with another property owner's right to use and enjoy all possible property rights. Approval of the plans and specifications shall not constitute Declarant's warranty or representation that the proposed improvements will be consistent or in compliance with (i) the development or construction plans of any other property owner, (ii) applicable laws, codes, ordinances or standards, or (iii) safe or sound development or construction

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practices; and by submitting a request for the approval of any plans and specifications, the requesting Owner shall be deemed to have automatically agreed to hold harmless and indemnify Declarant, the Association and York generally, from and for any loss, claim or damages connected with the aforesaid aspects of the improvements and/or the use of said plans and specifications.

(e) Time for Completion. Once the construction of a Home or other improvement is commenced it shall be diligently pursued until completion, in accordance with the plans approved per the Manual, as evidenced by the issuance of a certificate of occupancy. Any cessation of construction for a period of excess of thirty (30) continuous calendar days shall be deemed a violation of this requirement.

(f) Models and Signs. Any model homes shall be constructed, developed, operated, decorated and maintained in accordance with Declarant's approval obtained as provided above.

Declarant must approve in writing all signs and must approve all identifying devices that may be applied on the surface of any Home, all in order to ensure that the quality of sign work and lettering is in keeping with the character of the development of The Properties and surrounding areas. Declarant shall approve the type, location and height of each free standing sign and the number thereof.

(g) No Third Party Rights. Unless assigned to the Association by Declarant, neither the Association, the Modifications Committee nor any Owner or other party shall have any rights to enforce the provisions of this Section, to have any review or approval rights as to anything subject hereto nor be deemed a third party beneficiary of any rights hereunder. Declarant shall have no liability whatsoever for any approval or disapproval given hereunder including, without limitation, any claim regarding the compatibility of any approved improvements with any adjacent or nearby property.

Section 4. Use Restrictions.

(a) Builders. No Builder shall be deemed to be in violation of any of the restrictions or requirements of Article VII of this Declaration, or of any rules or regulations of the Association, by virtue of activities which, in the determination of the Declarant are normally and customarily associated with the construction of Homes (or the development of land therefor) of the nature and type being constructed/developed by the Builder. Notwithstanding the foregoing, no Builder may make any installations which, once installed, would constitute a violation of Article VII of this Declaration. By way of example only, the privileges granted to Builders hereunder may not extend to permit the permanent installation of otherwise prohibited gas tanks, obstructions of visibility at intersections, window-mounted air conditioning units or artificial vegetation.

(b) Golf Club Owner. No provision of this Declaration or any rules and regulations of the Association now or hereafter adopted, and no action by the Board of Directors or any committee thereof (including, without limitation the Modifications Committee) and any committee authorized to impose fines, shall operate to prohibit or reasonably restrict the use of the Golf Club for its lawful and intended purposes from time to time, nor shall any document or action prohibit or unduly impede access to the Golf Club by any persons authorized by the Golf Club Owner (which authorization may be given on a "blanket", overall basis).

ARTICLE XI

DAMAGE OR DESTRUCTION TO COMMON AREAS

Damage to or destruction of all or any portion of the Common Areas shall be addressed in the following manner, notwithstanding any provision in this Declaration to the contrary:

(a) In the event of damage to or destruction of the Common Areas, if the insurance proceeds are sufficient to effect total restoration, then the Association shall cause such portions of the Common Areas to be repaired and reconstructed substantially as it previously existed.

(b) If the insurance proceeds are within One Hundred Thousand Dollars (\$100,000.00) or less of being sufficient to effect total restoration of the Common Areas, then the Association shall cause such portions of the Common Areas to be repaired and reconstructed substantially as they previously existed and the difference between the insurance proceeds and the estimated cost of such work shall be levied as a Special Assessment against each of the Owners in equal shares, on a Neighborhood or overall basis as appropriate, in accordance with the provisions of Article V of this Declaration.

(c) If the insurance proceeds are insufficient by more than One Hundred Thousand Dollars (\$100,000.00) to effect total restoration of the Common Areas, then by written ballot or vote of a majority of the votes cast by the Voting Members, they shall determine, subject to Article XII hereof, whether (1) to rebuild and restore the Common Areas in substantially the same manner as they existed prior to damage and to raise the necessary funds over the insurance proceeds by levying Special Assessments against all Owners (or those in the affected Neighborhood, if appropriate) (2) to rebuild and restore in a way which is less expensive than replacing the Common Areas in substantially the same manner as they existed prior to being damaged, or (3) subject to the approval of the Board, to not rebuild and to retain the available insurance proceeds.

(d) Each Owner shall be liable to the Association for any damage to the Common Areas which may be sustained by reason of the negligence or willful

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misconduct of any Owner or his Member's Permittees. Notwithstanding the foregoing, the Association reserves the right to charge such Owner an Assessment equal to the increase, if any, in the insurance premium directly attributable to the damage caused by such Owner. In the case of joint ownership of a Home, the liability of such Owner shall be joint and several. The cost of correcting such damage shall be an Individual Assessment against the Owner and may be collected as provided herein for the collection of Assessments.

ARTICLE XII

INSURANCE

Section 1. Common Areas. The Association shall keep all improvements (other than foundations, landscaping and other components not usually insured), facilities and fixtures located within the Common Areas insured against loss or damage by fire or other casualty for the full insurable replacement value thereof (with reasonable deductibles and normal exclusions for land, foundations, excavation costs and similar matters), and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property, whether real or personal, owned or maintained by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance for and on behalf of itself. The insurance coverage with respect to the Common Areas shall be written in the name of, and the proceeds thereof shall be payable to, the Association. Except as otherwise provided in this Declaration, insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are common expenses included in the Assessments made by the Association.

To the extent obtainable at reasonable rates, the insurance policy(ies) maintained by the Association shall contain provisions, or be accompanied by endorsements, for: blanket and agreed amount and inflation guard, demolition costs, contingent liability from operation of building laws and increased costs of construction.

All insurance policies shall contain standard mortgagee clauses, if applicable.

The Association shall also maintain flood insurance on the insurable improvements on the Common Areas in an amount equal to the lesser of 100% of the replacement costs of all insurable improvements (if any) within the Common Areas or the maximum amount of coverage available under the National Flood Insurance Program, in either case if the insured improvements are located within a flood zone as to which mortgage lenders customarily require such insurance.

Section 2. Replacement or Repair of Property. In the event of damage to or destruction of any portion of the Common Areas, the Association shall repair or replace

same using the insurance proceeds available, subject to the provisions of Article XI of this Declaration.

Section 3. Waiver of Subrogation. As to each policy of insurance maintained by the Association which will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Board, the Members, Declarant and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss.

Section 4. Liability and Other Insurance. The Association shall have the power to and shall obtain comprehensive public liability insurance, including medical payments and malicious mischief, with coverage of at least \$1,000,000.00 (if available at reasonable rates and upon reasonable terms) for any single occurrence, insuring against liability for bodily injury, death and property damage arising from the activities of the Association or with respect to property under its jurisdiction, including, if obtainable at reasonable cost, a cross liability endorsement insuring each Member against liability to each other Member and to the Association and vice versa and coverage for legal liability resulting from lawsuits related to employment contracts shall also be maintained. The Association may also obtain Worker's Compensation insurance and other liability insurance as it may deem desirable, insuring each Member and the Association and its Board of Directors and officers, from liability in connection with the Common Areas, the premiums for which shall be Common Expenses and included in the Assessments made against the Members. The Association may also obtain such other insurance as the Board deems appropriate. All insurance policies shall be reviewed at least annually by the Board of Directors and the limits increased in its discretion.

The Board may also obtain such errors and omissions insurance, indemnity bonds, fidelity bonds and other insurance as it deems advisable, insuring the Board or any management company engaged by the Association against any liability for any act or omission in carrying out their obligations hereunder, or resulting from their membership on the Board or any committee thereof. Such coverage may be reduced or otherwise modified to reflect the Neighboring Association's performance of certain duties of the Board per the Shared Use Agreement. At a minimum, however, there shall be blanket fidelity bonding of anyone (compensated or not) who handles or is responsible for funds held or administered by the Association, with the Association to be an obligee thereunder. Such bonding shall cover the maximum funds to be in the hands of the Association or management company at any one time during the time the bond is in force. In addition, the fidelity bond coverage must at least equal the sum of three (3) months' of regular Assessments, plus all reserve funds.

Section 5. "Blanket" Insurance. The requirements of this Article may be met by way of the Association being an insured party under any coverage carried by the Declarant or under coverage obtained by the Association together with the Neighboring Associations as long as such coverage is in accordance with the amounts and other standards stated in this Article.

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ARTICLE XIII

MORTGAGEE PROTECTION

The following provisions are included herein for the purpose of complying with various requirements relating to mortgage loans for Lots/Homes and to the extent these provisions conflict with any other provisions of the Declaration, these provisions shall control:

(a) The Association shall be required to make available to all Owners and to all mortgagees, insurers and guarantors of any first mortgage, for inspection, upon written request, during normal business hours or under other reasonable circumstances, current copies of this Declaration (with all amendments) and the Articles, Bylaws and rules and regulations and the books and records of the Association. Furthermore, such persons shall be entitled, upon written request, to (i) receive a copy of the Association's financial statement for the immediately preceding fiscal year, (ii) receive notices of and attend the Association meetings, (iii) receive notice from the Association of an alleged default by a specified Owner in the performance of such Owner's obligations under this Declaration, the Articles of Incorporation or the Bylaws of the Association, which default is not cured within thirty (30) days after the Association learns of such default, and (iv) receive notice of any substantial damage or loss to the Common Areas.

(b) Any holder, insurer or guarantor of a first mortgage on a Home shall have, if first requested in writing, the right to timely written notice of (i) any condemnation or casualty loss affecting a material portion of the Common Areas, (ii) a sixty (60) day delinquency in the payment of the Assessments on a specified mortgaged Lot, (iii) the occurrence of a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association, and (iv) any proposed action which requires the consent of a specified number of mortgage holders.

(c) Unless at least 66-2/3% of first mortgagees (based upon one vote for each first mortgage owned) has given their prior written approval, and the Voting Members holding at least two-thirds (2/3rds) of the votes entitled to be cast by them have given their prior approval by vote at a meeting or by written ballot, neither the Association nor the Owners shall:

(1) by act or omission seek to sell or transfer the Common Areas (and/or any improvements thereon) which are owned by the Association except for (i) granting licenses, rights of way, easements, rights of use and the like for access, use, utilities or for other purposes with respect to such Common Areas (and/or any improvements thereon) consistent with the use of such property by the Owners as intended by the Declarant, (ii) the

dedication, sale, transfer or conveyance of such Common Areas (and/or any improvements thereon) to another similar association in accordance with the Articles of Incorporation of the Association or this Declaration or (iii) the dedication, sale, transfer or conveyance of such Common Areas (and/or any improvements thereon) to the public; the intent being that none of the acts described in (i), (ii) or (iii) shall be considered a sale or transfer of such Common Areas (and/or any improvements thereon) within the meaning of this subsection.

(2) change the basic methods of determining the obligations, Assessments, dues or other charges which may be levied against a Lot, except as provided herein with respect to future Lots;

(3) by act or omission, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of The Properties;

(4) fail to maintain fire and extended insurance on insurable portions of the Common Areas as provided in this Declaration; or

(5) except as provided in Article XI hereof, use hazard insurance proceeds for losses to any Common Areas for other than the repair, replacement or reconstruction of the improvements.

ARTICLE XIV

SPECIAL COVENANTS FOR ZERO LOT LINE LOTS

Section 1. Maintenance Easement. When any Lot (the "Servient Lot") abuts another Lot (the "Dominant Lot") on which the exterior wall of a Home has been or can be constructed against or immediately contiguous to the interior property (perimeter) line shared by the Dominant Lot and the Servient Lot, then the Owner of the Dominant Lot shall have an easement over the Servient Lot, which easement shall be contiguous to the interior property line running from the front of the rear property line of the Servient Lot and having a width reasonably necessary for the following purposes:

(i) For installation, maintenance, repair, replacement and the provision of utility services, equipment and fixtures to serve the Dominant Lot, including but not limited to, electricity, telephones, sewer, water, lighting, irrigation, drainage and Community Systems, subject to prior written approval thereof by the Declarant.

(ii) Of support in and to all structural members, footings and foundations of the Home or other improvements which are necessary for support of the Home or other improvements on the Dominant Lot. Nothing in this Declaration shall be construed to

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require the Owner of the Servient Lot to erect, or permit the erection of, additional columns, bearing walls or other structures on its Lot for the support of the Dominant Lot.

(iii) For reasonable entry upon, and for ingress and egress through the Servient Lot, with persons, materials and equipment, to the extent reasonably necessary in the performance of the maintenance, repair, replacement of the Home or any improvements on the Dominant Lot.

(iv) For overhanging troughs or gutters, down-spouts and the discharge therefrom of rainwater and the subsequent flow thereof over the easement area and the Common Areas.

(v) For the unintentional encroachment of improvements to the Dominant Lot onto the Servient Lot.

An Owner of a Servient Lot shall do nothing on his Lot which unreasonably interferes with or impairs the use of this easement.

Section 2. Party Walls. Each wall and fence, if any, built as part of the original construction of the Homes or Lots within The Properties and placed on the dividing line between the Lots or Homes and acting as a commonly shared wall or fence shall constitute a party wall, and each Owner shall own that portion of the wall and fence which stands on his own Lot, with a cross-easement of support in the other portion. If a wall or fence separating two (2) Homes or Lots, and extensions of such wall or fence, shall lie entirely within the boundaries of one Lot, such wall or fence, together with its extensions, shall also be a party wall and the Owner of the adjacent Lot shall have perpetual easement to benefit from the party wall as if same were subject to the foregoing sentence.

Easements are reserved in favor of all Lots over all other Lots and the Common Areas for overhangs or other encroachments resulting from original construction and reconstruction as aforesaid.

Anything to the contrary herein notwithstanding, where adjacent Homes share only a portion of a wall (e.g., where a one-story Home abuts a two-story Home), only that portion of the wall actually shared by both Homes shall be deemed a party wall. That portion of the wall lying above the one-story Home and used exclusively as a wall for the second floor of the abutting two-story Home shall not be deemed a party wall, but shall be maintained and repaired exclusively by the Owner of the two-story Home even if lying in whole or in part on the abutting Lot on which the one-story Home is constructed and over the roof and other portions of such abutting one-story Home to permit the upper portion of the wall of the two-story Home to be maintained and repaired by the Owners of the Lot on which such two-story Home is constructed.

The costs of reasonable repair and maintenance of a party wall shall be shared equally by the Owners who make use of the wall.

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If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore same, but shall not construct or extend same to any greater dimension than that existing prior to such fire or other casualty, without the prior written consent of the adjacent Lot Owner. The extension of a party wall used by only a two-story Home abutting a one-story Home shall be promptly and diligently repaired and/or replaced by the Owner of the two-story Home at his sole cost and expense, even if lying in whole or in part on the abutting Lot. No part of any addition to the dimensions of said party wall or of any extension thereof already built that may be made by any of said Owners, or by those claiming under any of them, respectively, shall be placed upon the Lot of the other Owner, without the written consent of the latter first obtained, except in the case of the aforesaid wall of a two-story Home. If the other Owner thereafter makes use of the party wall, he shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such Owner to call for a larger contribution from the other under any rule of law regarding liability for negligent or willful acts or omissions.

Notwithstanding any other provision of this Section, if any Owner, by his negligent or willful act, causes that part of the party wall not previously exposed to be exposed to the elements, such Owner shall bear the whole cost of furnishing the necessary protection against such elements.

The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title. Upon a conveyance or other transfer of title, the liability hereunder of the prior Owner shall cease, except for a matter or claim arising prior to such conveyance or transfer.

In the event of any dispute arising concerning a party wall, or otherwise under the provisions of this Article, such dispute shall be resolved by the Board of Directors.

ARTICLE XV

GENERAL PROVISIONS

Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind The Properties, and shall inure to the benefit of and be enforceable by the Association, the Modifications Committee, and the Owner of any land subject to this Declaration, and their respective legal representatives, heirs, successors and assigns, for a term of ninety-nine (99) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by the then Owners of 75% of all the Lots subject hereto and of 100% of the first mortgagees thereof has been recorded, agreeing to revoke said covenants and restrictions; provided, however, that no such agreement to revoke shall be effective unless made and recorded in advance of the effective date of such revocation, and unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any signatures being obtained.

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Section 2. Notice. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when personally delivered or mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 3. Severability. Invalidation of any one of these covenants or restrictions or any part, clause or word hereof, or the application thereof in specific circumstances, by judgment or court order shall not affect any other provisions or applications in other circumstances, all of which shall remain in full force and effect.

Section 4. Amendment. In addition to any other manner herein provided for the amendment of this Declaration, the covenants, conditions, restrictions, easements, charges and liens of this Declaration may be amended, changed, deleted or added to at any time and from time to time upon the execution and recordation of an instrument executed by Declarant alone, for so long as Declarant or its affiliates owns or holds title to any Lot or other property affected by this Declaration, provided that any such amendment shall be consistent with the general scheme of the development of The Properties or required by a governmental agency, FNMA/FHLMC, VA or FHA or the like; or alternatively by approval of not less than 66 2/3% of the votes of the Members which are cast by the Voting Members (including the Voting Member appointed or designated by Declarant), provided, that so long as Declarant or its affiliates is the Owner of any Lot affected by this Declaration, Declarant's consent must be obtained if such amendment, in the sole opinion of the Declarant, affects its interest. Provided, further, unless the prior written consent of Bennett V. York, his heirs or assigns is first obtained, no amendment shall be made to this Declaration which conflicts with the Shared Use Agreement for so long as the Shared Used Agreement is in effect.

Section 5. Effective Date. This Declaration shall become effective upon its recordation in the public records of the County.

Section 6. Conflict. This Declaration shall take precedence over conflicting provisions in the Articles of Incorporation, Bylaws or rules and regulations of the Association and said Articles shall take precedence over the Bylaws and rules and regulations and the Bylaws shall take precedence over the rules and regulations.

Section 7. Easements. Should the intended creation of any easement provided for in this Declaration fail by reason of the fact that at the time of creation there may be no grantee in being having the capacity to take and hold such easement or no separate ownership of the dominant and servient estates, then any such grant of easement deemed not to have been so created shall nevertheless be considered as having been granted directly to the Association as agent for such intended grantees, or to be a "springing easement" for the purpose of allowing the original party or parties to whom, or the original party to which, the easements were originally intended to have been granted the benefit of such easement and the Owners designate hereby the Declarant and the Association (or either of them) as their lawful attorney-in-fact to execute any instrument on such Owners' behalf as may hereafter be required or deemed necessary for the purpose of later creating such easement as

it was intended to have been created herein. Formal language of grant or reservation with respect to such easements, as appropriate, is hereby incorporated in the easement provisions hereof to the extent not so recited in some or all of such provisions.

Section 8. Notices and Disclaimers as to Community Systems. Declarant, the Association, or their successors, assigns or franchisees and any applicable cable telecommunications system operator (an "Operator"), may enter into contracts for the provision of security services, including electronic alarms functioning through any Community Systems. DECLARANT, THE ASSOCIATION, AND THEIR SUCCESSORS, ASSIGNS AND FRANCHISEES, AND ANY OPERATOR, DO NOT GUARANTEE OR WARRANT, EXPRESSLY OR IMPLIEDLY, THE MERCHANTABILITY OR FITNESS FOR USE OF ANY SUCH SECURITY SYSTEM OR SERVICES, OR THAT ANY SYSTEM OR SERVICES WILL PREVENT INTRUSIONS, FIRES OR OTHER OCCURRENCES, OR THE CONSEQUENCES OF SUCH OCCURRENCES, REGARDLESS OF WHETHER OR NOT THE SYSTEM OR SERVICES ARE DESIGNED TO MONITOR SAME; AND EVERY OWNER OR OCCUPANT OF PROPERTY SERVICED BY THE COMMUNITY SYSTEMS ACKNOWLEDGES THAT DECLARANT, THE ASSOCIATION OR ANY SUCCESSOR, ASSIGN OR FRANCHISEE OF THE DECLARANT OR ANY OF THE OTHER AFORESAID ENTITIES AND ANY OPERATOR, ARE NOT INSURERS OF THE OWNER OR OCCUPANT'S PROPERTY OR OF THE PROPERTY OF OTHERS LOCATED ON THE PREMISES AND WILL NOT BE RESPONSIBLE OR LIABLE FOR LOSSES, INJURIES OR DEATHS RESULTING FROM SUCH OCCURRENCES. It is extremely difficult and impractical to determine the actual damages, if any, which may proximately result from a failure on the part of a security service provider to perform any of its obligations with respect to security services and, therefore, every owner or occupant of property receiving security services through the Community Systems agrees for himself, his grantees, tenants, guests, invitees, licensees, and family members that neither the Declarant, the Association or any successor, assign or franchisee thereof or any Operator assumes any liability for loss or damage to property or for personal injury or death to persons due to any reason, including, without limitation, failure in transmission of an alarm, interruption of security service or failure to respond to an alarm because of (a) any failure of the Owner's security system, (b) any defective or damaged equipment, device, line or circuit, (c) negligence, active or otherwise, of the security service provider or its officers, agents or employees, or (d) fire, flood, riot, war, act of God or other similar causes which are beyond the control of the security service provider. Every owner or occupant of property obtaining security services through the Community Systems further agrees for himself, his grantees, tenants, guests, invitees, licensees, and family members that if any loss or damage should result from a failure of performance or operation, or from defective performance or operation, or from improper installation, monitoring or servicing of the system, or from negligence, active or otherwise, of the security service provider or its officers, agents, or employees, the liability, if any, of Declarant, the Association, any franchisee of the foregoing and/or the Operator and/or any of their successors or assigns, for loss, damage, injury or death sustained shall be limited to a sum not exceeding Two Hundred Fifty and No/100 (\$250.00) U.S. Dollars, which limitation shall apply irrespective of the cause or origin of the loss or damage and notwithstanding that the loss or damage results directly or

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indirectly from negligent performance, active or otherwise, or non-performance by Declarant, the Association and/or any Operator and/or any officer, director, agent, employee, franchisee, successor and/or assign of any of the foregoing. Further, in no event will Declarant, the Association or any Operator or any of their officers, directors, agents, employees, franchisees, successors or assigns, be liable for consequential damages, wrongful death, personal injury or commercial loss.

In recognition of the fact that interruptions in cable television and other Community Systems services will occur from time to time, no person or entity described above shall in any manner be liable, and no user of any Community System shall be entitled to any refund, rebate, discount or offset in applicable fees, for any interruption in Community Systems services, regardless of whether or not same is caused by reasons within the control of the then-provider(s) of such services.

Section 9. Construction Activities. Declarant hereby reserves the rights to conduct within The Properties generally, and upon the Common Areas, specifically, all development, construction, alteration, repair, replacement, removal and other activities as Declarant deems advisable in the course of the development of The Properties as well as activities relating to the sales and marketing of Lots including, without limitation, the right to install and maintain such structures, displays, signs, billboards, flags, sales and other offices and other displays and improvements, none of which will be deemed a nuisance or otherwise in violation of this Declaration or any rules and regulations of the Association. In the course of such development and sales activities, Declarant may grant easements, licenses and other use rights in, to, over and under Lots owned by Declarant as well as Common Areas, in all cases without the joinder or consent of the Association or of any Owner.

OWNERS, OCCUPANTS AND USERS OF THE PROPERTIES ARE HEREBY PLACED ON NOTICE THAT DECLARANT AND/OR ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNEES WILL BE, FROM TIME TO TIME, CONDUCTING EXCAVATION, CONSTRUCTION AND OTHER ACTIVITIES WITHIN OR IN PROXIMITY TO THE PROPERTIES. BY THE ACCEPTANCE OF THEIR DEED OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF THE PROPERTIES, EACH SUCH OWNER, OCCUPANT AND USER AUTOMATICALLY ACKNOWLEDGES, STIPULATES AND AGREES (i) THAT NONE OF THE AFORESAID ACTIVITIES SHALL BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES, HEREUNDER OR AT LAW GENERALLY, (ii) NOT TO ENTER UPON, OR ALLOW THEIR CHILDREN OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY PROPERTY WITHIN OR IN PROXIMITY TO THE PROPERTIES WHERE SUCH ACTIVITY IS BEING CONDUCTED (EVEN IF NOT BEING ACTIVELY CONDUCTED AT THE TIME OF ENTRY, SUCH AS AT NIGHT OR OTHER-WISE DURING NON-WORKING HOURS), (iii) DECLARANT AND THE OTHER AFORESAID RELATED PARTIES SHALL NOT BE LIABLE FOR ANY AND ALL LOSSES,

DAMAGES (COMPENSATORY, CONSEQUENTIAL, PUNITIVE OR OTHERWISE), INJURIES OR DEATHS ARISING FROM OR RELATING TO THE AFORESAID ACTIVITIES, (iv) ANY PURCHASE OR USE OF ANY PORTION OF THE PROPERTIES HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING AND (v) THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO DECLARANT TO SELL, CONVEY, LEASE AND/OR ALLOW THE USE OF THE APPLICABLE PORTION OF THE PROPERTIES.

Section 10. Notices and Disclaimers as to Water Bodies. NEITHER DECLARANT, THE ASSOCIATION, THE GOLF CLUB, BENNETT V. YORK, NOR ANY OF THEIR OFFICERS, DIRECTORS, COMMITTEE MEMBERS, MANAGERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS, SUBCONTRACTORS SUCCESSORS OR ASSIGNS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE SAFETY, WATER QUALITY OR WATER LEVEL OF/IN ANY LAKE, POND, CANAL, CREEK, STREAM OR OTHER WATER BODY WITHIN THE PROPERTIES, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY, OR CONTRACTED FOR WITH, AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR AUTHORITY. FURTHER, NONE OF THE LISTED PARTIES SHALL BE LIABLE FOR ANY PROPERTY DAMAGE, PERSONAL INJURY OR DEATH OCCURRING IN, OR OTHERWISE RELATED TO, ANY WATER BODY, ALL PERSONS USING SAME DOING SO AT THEIR OWN RISK.

ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTIES LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID WATER BODIES SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF THE DEED TO OR USE OF, SUCH PROPERTY, TO HAVE AGREED TO RELEASE THE LISTED PARTIES FROM ALL CLAIMS FOR ANY AND ALL CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES.

ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME WILDLIFE MAY HABITATE OR ENTER INTO WATER BODIES WITHIN OR NEARBY THE PROPERTIES AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT OR INSURE AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE.

Section 11. Covenants Running With The Land. Notwithstanding anything to the contrary herein and without limiting the generality (and subject to the limitations) of Article XV, Section 1 hereof, it is the intention of all parties affected hereby (and their respective heirs, personal representatives, successors and assigns) that these covenants, conditions and restrictions shall run with the land and with title to The Properties. Without limiting the generality of Article XV, Section 4 hereof, if any provision or application of this Declaration would prevent this Declaration from running with the land as aforesaid, such provision and/or application shall be judicially modified, if at all possible, to come as

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close as possible to the intent of such provision or application and then be enforced in a manner which will allow these covenants, conditions and restrictions to so run with the land; but if such provision and/or application cannot be so modified, such provision and/or application shall be unenforceable and considered null and void in order that the paramount goal of the parties (that these covenants, conditions and restrictions run with the land as aforesaid) be achieved.

Section 12. Golf Club. Notwithstanding anything to the contrary, each Owner and any person claiming by, through or under any Owner shall be deemed to have acknowledged and agreed that (i) although Canebrake Golf Partners, LP, a Mississippi limited partnership ("Partners"), which is an independent entity, presently intends to initially develop, own and operate thereon the Golf Club, including a golf course, the Golf Club may or may not be developed, and if developed, the Golf Club may be owned or operated by Partners or by the Declarant or its affiliates or by other independent parties; (ii) if developed, the Golf Club will operate pursuant to terms, conditions and membership eligibility set by the Golf Club or the Golf Club Owner, and the ownership of a Lot does and will not automatically entitle the Owner or occupants thereof to apply or be eligible for membership in any Golf Club or to use any of its properties or facilities, including, but not limited to, any golf course; and (iii) regardless of any contrary provision in this Declaration or any other document, including, but not limited to any document recorded in the public records against, or otherwise applicable to, The Properties, any Lot or any properties or facilities of any Golf Club or the Golf Club Owner, including, but not limited to, any golf course, neither the ownership of any Lot or other portion of The Properties nor membership in the Association or any similar association shall vest in such owner any vested right, easement or license, prescriptive or otherwise, to use or continue to use any of the properties or facilities owned by any Golf Club or Golf Club Owner, including, but not limited to, any golf course, and further, no such ownership or membership shall confer any ownership interest in, or membership eligibility for, any Golf Club or any of its properties or facilities, including, but not limited to, any golf course,.

Section 13. Neighboring Subdivision. Notwithstanding anything to the contrary, each Owner and any person claiming by, through or under any Owner shall be deemed to have acknowledged and agreed that (i) no Lot or other portion of The Properties has been annexed to Canebrake Subdivision (the "Neighboring Subdivision") by being made subject to the Declaration of Covenants, Conditions and Restrictions for Canebrake recorded in Land Deed Book 7-T, at Page 380, as amended, on file in the office of the Chancery Clerk of Lamar County, Mississippi (the "Neighboring Declaration") or otherwise; and neither Declarant nor Bennett V. York, his heirs or assigns shall have any obligation to annex any Lot or other portion of The Properties to the Neighboring Subdivision or to make any Lot or other portion of The Properties subject to the Neighboring Declaration, nor any liability for failure so to do; (ii) since no Lot or other portion of The Properties has been annexed to the Neighboring Subdivision or made subject to the Neighboring Declaration, no Owner or Member will be a member of the Neighboring Subdivision, nor will they acquire any ownership interest in the common areas, common facilities or other property owned or to be owned by the Neighboring Association; and (iii) each Lot shall be conveyed and owned subject to the Shared Use

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Agreement, so long as the Shared Use Agreement remains in effect, provided that the Shared Use Agreement may be amended from time to time by the Association (acting by and through the Board of Directors) and the Neighboring Association; and provided, further, neither the Association, the Declarant nor York makes any representation or warranty with respect to the Shared Use Agreement, nor shall they be liable for the performance or nonperformance by the Neighboring Association under the Shared Use Agreement.

Section 14. Development Plans. Notwithstanding anything to the contrary, each Owner and any person claiming by, through or under any Owner shall be deemed to have acknowledged and agreed that (i) any "Plan", which is defined as any advertisement, plan, layout, rendering, map, plat, brochure, tape, disk and/or other drawing, recording, writing, and/or audio, video or visual media or material of any kind or character heretofore or hereafter furnished by or on behalf of Declarant and/or Bennett V. York, his heirs or assigns ("York") which depicts and or describes any property now or heretofore owned or to be acquired by Declarant and/or York has been prepared for the purpose of depicting and/or describing the general location and arrangement of lots, lakes, roads and/or other facilities, amenities, improvements and/or areas which are developed, proposed for development or available for development on such property; (ii) the location, arrangement, design, size, dimensions, use and number of lots, lakes, roads and/or other facilities, amenities, improvements and/or areas depicted and/or described on any Plan are approximated and/or proposed and is subject to change from time to time hereafter without notice to or the consent of any Owner or any other person or entity; and (iii) Declarant and/or York shall have and hereby reserve the right from time to time hereafter, in their sole discretion and without notice to or the consent of any Owner or other person or entity, to change the use of any property depicted and/or described on any Plan and/or to otherwise change any Plan or any property depicted and/or described on any Plan in any manner that Declarant and/or York, in their sole discretion, so desire, including, but not limited to, the right to develop the property depicted and/or described as a golf course or as other facilities, amenities or improvements on any Plan for other uses, including, but not limited to, residential uses, and the right to build other facilities, amenities or improvements on any such property, all without the consent of any Owner or other person or entity.

Notwithstanding anything to the contrary, as provided in Section 12 of this Article XV, each Owner and any person claiming by, through or under any Owner shall be deemed to have acknowledged and agreed that although Canebrake Golf Partners, LP, a Mississippi limited partnership ("Partners"), which is an independent entity, presently intends to initially develop, own and operate thereon the Golf Club, including a golf course similar to that depicted and/or described on one or more Plans, the Golf Club may or may not be developed, and if developed, the Golf Club may be owned or operated by the Partners or by Declarant or its affiliates or by other independent parties. Notwithstanding anything to the contrary, each Owner and any person claiming by, through or under any Owner shall be deemed to have acknowledged and agreed that: (i) neither Declarant nor York makes any representation, warranty or guarantee, express or implied, that any covenants or restrictions will be imposed on any property (including,

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but not limited to, any property depicted and/or described on any Plan as a golf course) now, heretofore, or hereafter owned and/or conveyed by Declarant and/or York, and neither Declarant nor York shall have any obligation or liability to impose any covenants or restrictions on any property now, heretofore or hereafter owned and/or conveyed by Declarant and/or York; (ii) neither Declarant nor York makes any representation, warranty or guarantee, express or implied, that any property will be developed or used as a golf course (including, but not limited to, any property depicted and/or described on any Plan as a golf course), or that any property which is initially developed as golf course will continue to be used as a golf course for any period of time; (iii) except for any agreement by Declarant with respect to completion of a street and/or extension of certain utilities to a Lot which may be contained in a separate written contract with the purchaser(s) of that Lot, and then only to the extent therein provided and only for the benefit of the parties signatory to that contract (a "Contractual Obligation"), the only recreational or other type improvements, amenities and/or facilities that Declarant and/or York agree to provide are those common areas and common facilities that are now in existence which were heretofore provided by Bennett V. York, were conveyed by Bennett V. York to the Neighboring Association and are presently available for non-exclusive use by Members of the Association subject to and as provided in the Shared Use Agreement; (iv) all other improvements, amenities and/or facilities depicted and/or described on any Plan may or may not be provided as the sole discretion of Declarant, York and/or other owner of the property depicted and/or described thereon; and (v) neither Declarant nor York makes any representation, warranty or guarantee, express or implied, about the continued availability or existence of any existing improvements, amenities and/or facilities heretofore provided by Declarant and/or Bennett V. York or about the development, construction, ownership, use, availability or continued availability or existence of any other improvements, amenities and/or facilities except for any Contractual Obligation of Declarant; and that purchase of any Lot or other Property from Declarant and/or York will not entitle the Owner thereof or any other person or entity to an ownership interest in, or the right to use, any golf course or other improvements, amenities and/or facilities which are now or hereafter developed, including, but not limited to any golf course or other improvements, amenities and/or facilities which are now or hereafter developed on property now or heretofore owned or to be acquired by Declarant and/or York, and that use of any golf course or other improvements, amenities and/or facilities which are now or hereafter developed will be subject to the terms, conditions, rules and requirements imposed from time to time, in their absolute discretion, by the then existing owner or operator of the golf course or other improvements, amenities and/or facilities.

ARTICLE XVI

DISCLAIMER OF LIABILITY OF ASSOCIATION

NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE ARTICLES OF INCORPORATION, BY-LAWS, ANY RULES OR REGULATIONS OF THE ASSOCIATION OR ANY OTHER DOCUMENT GOVERNING, BINDING ON OR ADMINISTERED BY THE ASSOCIATION (COLLECTIVELY, THE "ASSOCIATION

DOCUMENTS") OR ANY PRACTICE OR PROCEDURE CONDUCTED BY THE ASSOCIATION, THE ASSOCIATION SHALL NOT BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR WELFARE OF ANY OWNER, OCCUPANT OR USER OF ANY PORTION OF THE PROPERTIES OR ANY PROPERTY OR PROPORTION USED PER THE SHARED USED AGREEMENT INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, INVITEES, AGENTS, SERVANTS, CONTRACTORS OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

(a) IT IS THE EXPRESS INTENT OF THE ASSOCIATION DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF WHICH ARE ENFORCEABLE BY THE ASSOCIATION AND WHICH GOVERN OR REGULATE THE USES OF THE PROPERTIES HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF THE PROPERTIES AND THE VALUE THEREOF;

(b) THE ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN ENTITY WHICH ENFORCES OR ENSURES THE COMPLIANCE WITH THE LAWS OF THE UNITED STATES, STATE OF MISSISSIPPI, THE COUNTY AND/OR ANY OTHER JURISDICTION OR THE PREVENTION OF TORTIOUS ACTIVITIES; AND

(c) ANY PROVISIONS OF THE ASSOCIATION DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO HEALTH, SAFETY AND/OR WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF THE ASSOCIATION TO PROTECT OR FURTHER THE HEALTH, SAFETY OR WELFARE OF ANY PERSON(S), EVEN IF ASSESSMENT FUNDS ARE CHOSEN TO BE USED FOR ANY SUCH REASON.

EACH OWNER (BY VIRTUE OF HIS ACCEPTANCE OF TITLE TO HIS LOT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF THE PROPERTIES (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USES) SHALL BE BOUND BY THIS ARTICLE AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST THE ASSOCIATION ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF THE ASSOCIATION HAS BEEN DISCLAIMED IN THIS ARTICLE.

AS USED IN THIS ARTICLE, "ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING ALL OF THE ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE AND BOARD MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS

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(INCLUDING MANAGEMENT COMPANIES AND THE NEIGHBORING ASSOCIATION), SUBCONTRACTORS, SUCCESSORS AND ASSIGNS. THE PROVISIONS OF THIS ARTICLE SHALL ALSO INURE TO THE BENEFIT OF DECLARANT AND BENNETT V. YORK, HIS HEIRS AND ASSIGNS, ALL OF WHOM SHALL BE FULLY PROTECTED HEREBY.

EXECUTED as of the date first above written.

YORK COMMUNITY DEVELOPMENT, LLC
a Mississippi limited liability company

By: Bennett V. York
BENNETT V. YORK,
Member and Manager

STATE OF MISSISSIPPI
COUNTY OF LAMAR

PERSONALLY appeared before me, the undersigned authority in and for the said county and state, on this 4th day of December, 1996, within my jurisdiction, the within named BENNETT V. YORK, who acknowledged that he is Member and Manager of York Community Development, LLC, a Mississippi limited liability company, and that for and on behalf of the said company, and as its act and deed he executed the above and foregoing instrument, after first having been duly authorized by said company so to do.

Darlene Griffin
NOTARY PUBLIC

MY COMMISSION EXPIRES:

April 26, 1999



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Exhibit "A"
(Articles of Incorporation)

CERTIFICATE OF RESTATEMENT
OF
ARTICLES OF INCORPORATION
OF
CANEBRAKE GOLF COMMUNITY ASSOCIATION, INC.

THIS CERTIFICATE is made this 3rd day of December, 1996 by CANEBRAKE GOLF COMMUNITY ASSOCIATION, INC., a Mississippi nonprofit corporation (the "Association") which hereby states and certifies:

1. Attached to this certificate is a restatement of the Articles of Incorporation of the Association which contains numerous amendments to the Articles of Incorporation requiring approval by the members.

2. The name of the corporation is Canebrake Golf Community Association, Inc.

3. The text of the amendments adopted are reflected in the attached Articles of Restatement of Articles of Incorporation of Canebrake Golf Community Association, Inc..

4. The amendments were adopted on December 3, 1996.

5. York Community Development, LLC, who is the Class C Member of the Association, and the Developer or Declarant, is and was, as of the date of the adoption of said amendments, the sole member of the Association and, accordingly, was entitled to one (1) vote.

6. Said vote was represented at said meeting and was cast for and in favor of the amendments to the Articles of Incorporation reflected in the attached Articles of Restatement of Articles of Incorporation of Canebrake Golf Community Association, Inc., and was sufficient for approval by the sole member of the Association.

CANEBRAKE GOLF COMMUNITY ASSOCIATION, INC.,
a Mississippi nonprofit corporation

By: _____

Print Name: Bennett V. York

Title: President

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ARTICLES OF RESTATEMENT
OF
ARTICLES OF INCORPORATION
OF
CANEBRAKE GOLF COMMUNITY ASSOCIATION, INC.

ARTICLE I

NAME

The name of the corporation shall be CANEBRAKE GOLF COMMUNITY ASSOCIATION, INC., which is hereinafter referred to as "Association".

ARTICLE II

PURPOSES AND POWERS

The objects and purposes of the Association are those objects and purposes as are authorized by the Declaration of Covenants, Conditions and Restrictions for Canebrake Golf Community executed and filed of record (or to be executed and filed of record) with the Office of the Chancery Clerk of Lamar County, Mississippi, as hereafter amended and/or supplemented from time to time (the "Declaration").

The Association is not organized for profit and no part of the net earnings, if any, shall inure to the benefit of any Member or individual person, firm or corporation.

The Association shall have the power to contract for the management of the Association and to delegate to the party with whom such contract has been entered into the powers and duties of the Association, except those which require specific approval of the Board of Directors, Voting Members or Members.

The Association shall have all of the common law and statutory powers of a nonprofit corporation which are not in conflict with the terms of these Articles and the Declaration above identified. The Association shall also have all of the powers necessary to implement the purposes of the Association as set forth in the Declaration.

The definitions set forth in the Declaration are incorporated herein by this reference.

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ARTICLE III

MEMBERS

Section 1. Membership. Every person or entity who is a record Owner of a fee simple interest in any Lot or the Golf Club and the Declarant shall be a Member of the Association. Notwithstanding anything else to the contrary set forth in this Article, any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member of the Association.

Section 2. Voting Rights. The Association shall have three (3) classes of voting membership:

Class A. Class A Members shall be all those Owners as defined in Article III, Section 1, with the exception of the Owner of the Golf Club and the Declarant (as to Declarant, as long as the Class B Membership shall exist, and thereafter, the Declarant shall be a Class A Member to the extent it would otherwise qualify). Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interests required for membership by Article III, Section 1, which vote shall be cast by a Voting Member on their behalf in accordance with the procedures set forth in these Articles of Incorporation and the Bylaws. In the case where Members vote directly (i.e., in the election of a Neighborhood Committee), Multiple Owners of a Lot shall cast only one (1) vote for the Lot as they shall decide between/among themselves, and their acts with respect to voting shall have the following effect: if only one (1) of the multiple Owners votes, such act shall be deemed conclusive evidence of such a decision by them and shall bind all of said Owners; and if more than one (1) of the multiple owners votes, none of their votes shall be counted unless they all vote in like manner, in which event their votes shall count as one (1) such vote.

Class B. The Class B Member shall be the Declarant. The Class B member shall be entitled to one (1) vote, plus two (2) votes for each vote entitled to be cast in the aggregate at any time and from time to time by or on behalf of the Class A and C Members, which votes shall be cast by a Voting Member on its behalf in accordance with the procedures set forth in these Articles of Incorporation and the Bylaws. The Class B membership shall cease and terminate when all of the Lots ultimately to be included within The Properties (as determined by Declarant in its sole discretion) have been sold and conveyed by Declarant (or its affiliates) to the Class A Members or sooner at the sole written election of Declarant (whereupon the Class A Members and the Class C Members, through their Voting Members, shall be obligated to elect the Association's Board of Directors and assume control of the Association).

Class C. Class C Members shall be the Owner, from time to time of the Golf Club. The Class C Members shall have one (1) vote for each unit of

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Assessment allocated to the Golf Club, which votes shall be cast by a Voting Member on its behalf in accordance with the procedures set forth in these Articles of Incorporation and the Bylaws.

In the event that a mortgagee or other party acquires title to a Lot through foreclosure or deed in lieu of foreclosure, such party shall have the class of membership last held by the owner of the property to which title was so acquired.

Section 3. Voting Members. The votes of the Members shall be cast by their respective Voting Members as provided in the Association's Bylaws, such Voting Members to serve as delegates as provided by the Mississippi Nonprofit Corporation Act.

Section 4. Meetings of the Voting Members. The Bylaws of the Association shall provide for an annual meeting of the Voting Members, and may make provisions for regular and special meetings of the Voting Members other than the annual meeting. A quorum for the transaction of business at any meeting of the Voting Members shall be determined by the Bylaws.

Section 5. General Matters. When reference is made herein, or in the Declaration, Bylaws, rules and regulations, management contracts or otherwise, to a majority or specific percentage of Members, such reference shall be deemed to be reference to a majority or specific percentage of the votes of Members represented at a duly constituted meeting of their Voting Members voting for them (i.e., one for which proper notice has been given and at which a quorum exists) or a majority or specific percentage of the votes of Members cast by their Voting Members by written ballot, and not of the Members themselves or of their Lots, except where specifically provided to the contrary.

ARTICLE IV

CORPORATE EXISTENCE

The Association shall have perpetual existence; provided that if it is dissolved, its assets shall be conveyed to another association or public agency having a similar purpose as provided in the Declaration.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Management by Directors. The property, business and affairs of the Association shall be managed by a Board of Directors, which shall consist of not less than three (3) persons, but as many persons as the Board of Directors shall from time to time determine. A majority of the directors in office shall constitute a quorum for the transaction

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of business. The Bylaws shall provide for meetings of directors, including an annual meeting.

Section 2. Original Board of Directors. The names and addresses of the first Board of Directors of the Association, who shall hold office until the first annual meeting of the Voting Members and thereafter until qualified successors are duly elected and have taken office, shall be as follows:

<u>Name</u>	<u>Address</u>
Bennett V. York	112 Sheffield Loop, Suite D Hattiesburg, MS 39402
Paige York-Losee	112 Sheffield Loop, Suite D Hattiesburg, MS 39402
John T. York	112 Sheffield Loop, Suite D Hattiesburg, MS 39402

Section 3. Election of Members of Board of Directors. Except as otherwise provided herein and for the first Board of Directors and their Declarant-appointed replacements, directors shall be elected by a plurality of the votes cast by the Voting Members of the Association at the annual meeting of the Voting Members as provided by the Bylaws of the Association, and the Bylaws may provide for the method of voting in the election and for removal from office of directors. All directors shall be Members of the Association or shall be authorized representatives, officers, partners, managers, members or employees of corporate, partnership or limited liability company members of the Association, or designees of the Declarant. Notwithstanding the foregoing, until such time as the Class B Membership in the Association terminates, the Declarant shall have the right to appoint the Directors of the Association by written notice to such effect or by an announcement reflected in the minutes of the annual meeting of the Association.

Section 4. Duration of Office. Members elected or appointed to the Board of Directors shall hold office until the next succeeding annual meeting of Voting Members and thereafter until qualified successors are duly elected or appointed and have taken office.

Section 5. Vacancies. If a director elected by the Voting Members shall for any reason cease to be a director, the remaining directors so elected may elect a successor to fill the vacancy for the balance of the term. If a director appointed by the Declarant shall for any reason cease to be a director, only the Declarant shall have the right to appoint a successor to fill the vacancy for the balance of the term.

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ARTICLE VI

OFFICERS

Section 1. Officers Provided For. The Association shall have a President, a Vice President, a Secretary and a Treasurer, and such other officers as the Board of Directors may from time to time elect.

Section 2. Election and Appointment of Officers. The officers of the Association, in accordance with any applicable provision of the Bylaws, shall be elected by the Board of Directors for terms of one (1) year and thereafter until qualified successors are duly elected and have taken office. The Bylaws may provide for the method of voting in the election, for the removal from office of officers, for filling vacancies and for the duties of the officers. The President shall be a director; other officers may or may not be directors of the Association. If the office of President shall become vacant for any reason, or if the President shall be unable or unavailable to act, the Vice President shall automatically succeed to the office or perform its duties and exercise its powers. If any office shall become vacant for any reason, the Board of Directors may elect or appoint an individual to fill such vacancy.

Section 3. First Officers. The names and addresses of the first officers of the Association, who shall hold office until the first annual meeting of directors and thereafter until successors are duly elected and have taken office, shall be as follows:

President:

Bennett V. York

Address

112 Sheffield Loop, Suite D
Hattiesburg, MS 39402

Vice President:

John T. York

112 Sheffield Loop, Suite D
Hattiesburg, MS 39402

Secretary/Treasurer:

Paige York-Losee

112 Sheffield Loop, Suite D
Hattiesburg, MS 39402

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ARTICLE VII

BYLAWS

The Board of Directors shall adopt Bylaws consistent with these Articles of Incorporation. Such Bylaws may be altered, amended or repealed in the manner set forth in the Bylaws.

ARTICLE VIII

AMENDMENTS AND PRIORITIES

Section 1. Amendments to these Articles of Incorporation shall be proposed and approved by the Board of Directors and, if required by law, thereafter submitted to the Voting Members of the Association for adoption or rejection. Except as may be otherwise provided by law, the amendment shall be adopted upon receiving at least two-thirds (2/3) of the votes of the Members cast by the Voting Members or a majority of the votes of the Voting Members, whichever is less.

Section 2. In case of any conflict between these Articles of Incorporation and the Bylaws, these Articles shall control; and in case of any conflict between these Articles of Incorporation and the Declaration, the Declaration shall control.

ARTICLE IX

INCORPORATOR

The name and address of the incorporator of this Corporation is:

<u>Name</u>	<u>Address</u>
Paige York-Losee	112 Sheffield Loop, Suite D Hattiesburg, MS 39402

ARTICLE X

INDEMNIFICATION

Section 1. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director, employee, officer or agent of the Association, against all expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and

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amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, unless (a) it is determined by a court of competent jurisdiction, after all available appeals have been exhausted or not pursued by the proposed indemnitee, that he did not act in good faith or that he acted in a manner he believed to be not in or opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe his conduct was unlawful, and (b) such court further determines specifically that indemnification should be denied. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith or did act in a manner which he believed to be not in or opposed to the best interest of the Association, and with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful.

Section 2. To the extent that a director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 above or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually incurred by him in connection therewith.

Section 3. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of Voting Members or Members or otherwise, both as to action in his official capacity while holding such office or otherwise, and shall continue as to a person who has ceased to be director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 4. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

Section 5. The provisions of this Article X shall not be amended.

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ARTICLE XI

REGISTERED AGENT; PRINCIPAL OFFICE

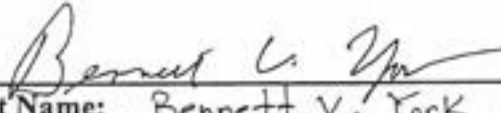
Until changed by the Board of Directors, Paige York-Losee, shall be the registered agent of the Association and the registered office shall be at 112 Sheffield Loop, Suite D, Hattiesburg, Mississippi 39402.

Until changed by the Board of Directors, the principal office of the Association shall be 112 Sheffield Loop, Suite D, Hattiesburg, Mississippi 39402.

IN WITNESS WHEREOF, the Association has caused these Articles to be executed by its President effective as of the 3rd day of December, 1996.

**CANEBRAKE GOLF COMMUNITY ASSOCIATION, INC.,
a Mississippi nonprofit corporation**

By:



Print Name: Bennett V. York
Title: President

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Exhibit "B"
(Bylaws)

BYLAWS
OF
CANEBRAKE GOLF COMMUNITY ASSOCIATION INC.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to CANEBRAKE GOLF COMMUNITY ASSOCIATION, INC., a nonprofit corporation organized and existing under the laws of the State of Mississippi.

Section 2. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Canebrake Golf Community recorded or to be recorded in the office of the Chancery Clerk of Lamar County, Mississippi.

Section 3. "Lot" shall mean and refer to a Lot as defined in the Declaration.

Section 4. "Owner" shall mean and refer to the record owner, from time to time, whether one or more persons or entities, of the fee simple title to any Lot or the Golf Club, and shall also include Declarant, but shall exclude such persons or entities who hold an interest merely as security for the performance of an obligation.

Section 5. "Member" shall mean and refer to all those Owners who are Members of the Association as provided in Article III, Section 1 of the Articles of Incorporation.

Section 6. "Voting Member" shall mean and refer to all those Voting Members as defined in the Declaration, such persons to be elected or appointed or designated as provided in Article VII hereof.

Section 7. All other definitions from the Declaration are incorporated herein by this reference.

ARTICLE II

LOCATION

Section 1. Until changed by the Board of Directors, the principal office of the Association shall be located at 112 Sheffield Loop, Suite D, Hattiesburg, Mississippi 39402.

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ARTICLE III

MEMBERSHIP

Section 1. The membership of the Association is as set forth in the Articles of Incorporation.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. The directors of the Association shall be nominated and elected, or appointed, as specified in the Articles of Incorporation and hereinbelow. The directors may not be compensated by the Association for their services as such.

The procedure for the election of directors shall be: to the extent that Declarant does not simply appoint the directors by written notice to such effect or by an announcement reflected in the minutes of the annual meeting of the Association as provided in the Articles of Incorporation, the Voting Members shall nominate as many candidates for Director as they deem appropriate. Upon the closing of such nominations, each Voting Member shall cast his allocated number of votes for as many nominees as there are directorships to be filled by such votes and the nominee(s) receiving the highest aggregate number(s) of the votes of all participating Voting Members shall be elected to the Board of Directors.

Section 2. The first meeting of the duly elected Board of Directors, for the purposes of organization, shall be held immediately after the annual meeting of the Voting Members, provided the majority of the members of the Board of Directors elected be present. If the majority of the directors elected shall not be present at that time, or if the directors shall fail to elect officers, the meeting of the Board to elect officers shall then be held within thirty (30) days after the annual meeting of the Voting Members upon two (2) days notice in writing to each member of the Board of Directors elected, stating the time, place and object of such meeting. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present shall be the act of the Board of Directors unless the vote of a greater number of directors is required by law. The Board of Directors may take action without a meeting by written instrument signed by all the directors. The Board of Directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 3. Regular meetings of the Board of Directors may be held at any place or places within Lamar County, Mississippi, on such days and at such hours as the Board of Directors may, from time to time, designate.

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Section 4. No notice shall be required to be given to any Director of any regularly scheduled meeting of the Board of Directors.

Section 5. Special meetings of the Board of Directors may be called at any time by the President or by any two (2) members of the Board and may be held any place or places within Lamar County, Mississippi, and at any time.

Section 6. Notice of each special meeting of the Board of Directors, stating the date, time, and place thereof, shall be given by or on behalf of the President or by or on behalf of the Secretary or by or on behalf of any two (2) members of the Board to each member of the Board of Directors not less than two (2) days by mail, or one (1) day if in person or by telephone, facsimile, or telegraph, prior to the meeting. Special meetings of the directors may also be held at any place and time without notice by unanimous waiver of notice by all of the directors, and the Board of Directors may also take action without a meeting by written instrument signed by all the directors.

Section 7. The directors shall have the absolute right to resign at any time and the remaining directors in office shall then fill the vacancies, provided that if all directors resign, a special meeting of the Voting Members shall be called as soon as possible for the purpose of electing new directors and the resignations of such directors shall not be effective until such election is held and new directors are elected, except that if no meeting is held or no directors are elected after two (2) attempts to call and hold such meeting, the resignations shall become effective simultaneously with the date and time of the scheduled second meeting, whether held or not or whether new directors are elected. Notwithstanding the foregoing, the Declarant shall have the sole power and authority to remove and replace directors appointed by it.

Section 8. All meetings of the Board of Directors shall be open to Members, except for meetings between the Board and its attorneys which are governed by the attorney-client privilege.

Directors may not vote by proxy or by secret ballot at Board meetings, except that secret ballots may be used in the election of officers.

Section 9. All powers, rights and authority of the Association shall be exercised by the Board of Directors except as otherwise provided in the Articles of Incorporation, these Bylaws, the Declaration or by law. The Board of Directors shall have the power, right and authority to do all acts and things except those which by law or by the Articles of Incorporation, these Bylaws or the Declaration may be exercised and done only by the Voting Members, the Members or the Declarant.

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ARTICLE V

OFFICERS

Section 1. Any officer may be removed at any time by the affirmative vote of a majority of the Board of Directors at any duly called regular or special meeting of the Board of Directors.

Section 2. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Voting Members of the Association and of the Board of Directors. He shall have the general powers and duties of supervision and management of the Association which usually pertain to his office, and shall perform all such duties as are properly required of him by the Board of Directors. The Board of Directors shall elect at least one (1) Vice President, who shall have such powers and perform such duties as usually pertain to such office or as are properly required of him by the Board of Directors. In the absence or disability of the President, any Vice President shall perform the duties and exercise the powers of the President. The Secretary shall issue notices of all meetings of the Voting Members of the Association and the directors where notices of such meetings are required by law or in these Bylaws. He shall keep the minutes of the meetings of the Voting Members and of the Board of Directors. The Treasurer shall have the care and custody of all the monies and securities of the Association. He shall enter on the books of the Association, to be kept by him for that purpose, full and accurate accounts of all monies received by him and paid by him on account of the Association. He shall sign such instruments as require his signature and shall perform all such duties as usually pertain to his office or as are properly required of him by the Board of Directors.

Section 3. Vacancies in any office arising from any cause may be filled by the Board of Directors at any regular or special meeting.

ARTICLE VI

MEETINGS OF VOTING MEMBERS

Section 1. The regular annual meeting of the Voting Members shall be held once each year on such date and at such time and place as shall be determined by the Board of Directors, provided that an annual meeting shall be held within thirteen (13) months of the prior one.

Section 2. Special meetings of the Voting Members for any purpose may be called at any time by the President, the Vice President, the Secretary or Treasurer, or by any two (2) or more members of the Board of Directors, or upon written request of the Voting Members who have a right to vote five percent (5%) of all the votes of the entire membership. Business conducted at a special meeting shall be limited to that stated in the notice thereof.

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Section 3. Notice may be given to the Voting Members in any manner provided by law or by sending a copy of the notice through the first-class mail, postage thereon fully paid, to his address appearing on the records of the corporation. Each Voting Member shall register his address with the Secretary, and notices of meetings shall be mailed to him at such address. If mailed by postage prepaid, first-class mail, notice of any meeting, regular or special, shall be mailed not less than ten (10) nor more than sixty (60) days before the meeting date (unless a different length of time is provided for elsewhere in these Bylaws, the Articles of Incorporation or the Declaration). Notices of meetings shall describe the matter or matters which must be approved by the Voting Members or for which the meeting is called as required by law.

Notice of specific meetings may be waived before or after the meeting and the attendance of any Voting Member shall constitute such Voting Member's waiver of notice of such meeting, except when his attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

Section 4. The presence in person or by proxy at a meeting of the Voting Members entitled to cast a majority of the votes of the membership shall constitute a quorum for any action governed by these Bylaws, provided that the persons in attendance at a meeting at which a quorum has not been attained may vote to adjourn the meeting until a time at which a quorum can be reached.

Section 5. Proxies of Members for elections of Neighborhood Committees, as provided below, must be in writing and signed by all record Owners of a Lot. Proxies may not be given by Voting Members but, rather, may only be used where applicable laws, if any, require a meeting of Members in general.

Section 6. Meetings shall be governed by Roberts Rules of Order (latest edition) to the extent not inconsistent with these Bylaws, the Articles of Incorporation or the Declaration.

Section 7: Actions of the Voting Members may be taken by balloting as provided by law.

Section 8. Whenever these Bylaws or the Articles of Incorporation or Declaration require or permit a meeting of the Members in a Neighborhood, such meeting shall be conducted in the fullest possible compliance with the Articles of Incorporation and these Bylaws (with an officer of the Association to chair and certify any results of the meeting and the Members in the Neighborhood to act and vote as do Voting Members hereunder). Notwithstanding the foregoing, any provisions of the Declaration, Articles of Incorporation of these Bylaws which specifically address meetings of a Neighborhood's Members shall supersede and control over the foregoing general procedures.

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ARTICLE VII

**NEIGHBORHOOD AND OTHER COMMITTEE;
ELECTION OF VOTING MEMBERS**

In addition to any general committees of the Association the Board of Directors may elect to create from time to time, there shall be a five (5) member committee elected by and for the Class A Members in each Neighborhood. The members of such Neighborhood Committee shall initially be elected by the Class A Members in the particular Neighborhood when and as the Board of Directors determines that there is a sufficient number of Class A Members in the Neighborhood to justify the creation of a Neighborhood Committee. This initial meeting of the Class A Members for such purpose shall be chaired by an officer of the Association and generally conducted as provided in Article VI, Section 8, above. The persons receiving the five (5) highest number of votes shall be elected and shall serve one (1) year terms (but may succeed themselves) or until their successors are duly elected and have qualified. In the event a committee member resigns, or otherwise ceases to serve as such, prior to the expiration of his term, the remaining committee members shall elect a replacement member for the remaining portion of the unexpired term.

In addition to the initial meeting of the Members in a Neighborhood provided for above, the president of the Association shall, each year, call a regular meeting of the Members in each Neighborhood. Such meeting shall be held upon not less than ten (10) days' prior notice and on a date not less than thirty (30) days prior to the Association's annual meeting. At such meeting, which shall be chaired by an officer of the Association, the Members shall elect their Neighborhood Committee in the manner provided for above.

Each year, the Neighborhood Committee shall elect, by plurality vote, a Voting Member to represent the Neighborhood at all meetings of the Association. The Voting Member shall have the right to cast as many votes as there are Lots in the Neighborhood owned by Class A Members.

A Neighborhood Committee shall have no power or authority in its own right other than to elect the Neighborhood's Voting Member, but may act in an advisory capacity or perform such other functions as may be assigned to it by the Board of Directors.

The Class B Member and the Class C Member shall appoint or designate their respective Voting Member by written notice to the Secretary of the Association.

The notice and open meeting requirement set forth in Article IV shall apply to meetings of committees aforesaid.

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ARTICLE VIII

BOOKS AND PAPERS: FINANCIAL MATTERS

Section 1. The books, records, financial statements and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any Member of the Association. The types of documents and records, as well as the rights of inspection thereof, shall be as provided by Mississippi law.

Section 2. The fiscal year of the Association shall be the calendar year, the operating budget therefor to be adopted at least sixty (60) days prior to the commencement thereof except as provided herein (provided that the failure to do so shall not impair the validity or enforceability of the assessments to be levied thereunder). For the first full fiscal year of the Association, the operating budget shall be adopted within sixty (60) days after the commencement of said year.

Section 3. At least thirty (30) days prior to the effective date of any change in the amount of assessments, the Association shall send written notice of the new assessment amount and the due date(s) thereof to each Member.

Section 4. Within sixty (60) days after the end of any full fiscal year of the Association, the Association shall prepare, or cause to be prepared, financial statements for the Association showing its actual receipts and expenditures for the previous twelve (12) months in the classifications provided in the budget for such period. Such statements need not be audited or reviewed by a Certified Public Accountant. Copies of such financial statements shall be provided to any Member requesting same.

ARTICLE IX

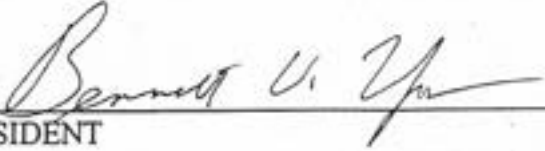
AMENDMENTS

Section 1. Upon approval of any such amendment by the Board of Directors if such approval is required by law, these Bylaws may be amended, at a regular or special meeting of the Voting Members, by a majority of the votes available to be cast by the Voting Members or 2/3rds of the votes cast by the Voting Members, whichever is less, provided that the notice to the Voting Members of the meeting discloses the information that the amendment of the Bylaws is to be considered and the nature of the amendment, provided, however, the provisions which are governed by the Articles of Incorporation may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matters stated herein to be or which are in fact governed by the Declaration referred to herein may not be amended except as provided in such Declaration.

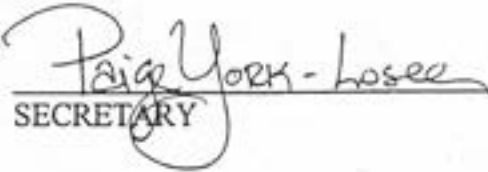
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Section 2. In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control; and in case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

WE HEREBY CERTIFY that the foregoing Bylaws of the above-named corporation were duly adopted by the Board of Directors of the Association effective as of the 3rd day of October, 1996.



PRESIDENT



SECRETARY

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Exhibit "C"

(Initial Portion of the Common Areas)

All General Common Areas as described, shown and/or platted according to the map or plat of Canebrake Golf Community, Brake GE, in the County of Lamar, State of Mississippi, said map or plat being on file and of record in the office of the Chancery Clerk of Lamar County, Mississippi at Plat Book 2, Page 131, Slide A-195.

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Exhibit "D"

(Initial Designation of Neighborhoods)

All Lots in Canebrake Golf Community, Brake GE, in the County of Lamar, State of Mississippi, as per the map or plat thereof on file and of record in the office of the Chancery Clerk of Lamar County, Mississippi at Plat Book 2, Page 131, Slide A-195, subject to annexation of additional property into this Neighborhood.

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Exhibit "E"

(Initial Portion of The Properties)

All of Canebrake Golf Community, Brake GE, in the County of Lamar, State of Mississippi, as per the map or plat thereof on file and of record in the office of the Chancery Clerk of Lamar County, Mississippi at Plat Book 2, Page 131, Slide A-195.

CERTIFICATE OF FILING AND RECORDING
STATE OF MISSISSIPPI - LAMAR COUNTY
WAYNE SMITH - CHANCERY CLERK
Land Deed BOOK *127* PAGE *592*
INDEXED RECORDED ABSTRACTED
Wayne Smith D.C.

