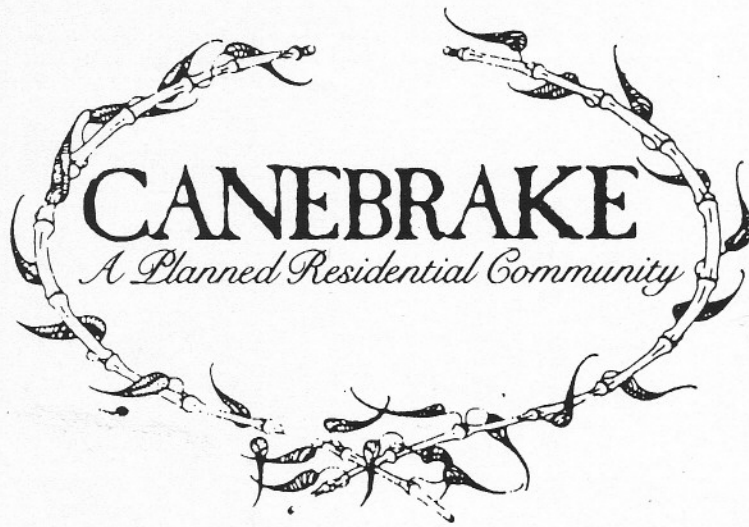


CANEBRAKE GOLF COMMUNITY



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STATE OF MISSISSIPPI
COUNTY OF LAMAR

**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR
CANEBRAKE GOLF COMMUNITY**

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EXHIBITS

- Exhibit "A" - Articles of Incorporation
- Exhibit "B" - Bylaws
- Exhibit "C" - Initial Portion of the Common Areas
- Exhibit "D" - Initial Designation of Neighborhoods
- Exhibit "E" - Initial Portion of The Properties

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

CANEBRAKE GOLF COMMUNITY

THIS DECLARATION is made this 3rd day of December, 1996, by YORK COMMUNITY DEVELOPMENT, LLC, a Mississippi limited liability company, which declares hereby that "The Properties" described in Article II of this Declaration and all additions thereto made per that Article are and shall be held, transferred, sold, conveyed, occupied and used subject to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth.

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1. Definitions. The following words when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Articles" or "Articles of Incorporation" shall mean and refer to the Articles of Restatement of Articles of Incorporation of the Association (as defined below), as amended from time to time, a copy of the Articles of Incorporation being attached hereto and made a part hereof as Exhibit "A".

(b) "Association" shall mean and refer to CANEBRAKE GOLF COMMUNITY ASSOCIATION, INC., a Mississippi nonprofit corporation, with "Board" or "Board of Directors" being the Board of Directors of the Association.

(c) "Assessments" shall mean and refer to the sums levied from time to time against Lots by the Association for the purposes set forth in this Declaration. The specific types of Assessments are described in Article V, Section 2 hereof.

(d) "Builder" shall mean and refer to any party, other than the Declarant, constructing a Home on a Lot.

(e) "Bylaws" shall mean and refer to the Bylaws of the Association, as amended from time to time, a copy of the Bylaws being attached hereto and made a part hereof as Exhibit "B".

(f) "Common Area" or "Common Areas" shall mean and refer to the real and personal property maintained by the Association, whether or not owned by or dedicated to it, for the general benefit of the Owners and The Properties and declared herein or in a Supplemental Declaration to be Common Areas. The initial

Common Areas are described on Exhibit "C" attached hereto and made a part hereof. The Common Areas consist of the portions of The Properties within the following categories:

"Exclusive Common Areas" - being those Common Areas which are for the exclusive use and/or benefit of one or more, but not all, Owners within a Neighborhood.

"General Common Areas" - being those Common Areas which are for the general use and/or benefit of all of the Owners.

"Maintenance Common Areas" - being property within or without The Properties which is not owned by the Association but is nevertheless to be maintained or administered by it pursuant to an easement, license or agreement with a Neighborhood Association, the County or any other person or entity, which maintenance/administration affords benefits to the Owners.

"Neighborhood Common Areas" - being property primarily for the use and/or benefit of Owners within a particular Neighborhood(s).

A specific property may be classified as more than one type of Common Areas. For example, a Maintenance Common Area may also be a Neighborhood Common Area if it is not owned by the Association but is to be maintained by it per a separate agreement and primarily serves or benefits a Neighborhood(s) to the exclusion of others.

As used herein, the term "Common Area" or "Common Areas" shall include all of the foregoing types thereof unless specifically provided to the contrary or if the context clearly indicates otherwise.

By way of clarification, property owned by the County or any other governmental or quasi-governmental entity shall not be deemed a Common Area, notwithstanding any common usage thereof by the Owners, unless and only to the extent any portion thereof is a Maintenance Common Area, as defined above.

(g) "Community Systems" shall mean and refer to any and all cable television, telecommunication, alarm/monitoring or other lines, conduits, wires, amplifiers, towers, antennae equipment, materials, installations and fixtures (including those based on, containing or serving future technological advances not now in general use) installed by Declarant or pursuant to any grant of easement or authority by Declarant within The Properties and serving more than one Lot/Home.

(h) "County" shall mean and refer to Lamar County, Mississippi, either as a geographical area or as a political subdivision and government of the State of Mississippi, as the context requires.

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(i) "Declarant" shall mean and refer to York Community Development, LLC, a Mississippi limited liability company, its successors and such of its assigns as to which the rights of Declarant hereunder are specifically assigned by a written instrument recorded in the public records of the County. Declarant may assign all or a portion of its rights hereunder, or all or a portion of such rights in connection with appropriate portions of The Properties. In the event of such a partial assignment, the assignee shall not be deemed the Declarant, but may exercise such rights of Declarant specifically assigned to it. Any such assignment may be made on a nonexclusive basis.

(j) "Golf Club" shall mean and refer to Canebrake Golf Club, a privately-owned golf club, which may be (but is not guaranteed or warranted to be) located within or adjacent to The Properties.

(k) "Golf Club Owner" shall mean and refer to the owner and/or operator of the Golf Club.

(l) "Home" shall mean and refer to the individual single-family residential structure constructed on a Lot; provided, however, that no portion of any Community System, even if installed in a Home, shall be deemed to be a part of a Home unless and until same is made such pursuant to Article IV, Section 11 hereof, if at all.

(m) "Lot" shall mean and refer to any lot on any plat of all or a portion of The Properties, the land subject to which plat is designated by Declarant hereby or by any other recorded instrument to be subject to these covenants and restrictions; any Lot shown upon any resubdivision of any such plat; for purposes of voting and assessments, an allocation thereof to Golf Club; and any other property hereafter declared as a Lot by Declarant and thereby made subject to this Declaration; provided, however, that no portion of any Community System shall be deemed to be part of a Lot unless and until same is made such pursuant to Article IV, Section 11 hereof, if at all.

(n) "Member" shall mean and refer to all those Owners who are Members of the Association as provided in Article III hereof.

(o) "Member's Permittee" shall mean and refer to a person described in Article VIII, Section 3 hereof.

(p) "Modifications Committee" shall mean and refer to the committee of the Association established per Article VII, Section 10 hereof for the purpose of receiving and approving or disapproving requests for modifications to improvements on Lots and for the promulgation of rules and regulations pertaining to such process.

(q) "Neighborhood" shall mean and refer to a portion of The Properties designated as such herein or in a Supplemental Declaration (as hereinafter defined), the purpose of such designation being to address such portion as such for voting, Assessment, regulation, level of service and other purposes as provided herein or in the Association's Bylaws or rules and regulations. The first designation of Neighborhoods is set forth in Exhibit "D" attached hereto and made a part hereof.

(r) "Neighborhood Committee" shall mean and refer to a committee of Owners in a specific Neighborhood elected by a majority of the participating Owners in such Neighborhood in attendance at a meeting thereof in accordance with the provisions of the Association's Articles of Incorporation and Bylaws. Except as otherwise provided herein or in the Articles or Bylaws, such Neighborhood Committee shall be advisory in nature and shall not exercise any corporate authority on behalf of the Association.

(s) "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 the Declarant, but shall exclude such persons or entities who hold an interest merely as security for the performance of an obligation.

(t) "The Properties" shall mean and refer to all existing properties, and additions thereto, as are now or hereafter made subject to this Declaration as provided herein, except those which are withdrawn from the provisions hereof in accordance with the procedures hereinafter set forth.

(u) "Shared Use Agreement" shall mean and refer to that certain Shared Use Agreement dated October 4, 1996 which is recorded at Land Deed Book 12M, at Page 667, on file in the office of the Chancery Clerk of Lamar County, Mississippi by and between the Association and The Canebroke Owners Association, Inc. (the "Neighboring Association") which provides for, among other things, the Members' and their family members', tenant's, guests' and invitees' use of certain common areas of the Neighboring Association and other property subject to the terms and provisions of the Shared Use Agreement and the Neighboring Association's performance of certain functions of the Association on its behalf, as said Shared Use Agreement is amended from time to time.

(v) "Supplemental Declaration" shall mean and refer to an instrument recorded in the public records of the County for the purposes for which same is to be used per Article II or any other provision of this Declaration.

(w) "Voting Member" shall mean and refer to a person elected to cast the votes of the Members in a particular Neighborhood, and to generally represent such Members at meetings of the Association, a person appointed or designated by the Class B Member or a person appointed or designated by the Class C Member, all as provided in Article III of this Declaration and in the Articles of Incorporation and

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Bylaws. Voting Members shall serve as delegates as provided in the Mississippi Nonprofit Corporation Act.

Section 2. Interpretation. The provisions of this Declaration as well as those of the Articles, Bylaws and any rules and regulations of the Association shall be interpreted by the Board of Directors. Any such interpretation of the Board which is rendered in good faith shall be final, binding and conclusive if the Board receives a written opinion of legal counsel to the Association, or the counsel having drafted this Declaration or other applicable document, that the interpretation is not unreasonable, which opinion may be rendered before or after the interpretation is adopted by the Board. Notwithstanding any rule of law to the contrary, the provisions of this Declaration and the Articles, Bylaws and the Rules and Regulations of the Association shall be liberally construed so as to effectuate the purposes herein expressed with respect to the efficient operation of the Association and The Properties, the preservation of the value of the Lots and Homes and the protection of Declarant's and Builders' rights, benefits and privileges herein contemplated.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS THERETO

Section 1. Legal Description. The real property which, initially, is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the County and is more particularly described in Exhibit "E" attached hereto and made a part hereof, all of which real property (and all improvements thereto), together with additions thereto, but less any withdrawals therefrom, is herein referred to collectively as "The Properties". Said Exhibit "E" may not necessarily describe all Common Areas to the extent any of same are Maintenance Common Areas.

Section 2. Supplements. In accordance with Declarant's current intention (but not obligation) to increase the land constituting The Properties from time to time by adding additional Lots and/or Common Areas, Declarant may from time to time subject other land to the provisions hereof by recorded Supplemental Declarations (which shall not require the consent of then existing Owners, the Association or any mortgagee) and thereby add to The Properties. To the extent that such additional real property shall be made a part of The Properties, reference herein to The Properties shall be deemed to be reference to the property described in Exhibit "E" and to all of such additional real property. Nothing herein, however, shall obligate Declarant to add to the initial portion of The Properties, to develop any such future portions under a common scheme, nor to prohibit Declarant (or the applicable Declarant-affiliated Owner) from rezoning and changing plans with respect to such future portions. All Owners, by acceptance of a deed to or other conveyance of their Lots, shall be deemed to have automatically consented to any such rezoning, change, addition or withdrawal thereafter made by Declarant (or the applicable Declarant-affiliated Owner) and shall evidence such consent in writing if requested to do so by Declarant at any time (provided, however, that the refusal to give such written consent shall not obviate the

general and automatic effect of this provision). The covenants, conditions and restrictions of this Declaration shall not affect or apply to any property other than that described on Exhibit E attached hereto unless and until such real property is subjected to the provisions hereof by recorded Supplemental Declaration as above provided.

In furtherance of the plan of development of The Properties as a community of distinct Neighborhoods, a Supplemental Declaration may vary the terms of this Declaration by addition, deletion or modification so as to reflect any unique characteristics of the Neighborhood identified therein; provided, however, that no such variance shall be directly contrary to the overall uniform scheme of development of The Properties.

Section 3. Withdrawal. Declarant reserves the right to amend this Declaration at any time, without prior notice and without the consent of any person or entity, for the purpose of removing certain portions of The Properties then owned by Declarant or its affiliates or the Association from the provisions of this Declaration to the extent included originally in error or as a result of any changes whatsoever in the plans for The Properties desired to be effected by Declarant; provided, however, that such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for The Properties. Any withdrawal of land not owned by Declarant shall require the written consent or joinder of the then-owner(s) and mortgagee(s) of such land, but not of any other person or entity.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

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 the Association's Articles and 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)

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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 the Association's Articles and 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 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 the Association's Articles and 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. General Matters. When reference is made herein, or in the Articles, 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

**COMMON AREAS; CERTAIN EASEMENTS;
COMMUNITY SYSTEMS**

Section 1. Owners' Easements. Subject to Article II, Section 3 hereof, and except for Exclusive Common Areas and Maintenance Common Areas as herein specified, each Owner, and each Member's Permittee, shall have a non-exclusive permanent and

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perpetual easement over and upon the Common Areas for the intended use and enjoyment thereof in common with all other such Owners, Member's Permittees, their agents and invitees, as well as persons entitled to use the Common Areas per the Shared Use Agreement, but in such manner as may be reasonably regulated by the Association.

Without limiting the generality of the foregoing, such rights of use and enjoyment are hereby made subject to the following:

(a) The right and duty of the Association to levy Assessments against each Lot for the purpose of, among other things, maintaining the Common Areas and any facilities located thereon in compliance with the provisions of this Declaration and with any restrictions on the plats of portions of The Properties from time to time recorded.

(b) The right of the Association to suspend the Owner's (and his Member's Permittees') right to use the Common Area recreational facilities (if any) for any period during which any Assessment against his Lot remains unpaid for more than thirty (30) days; and for a period not to exceed sixty (60) days for any infraction of this Declaration or the Association's lawfully adopted rules and regulations. Such suspension shall be made per Article IX of this Declaration.

(c) The right of the Association to adopt at any time and from time to time and enforce rules and regulations governing the use of the Common Areas and all facilities at any time situated thereon, including the right to fine Owners as hereinafter provided and to limit the number of Owner's guests who may use the Common Areas and all facilities. Any rule and/or regulation so adopted by the Association shall apply until rescinded or modified as if originally set forth at length in this Declaration.

(d) The right to the use and enjoyment of the Common Areas and facilities thereon shall extend to all Members' Permittees, subject to regulation from time to time by the Association as set forth in its lawfully adopted rules and regulations.

(e) The right of Declarant to permit such persons as Declarant shall designate to use the Common Areas and all recreational facilities located thereon (if any).

(f) The right of Declarant and the Association to have, grant and use general ("blanket") and specific easements over, under and through the Common Areas, which right is hereby reserved to Declarant and granted to Association, the former to control over the latter in the event of conflict.

(g) The right of the Association, by a 2/3rds affirmative vote of the votes cast by the Voting Members (including the Voting Member appointed or designated by Declarant), to dedicate or convey (subject to the Owners' easements as herein

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provided) all or portions of the Common Areas to any other association having similar functions, or any public or quasi-public agency, or similar entity under such terms as the Association deems appropriate.

(h) The right of the Association to borrow money for the purpose of improving the Common Areas or for such other purpose as may be deemed appropriate in the fulfillment of the Association's duties and to grant a mortgage on the Common Areas or other security interest in Association assets as security for such a loan; provided, however, that granting any such mortgage to secure a loan with an original principal balance in excess of Ten Thousand and No/100 Dollars (\$10,000.00) shall require the approval of at least two-thirds (2/3rds) of the votes cast by the Voting Members (including the Voting Member appointed or designated by Declarant).

(i) The right of the Association, acting by and through the Board of Directors, to grant licenses, rights of way and easements for access, use or other purposes in, to, over, under and through the Common Areas and facilities and further, to grant to parties who are not Owners or Member's Permittees an easement and/or other rights to use Common Areas and facilities on such terms and conditions as the Board of Directors may deem appropriate.

(j) The right of the Owners and Lots to perpetual easements over and upon any of the Common Areas for support of any improvements on their respective Lots, for roof overhangs and any unintentional encroachments of improvements on a Lot onto or over Common Areas, for the purpose of necessary repairs and maintenance and for reasonable ingress and egress to and from any Home through and over the Common Areas.

WITH RESPECT TO THE USE OF THE COMMON AREAS AND THE PROPERTIES GENERALLY, ALL PERSONS ARE REFERRED TO ARTICLE XV, SECTIONS 8, 9 AND 10, AND ARTICLE XVI, HEREOF, WHICH SHALL AT ALL TIMES APPLY THERETO.

Section 2. Easements Appurtenant. The easements provided in Article IV, Section 1 shall be appurtenant to and shall pass with the title to each Lot, but shall not be deemed to grant or convey any ownership interest in the Common Area subject thereto.

Section 3. Maintenance. The Association shall at all times maintain in good repair and manage, operate and insure, and shall replace as often as necessary, the Common Areas and, to the extent not otherwise provided for, the paving, existing drainage structures, landscaping, improvements and other structures (except public utilities and Community Systems, to the extent same have not been made Common Areas and except those Exclusive Common Areas to be maintained by Owners) situated on the Common Areas, if any, all such work to be done as ordered by the Board of Directors of the Association. Without limiting the generality of the foregoing, the Association shall assume all of Declarant's and its affiliates' responsibilities to the County and its governmental and

quasi-governmental subdivisions and similar entities of any kind with respect to the Common Areas and shall indemnify and hold Declarant and its affiliates harmless with respect thereto in the event of the Association's failure to fulfill those responsibilities.

The specific standards for the Association's maintenance of Common Areas shall be that same shall be at all times maintained in a neat, clean, orderly and attractive manner and fully functional for their intended uses. Initially, such standards shall be the maintenance of the Common Areas as initially developed by Declarant and subject to the normal and orderly maturation and growth of trees and other landscaping, but not to the point of unsightliness. Without limiting the generality of the foregoing, all landscape beds shall at all times be kept substantially free of weeds and other invasive growth, all signs in Common Areas shall not be allowed to become weathered or faded to the point of unsightliness and any improvements shall be maintained, repainted, repaired or otherwise dealt with in such in a manner that they likewise do not become unsightly. As to any paved surfaces within the Common Areas, same shall be kept reasonably free of significant cracks, pot holes or other unsightly conditions.

Without limiting the generality of the foregoing, the Association shall maintain lakes, nature preserve areas, trails and other portions of the Common Areas not only as provided above but also in a manner consistent with any and all permits or approvals for/of same and consistent with the intended use of the Common Areas for such purposes.

It is specifically contemplated (but not guaranteed) that the Association may enter into one or more formal or informal agreements with the County whereby the Association performs some or all of the maintenance of landscaping or other features within property owned by or dedicated to the County. Accordingly, to the extent that such agreement (which may be in the form of a contract, easement or other instrument) provides for such maintenance, then the areas to be so maintained shall be deemed Maintenance Common Areas hereunder so as to authorize such agreement, the performance of maintenance duties pursuant thereto, and the imposition and expenditure of Assessments necessary to fund such activities.

All work pursuant to this Section and all expenses incurred or allocated to the Association pursuant to this Declaration shall be paid for by the Association through Assessments imposed in accordance herewith.

No Owner may waive or otherwise escape liability for Assessments by non-use (whether voluntary or involuntary) of the Common Areas or abandonment of the right to use the Common Areas.

Pursuant to the Shared Use Agreement, it is contemplated that the Neighboring Association will perform some or all of the Association's maintenance duties hereunder. Accordingly, to the extent the Neighboring Association does so then the Association's duty under this Section shall be deemed performed and discharged; provided, however, that nothing herein shall prevent the Association from performing such corrective, remedial or

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supplemental maintenance on its Common Areas as it may deem to be appropriate from time to time.

Section 4. Utility and Community Systems Easements. Use of the Common Areas for utilities, as well as use of the other utility easements as shown on relevant plats, shall be in accordance with the applicable provisions of this Declaration and said plats. Declarant and its affiliates and its and their designees shall have a perpetual easement over, upon and under the Common Areas and the unimproved portions of the Lots and Homes for the installation, operation, maintenance, repair, replacement, alteration and expansion of Community Systems and other utilities.

Section 5. Public Easements. Fire, police, health and sanitation, maintenance, and other public service personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Common Areas for the performance of their respective duties.

Section 6. Golf Course Easements. The Golf Club Owner is hereby granted, as an appurtenance to the land constituting the Golf Club, a perpetual "blanket" easement over the Common Areas for the purpose of (i) reasonable maintenance activities benefiting the Golf Club, (ii) having and using one or more paved golf cart paths (and signage serving same) traversing The Properties as well as any Common Area roadways and for constructing, operating, maintaining, repairing, replacing, altering and expanding the same, (iii) the provision of utilities and other services to the Golf Club and (iv) temporary parking for tournaments and other events on portions of the Common Areas reasonably suited (but not necessarily designed) for such purpose. Additionally, the Golf Club Owner and all persons using the Golf Club are hereby granted an easement to come onto the portions of the Lots adjacent to the Golf Club for the purpose of retrieving golf balls therefrom.

ALL OWNERS ARE HEREBY ADVISED THAT ERRANT GOLF BALLS MAY ENTER ONTO THEIR LOTS AND, IN SOME CASES, STRIKE SCREENS, WINDOWS AND OTHER EXTERIOR PORTIONS OF THEIR HOMES AND OTHER IMPROVEMENTS ON THEIR LOTS. EACH OWNER AND HIS MEMBER'S PERMITTEES, BY VIRTUE OF ACQUIRING TITLE TO THE APPLICABLE LOT AND/OR MAKING USE THEREOF, HEREBY AGREES THAT NEITHER THE GOLF CLUB NOR ANYONE LAWFULLY USING THE GOLF CLUB SHALL BE LIABLE FOR ANY DAMAGE TO ANY LOT OR HOME CAUSED BY SUCH ERRANT GOLF BALLS, EACH OWNER AND MEMBER'S PERMITTEES BEING DEEMED TO HAVE ASSUMED THE RISK OF SAME. THE FOREGOING SHALL ALSO INCLUDE DAMAGE TO ANY REALTY, PERSONALTY OR PETS LOCATED ON THE LOT AS WELL AS ANY PERSONAL INJURY OCCURRING AS A RESULT OF SUCH ERRANT GOLF BALLS.

Section 7. Ownership of Common Areas. The Common Areas (except for Exclusive Common Areas and Maintenance Common Areas) are hereby dedicated non-exclusively to the joint and several use, in common, of Declarant and the other Owners and all Member's Permittees and Declarant's tenants, guests and invitees, all as provided

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and regulated herein or otherwise by the Association, subject to Article II, Section 3 hereof. The Common Areas (except for Exclusive Common Areas and Maintenance Common Areas) are also hereby dedicated non-exclusively to the joint and several use, in common, of the Golf Club Owner and its tenants, employees, users, suppliers and other invitees as specifically provided in this Declaration, and as regulated herein or otherwise by the Association, subject to Article II, Section 3 hereof. The Common Areas owned by the Declarant other than Maintenance Common Areas and Common Areas withdrawn as aforesaid shall, upon the later of completion of the improvements thereon or the date when the last Lot within The Properties has been conveyed to a purchaser (or at any time and from time to time sooner at the sole election of Declarant), be conveyed by quitclaim deed to the Association, which shall be deemed to have automatically accepted such conveyance.

The road provided for and included within the real property described on Exhibit "E" which is initially made a part of The Properties is initially being dedicated to the public by Declarant by the platting thereof, and Declarant presently intends that any additional roads hereafter provided for and made a part of The Properties will also initially be dedicated to the public by the platting thereof. Provided, however, if the Neighboring Association is successful in causing the existing roads within the various Brakes of Canebrake Subdivision, as per the plats thereof on file in the office of the Chancery Clerk of Lamar County, Mississippi (the "Neighboring Subdivision"), to become private, whether by abandonment, revocation of the dedication and/or acceptance thereof, vacation or other means, Declarant presently intends, and the Association has agreed, to cause the roads provided for and included within The Properties to be or become private per arrangements with the Neighboring Association, and, upon so doing, Declarant presently intends to make any additional roads thereafter provided for and made a part of The Properties private. For that reason, Declarant hereby declares that the road provided for and included within the real property described on Exhibit "E" which is initially made a part of The Properties, and any additional roads thereafter provided for and included within The Properties, as well as any ownership interest therein of all abutting property owners, shall be and are hereby made subject to an easement for ingress and egress of vehicular and pedestrian traffic and usual and customary roadway purposes over, across and through such roads as shown on any recorded subdivision plat thereof in favor of the Association and all Owners and other persons entitled to use the Common Areas, including the Declarant and its tenants, guests and invitees and the Golf Club Owner and its tenants, employees, users, suppliers and other invitees.

Also in furtherance of the foregoing, by acquiring title or any other interest in, or lien upon, a Lot, all Owners thereof as well as the holder of any deed of trust, mortgage or other lien thereon, shall be deemed to have automatically consented and agreed to the privatization of any or all of the roads now or hereafter provided for and included within The Properties, whether by abandonment, revocation of the dedication and/or acceptance thereof, vacation or other means, and to any and all actions hereafter taken by the Declarant, the Association, the County and/or any others to privatize said roads, and each such person hereby waives any statutory or other rights to notice thereof or damages or payment therefor, and shall be deemed to have appointed the Declarant and/or the Association (whichever of them is taking the applicable action) as the person's attorney in fact for all

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such purposes. All Owners of any Lot as well as the holder of any deed of trust, mortgage or other lien thereon, shall also be deemed to have automatically consented and agreed that upon request of the Declarant and/or the Association (whichever of them is taking the applicable action), the County shall have the right to abandon, revoke the dedication and/or acceptance of, vacate or privatize by other means any or all of the roads now or hereafter provided for and included within The Properties. Notwithstanding the automatic effect of the foregoing, each of the persons described in this paragraph shall also be deemed to have agreed to execute such documents as are necessary to achieve the purposes herein expressed (provided, however, that the refusal to execute such documents shall not obviate the general and automatic effect of this provision). Notwithstanding anything to the contrary, neither Declarant, the Association nor Bennett V. York, his heirs or assigns ("York") in any manner warrants or guarantees that any or all roads within The Properties will be made private.

By acceptance of title to a Lot, each Owner thereof, as well as the holder of any deed of trust, mortgage or other lien thereon, shall be deemed to have automatically agreed that (i) neither Declarant, the Association nor York shall have any liability for or in connection therewith including, without limitation, anything resulting in the roads being or remaining open to the public or being or becoming private; (ii) with respect to any roads now or hereafter provided for and included within The Properties which become private by any means, the Declarant shall designate them Common Areas by Supplemental Declaration to be maintained by the Association, but the roads may be maintained by the Neighboring Association per the Shared Use Agreement; (iii) if the roads within the Neighboring Subdivision and The Properties become private, the Shared Use Agreement will be amended by the Association (by its Board of Directors) and the Neighboring Association (as said associations have previously agreed) to provide, among other things, that the Shared Common Areas therein described include the roads and all future private roads within The Properties; and (iv) no privatization of any road within The Properties shall in any manner affect the easement rights with respect to any such road granted to the Golf Club Owner and its tenants, employees, users, suppliers and other invitees and to Declarant and its tenants, guests and invitees.

Section 8. Commencement of Maintenance: Taxes. Beginning from the date this Declaration is recorded, subject to the Shared Use Agreement, the Association shall be responsible for the maintenance, insurance and administration of the Common Areas (whether or not then conveyed or to be conveyed to the Association), all of which shall be performed in a continuous and satisfactory manner without cost to the general taxpayers of the County. It is intended that any and all real estate taxes and assessments levied against the Common Areas shall be (or have been, because the purchase prices of the Lots and Homes have already taken into account their proportionate shares of the values of the Common Area), proportionally assessed against and payable as part of the taxes of the applicable Lots or Homes within The Properties. However, in the event that, notwithstanding the foregoing, any such taxes or assessments are assessed directly against the Common Areas, the Association shall be responsible for the payment (subject to protest or appeal before or after payment) of the same, including taxes on any improvements and any personal property located thereon, which taxes accrue from and after the date this

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Declaration is recorded, and such taxes shall be prorated between Declarant and the Association as of the date of such recordation.

Section 9. Declarant's Rights as to Common Areas. Declarant and/or Bennett V. York shall have the right from time to time to enter upon the Common Areas and other portions of The Properties (including, without limitation, the portions of Lots not containing Homes) for the purpose of the installation, construction, reconstruction, repair, replacement, operation, expansion and/or alteration of any improvements or facilities on the Common Areas or elsewhere on The Properties that Declarant and/or Bennett V. York elect to effect, and to use, without charge, the Common Areas and other portions of The Properties for sales, displays and signs or for any other purpose during the period of construction and sale of any portion thereof or of other portions of adjacent or nearby communities. Without limiting the generality of the foregoing, Declarant and/or Bennett V. York shall have the specific right to maintain upon any portion of The Properties sales, administrative, construction or other offices and appropriate exclusive and non-exclusive easements of access and use are expressly reserved unto Declarant and Bennett V. York, and its and his employees and contractors, for this purpose. Any obligation (which shall not be deemed to be created hereby) to complete portions of the Common Areas shall, at all times, be subject and subordinate to these rights and easements and to the above-referenced activities. Accordingly, Declarant shall not be liable for delays in such completion to the extent resulting from the need to complete any of the above-referenced activities prior to such completion.

Section 10. Effect of Dissolution or Merger of Association. Notwithstanding anything in this Section, this Declaration or the Articles of Incorporation or Bylaws to the contrary, no merger, consolidation or dissolution of the Association which affects Owners' easements in and to the Common Areas shall be effective without the approval of two-thirds (2/3rds) of the votes cast by the Voting Members (including the Voting Member appointed or designated by Declarant). Upon any such dissolution of the Association, its assets shall be conveyed by the Association to a similar association or appropriate public agency, having a purpose or purposes similar to those of the Association.

It is specifically contemplated that the Neighboring Association may hereafter approve a merger between the Neighboring Association and the Association by obtaining the requisite approval of its Members and of any lenders whose approval is required. If the requisite approval of such a merger is obtained by the Neighboring Association, then the Board of Directors of the Association shall adopt and approve a plan of merger providing for the merger of the Neighboring Association and the Association upon such terms as it deems advisable. No such merger of the Neighboring Association and the Association shall be effective without the approval of two-thirds (2/3rds) of the votes cast by the Voting Members (including the Voting Member appointed or designated by Declarant); provided, however, the Declarant intends to cast its votes in favor of such a merger.

Section 11. Community Systems. Declarant shall have the right, but not the obligation, to convey, transfer, sell or assign all or any portion of the Community Systems located within The Properties, or all or any portion of the rights, duties or obligations with

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respect thereto to the Association or any other person or entity (including an Owner, as to any portion of a Community System located on/in his Lot/Home). Without limiting the generality of Article I, Section 1 (i) hereof, if and when any of the aforesaid entities receives such a conveyance, sale, transfer or assignment, such entity shall automatically be deemed vested with such rights of Declarant with regard thereto as are assigned by Declarant in connection therewith; provided, however, that if the Association is the applicable entity, then any Community Systems or portions thereof shall be deemed Common Areas hereunder and the Association's rights, duties and obligations with respect thereto shall be the same as those applicable to other Common Areas unless otherwise provided by Declarant. Any conveyance, transfer, sale or assignment made by Declarant pursuant to this Section (i) may be made with or without consideration, (ii) shall not require the consent or approval of the Association or any Owner and (iii) if made to the Association, shall be deemed to have been automatically accepted (with all rights, duties, obligations and liabilities with respect thereto being deemed to have been automatically assumed).

In recognition of the intended increased effectiveness and potentially decreased installation and maintenance costs and user fees arising from the connection of all or a large number of Homes in The Properties to the applicable Community Systems, each Owner and occupant of a Home shall by virtue of the acceptance of the deed or other right of occupancy thereof, be deemed to have consented to and ratified any and all agreements to which the Association is a party which is based upon (in terms of pricing structure or otherwise) a requirement that all or a large number of Homes be so connected. The foregoing shall not, however, prohibit the Association or Community Systems provider from making exceptions to any such bulk use requirement in its reasonable discretion.

WITH RESPECT TO COMMUNITY SYSTEMS, ALL PERSONS ARE REFERRED TO ARTICLE XV, SECTION 8 HEREOF, WHICH SHALL AT ALL TIMES APPLY TO THIS SECTION.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments.

Except as provided elsewhere herein, Declarant (and each party joining in any Supplemental Declaration), for all Lots now or hereafter located within The Properties, hereby covenants and agrees, and each Owner of any Lot by acceptance of a deed or other conveyance thereof, whether or not it shall be so expressed in such deed or other conveyance, shall be deemed to covenant and agree, to pay to the Association annual Assessments and charges for the operation of the Association for the maintenance, management, operation, repair, replacement, improvement and insurance of the Common Areas and any applicable Community Systems as provided elsewhere herein, including such reasonable reserves as the Association may deem necessary, sums payable under the Shared Use Agreement and all other charges and Assessments hereinafter referred to or

lawfully imposed by or on the Association, all such Assessments to be fixed, established and collected from time to time as herein provided.

Assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge and continuing lien upon the Lot against which each such Assessment is made. Each such Assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be the personal obligation of the person who is the Owner of such property at the time when the Assessment fell due and all subsequent Owners until paid, except as provided in Section 7 of this Article.

Reference herein to Assessments shall be understood to include reference to any and all of said interest and costs whether or not specifically mentioned.

Section 2. Types and Rates of Assessments. Each Assessment levied hereunder shall be one (1) of the following types (although two (2) more types of Assessment may be payable by an Owner as a single sum):

Common Assessments shall be for those expenses which are incurred primarily for the benefit of all Owners, as such primary benefit is determined by the Board of Directors, and shall include sums payable under the Shared Use Agreement. By way of example only, Common Assessments shall be levied for expenses relating to General Common Areas. Common Assessments shall be levied upon all Lots at an equal rate, with the Golf Club to be deemed to contain three (3) Lots for assessment and voting purposes, only.

Neighborhood Assessments shall be for those expenses which are incurred primarily for the benefit of all Owners within a Neighborhood(s), as such primary benefit is determined by the Board of Directors. By way of example only, Neighborhood Assessments shall be levied for expenses relating to Neighborhood Common Areas. Neighborhood Assessments shall be levied upon all Lots within the applicable Neighborhood(s) at an equal rate.

Individual Assessments shall be for those expenses directly related to providing a service or maintenance to one (1) or more Lots, whether at the request of the Owner or as an exercise of an Association remedy hereunder, and shall also include fines levied per Article IX hereof. If an Individual Assessment is levied upon more than one (1) Lot, then it shall be allocated between or among the applicable Lots as the Board directs, absent which they shall be prorated equally. The fact that Individual Assessments are authorized hereby shall not require the Association to provide any particular service (maintenance or otherwise) to a Lot(s).

Special Assessments shall be for those expenses which otherwise would be Common or Neighborhood Assessments but for the fact that they are of a non-recurring and/or unforeseen nature (i.e., are such that they cannot be paid by budgeting therefor as part of common or Neighborhood expenses), including (without limitation) the costs of capital additions or uninsured casualty losses.

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Special Assessments shall be levied against all applicable Lots subject thereto at an equal rate. Also, Special Assessments shall be subject to the same manner as increases in the maximum annual rate of Assessments, except for those levied per Article XI with respect to restoration after casualty losses.

Section 3. Establishment of Budgets and Assessments. The Board of Directors shall, by appropriate resolution duly adopted, establish the first operating budget for the Association (including Common and Neighborhood Assessments). Each time a new Neighborhood is brought within The Properties by appropriate Supplemental Declaration, the Board of Directors shall adopt a budget and Assessment amount for such Neighborhood, if different from the overall Association budget. The Board of Directors may adopt an interim assessment prior to the first operating budget being adopted.

After adopting the initial budget and Assessments as provided above, the Board of Directors shall fix the amount of the Assessment against the Lots subject to the Association's jurisdiction for each Assessment period, to the extent practicable, at least sixty (60) days in advance of such date or period, and shall, at that time, prepare a roster of the Lots and Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

Written notice of the Assessment shall thereupon be sent to every Owner subject thereto thirty (30) days prior to the date payment of the first installment thereof is due, except as to Individual and Special Assessments. In the event no such notice of the Assessments for a new Assessment period is given, the amount payable shall continue to be the same as the amount payable for the previous period, until changed in the manner provided for herein.

The Association, through the action of its Board of Directors, shall have the power, but not the obligation, to enter into an agreement or agreements from time to time with one or more persons, firms or corporations (including Declarant or its affiliates) for management services, including the administration of budgets and Assessments as herein provided.

Section 4. Purpose of Assessments. The Assessments levied by the Association shall be used for the purposes expressed in this Article and for such other purposes as the Association shall have within its powers and from time to time elect to undertake.

Section 5. Date of Commencement of Annual Assessments; Due Dates. The Common and Neighborhood Assessments provided for in this Article shall commence on the first day of the month next following the recordation of these covenants and shall be applicable through December 31 of that year. Each subsequent annual Assessment shall be imposed for the year beginning January 1 and ending December 31.

The Common and Neighborhood Assessments shall be payable in advance in monthly installments, or in annual, semi- or quarter-annual installments if so determined by the Board of Directors (absent which determination, they shall be payable monthly).

The due date of any Individual or Special Assessment shall be fixed in the Board resolution authorizing such Assessment.

Section 6. Effect of Non-Payment of Assessment; the Personal Obligation; the Lien; Remedies of the Association. If the Assessments (or installments) provided for herein are not paid on the date(s) when due (being the date(s) specified herein or pursuant hereto), then such Assessments (or installments) shall become delinquent and the Assessment, together with late charges, interest and the cost of collection thereof, as hereinafter provided, shall thereupon be a continuing lien (effective as of the date this Declaration is recorded) on the Lot which shall bind such property in the hands of the then Owner, his heirs, personal representatives, successors and assigns. Except as provided in Section 7 of this Article to the contrary, the personal obligation of Owner to pay such Assessment shall pass to his successors in title and recourse may be had against either or both.

If any installment of an Assessment is not paid within sixteen (16) days after the due date, at the option of the Association, the next twelve (12) months' worth of installments may be accelerated and become immediately due and payable in full. Further, all sums not paid within sixteen (16) days after the due date (regardless of whether they are accelerated or not) shall bear interest from and after the 16th day after the date when due until paid at the rate of fourteen percent (14%) per annum (or such lower rate as may be required by law). The Association may bring an action at law against the Owner(s) personally obligated to pay the same, may record a claim of lien (as evidence of its lien rights as hereinabove provided for), a "Claim of Lien", against the Lot on which the Assessments and interest are unpaid, may foreclose the lien against the Lot on which the Assessments and interest are unpaid, or may pursue one or more of such remedies at the same time or successively, and attorneys' fees and costs actually incurred in preparing and filing the claim of lien and the complaint, if any, and prosecuting same, in such action shall be added to the amount of such Assessments and interest secured by the lien, and in the event a judgment is obtained, such judgment shall include all such sums as above provided and attorneys' fees actually incurred together with the costs of the action, through all applicable appellate levels.

In the case of an acceleration of the next twelve (12) months' of installments, each installment so accelerated shall be deemed, initially, equal to the amount of the then most current delinquent installment, provided that if any such installment so accelerated would have been greater in amount by reason of a subsequent increase in the applicable budget, the Owner of the Lot whose installments were so accelerated shall continue to be liable for the balance due by reason of such increase and an Individual Assessment against such Lot shall be levied by the Association for such purpose.

In addition to the rights of collection of Assessments stated in this Section, any and all persons acquiring title to or an interest in a Lot as to which the Assessment is delinquent, including without limitation persons acquiring title by operation of law and by judicial

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sales, shall not be entitled to the possession of such Lot or the enjoyment of the Common Areas until such time as all unpaid and delinquent Assessments and other sums due and owing from the selling Owner have been fully paid; provided, however, that the provisions of this sentence shall not be applicable to the mortgagees and purchasers contemplated by Section 7 of this Article.

All Assessments, interest, attorney's fees and other sums provided for herein shall accrue to the benefit of the Association.

Section 7. Subordination of the Lien. The lien of the Assessments provided for in this Article shall be subordinate to real property tax and real property assessment liens and the lien of any first mortgage recorded prior to the recording of a Claim of Lien by the Association; provided, however, that any such mortgage lender when in possession or any receiver, and in the event of a foreclosure, any purchaser at a foreclosure sale, and any such mortgage lender or its affiliate acquiring a deed in lieu of foreclosure, and all persons claiming by, through or under such purchaser or mortgage lender, shall hold title subject to the liability and lien of any Assessment coming due after such foreclosure (or conveyance in lieu of foreclosure). Any unpaid Assessment which cannot be collected as a lien against any Lot by reason of the provisions of this Section shall be deemed to be an Assessment divided equally among, payable by and a lien against all Lots subject to Assessment by the Association, including the Lot(s) as to which the foreclosure (or conveyance in lieu of foreclosure) took place.

Section 8. Declarant's Assessments. Notwithstanding anything herein to the contrary, Declarant shall have the option, in its sole discretion, to (i) pay Assessments on the Lots owned by it, (ii) pay reduced Assessments only on certain designated Lots (e.g., those under construction or those containing a Home for which a certificate of occupancy has been issued), or (iii) not pay Assessments on any Lots and in lieu thereof fund any resulting deficit in the Association's operating expenses not produced by Assessments receivable from Owners other than Declarant and any other income receivable by the Association. The deficit to be paid under option (iii), above, shall be the difference between (a) actual operating expenses of the Association (exclusive of capital improvement costs, costs arising from uninsured losses and reserves) and (b) the sum of all monies receivable by the Association (including, without limitation, Assessments, interest, fines and incidental income) and any surplus carried forward from the preceding year(s), but exclusive of any initial contributions paid by Owners upon acquisition of title to their Lots to the extent same are used to fund reserves. Declarant may from time to time change the option under which Declarant is making payments to the Association by written notice to such effect to the Association. If Declarant at any time elects option (ii), above, it shall not be deemed to have necessarily elected option (i) or (iii) as to the Lots which are not designated under option (ii). When all Lots within The Properties are sold and conveyed to purchasers (here, including Builders), neither Declarant nor its affiliates shall have further liability of any kind to the Association for the payment of Assessments, deficits or contributions. Without limiting the generality of Article I, Section 1 (i) hereof, the Declarant's rights under this Section may be assigned by it in whole or in part and on an exclusive or non-exclusive basis.

Section 9. Neighboring Association. Pursuant to the Shared Use Agreement, and for so long as same is in effect, the Owners shall pay all Assessments due hereunder to the Neighboring Association, as collection agent for the Association. The Neighboring Association shall, in turn, apply the Assessments so collected to payment of expenses incurred by it pursuant to the Shared Use Agreement for which the Neighboring Association is responsible and remit the balance to the Association for its own use in accordance with this Declaration. In connection with the Neighboring Association's performance of such collection functions, the Association may assign to it the right to enforce the Assessment obligations of Owners hereunder including, without limitation, pursuant to Article V, Section 6, above.

All Owners (directly or through their Members' Permittees) desiring to purchase boat fuel from the Neighboring Association may do so in accordance with the Neighboring Association's policies and practices; provided, however, that at the election of the Neighboring Association non-payment of charges for boat fuel may be deemed a non-payment of Assessments hereunder and subject the defaulting Owner to all the rights and remedies of the Association for such non-payment.

ARTICLE VI

MAINTENANCE OF HOMES, LOTS AND EXCLUSIVE COMMON AREAS; COMMON DRIVEWAYS

Section 1. Exteriors of Homes. Unless otherwise provided in an appropriate Supplemental Declaration, the Owner of a Lot shall maintain all exterior surfaces and roofs, facias and soffits of the structures (including the Home) and other improvements located on the Lot (including driveway and sidewalk surfaces and fences) in a neat, orderly and attractive manner. The aforesaid maintenance shall include maintaining any screens (including screen enclosures), and all windows and doors (including the wood and hardware of garage doors and sliding glass doors). The minimum (though not sole) standard for the foregoing shall be consistency with the general appearance of The Properties as initially constructed and otherwise improved (taking into account, however, normal weathering and fading of exterior finishes, but not to the point of unsightliness). The Owner shall clean, repaint or restrain, as appropriate, the exterior portions of each Home (with the same colors as initially used on the Home), including exterior surfaces of garage doors, as often as is necessary to comply with the foregoing standards. The Board of Directors may adopt rules as to specific frequencies of required cleaning, repainting/restraining and the like for each Neighborhood.

Section 2. Lots. Unless otherwise provided in an appropriate Supplemental Declaration, the Owner shall maintain and irrigate the trees, shrubbery, grass and other landscaping on each Lot on which a Home is located in a neat, orderly and attractive manner and consistent with the general appearance of The Properties as a whole. The minimum (though not sole) standard for the foregoing shall be the general appearance of

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The Properties as initially landscaped (such standard being subject to being raised by virtue of the natural and orderly growth and maturation of applicable landscaping, as properly trimmed and maintained).

Prior to a Home being completed on a Lot, the Lot shall be maintained as provided in the "Manual" as defined in Article VII, Section 10.

Without limiting the generality of Sections 1 and 2 of this Article, each Owner shall be responsible for maintaining the portions of any common irrigation system solely serving such Owner's Lot (unless indicated otherwise in an appropriate Supplemental Declaration). Such portion shall be deemed to be the part of the common system from its point of connection to a line serving more than one Lot, which point of connection may or may not be at a meter.

Section 3. Right of Entry. In addition to such other remedies as may be available under this Declaration, in the event that an Owner fails to maintain a Home or Lot, the Association shall have the right to enter upon the Lot in question and perform such duties; provided, however, that such entry shall be during reasonable hours and only after five (5) days' prior written notice. The Owner having failed to perform its maintenance duties shall be liable to the Association for the costs of performing such remedial work and shall pay an additional administrative charge not to exceed Two Hundred Dollars (\$200.00), all such sums being payable upon demand and to be secured by the lien provided for in Article V hereof.

Section 4. Exclusive Common Areas and Adjacent Property. Each Owner shall maintain, in accordance with the standards set forth in this Article, the property located between (i) the street-side boundary line(s) of the Owner's Lot (i.e., where applicable, the edge of the common sidewalk closest to the Home) and the edge of the street's pavement and (ii) the projections of the side boundary lines of the Lot to such pavement's edge, whether declared to be Exclusive Common Area or not. Any other Exclusive Common Area shall also be maintained by the Owner(s) of the Lot(s) benefited thereby, unless otherwise provided in an appropriate Supplemental Declaration.

Without limiting the generality of the foregoing, each Owner shall be responsible for the maintenance of any portion of his driveway located in such property as described in the foregoing paragraph or in his respective Exclusive Common Area as well as any sidewalk, grass or other plant material located therein; provided, however, that if the Board of Directors of the Association so elects, the Association may perform all or any portion of such maintenance obligations, on an ongoing or isolated basis, for purposes such as achieving an economy of scale or providing for uniform appearance throughout the applicable Neighborhood. In such event, the costs of such maintenance shall be borne only by the Owners within the affected Neighborhood through Neighborhood Assessments levied in accordance with Article V hereof.

Section 5. Common Driveways. In the event that Declarant creates or permits a common driveway serving two (2) or more Lots, then such driveway shall be and is hereby

declared to be subject to an easement in favor of all parties intended to benefit from same including, without limitation, the Owner(s) of the Lot(s) served thereby and such Owner's Member's Permittees, and the party on whose Lot the common driveway is located shall maintain it, but shall be entitled to a contribution toward the costs thereof by all other parties intended to benefit from same as provided in the Supplemental Declaration adding those Lots to The Properties.

ARTICLE VII

CERTAIN USE RESTRICTIONS

Section 1. Applicability. The provisions of Sections 3 through 24 of Article VII hereof shall be applicable to all of The Properties but shall not be applicable 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) or to the Golf Club. The provisions of Section 2 of Article VII hereof shall be applicable to all of The Properties but shall not be applicable to Declarant or Bennett V. York, or to Lots or other property owned by Declarant and/or Bennett V. York (for so long as they shall own them), or to the Golf Club. This Article is also subject to Article X hereof with respect to Builders and the Golf Club Owner.

Section 2. Land Use and Home Type. Each Lot shall be limited exclusively to one single-family residence and no Lot shall be used except for single-family residential purposes. No building constructed, erected, placed, installed, altered or permitted to remain on a Lot shall be used except for single-family residential purposes. No building shall be constructed, erected, placed, installed, altered or permitted to remain on any Lot other than one Home (including any approved related structure) used for single-family residential purposes. No changes may be made in buildings erected by Declarant or its affiliates (except if such changes are made by Declarant or its affiliates) without the consent of the Modifications Committee and the Declarant. No provisions of this Section 2 or any other provisions of this Declaration shall prohibit Declarant from designating by Supplemental Declaration a Lot or Lots to be developed by Declarant and/or its affiliates for sale or lease, on which there may be constructed townhouse(s) or other residence(s), for one-to-four family use. Without limiting the generality of the foregoing or of Article VII, Section 1 hereof, temporary uses by Declarant and/or Bennett V. York for model homes, sales displays, parking lots, sales offices and other offices, or any one or combination of such uses, shall be permitted until the permanent cessation of such uses takes place.

Section 3. Easements. Easements for the installation and maintenance of utilities and Community Systems are reserved as shown on the recorded plats covering The Properties and/or as provided herein. The area of each Lot covered by an easement and all improvements in such area shall be maintained continuously by the Association to the extent provided herein, except for installations for which a public authority or utility company is responsible. Notwithstanding the foregoing, the Owner of any land subject to an easement shall be responsible for maintaining the sod, landscaping and any other

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improvements on the surface of the easement area, except to the extent same are to be restored by the easement holder as a result of its disturbance of the surface area in the course of maintaining, repairing or replacing lines or other surface-level or subsurface installations.

The County, utility companies, telephone company, the Association, and Declarant and its designees, and their respective successors and assigns, shall have a perpetual easement for the installation and maintenance, all underground, of water lines, sanitary sewers, storm drains, and electric, gas, telephone, television and Community System lines, cables and conduits, under and through the utility easements as shown on the plats. These requirements are in addition to any set forth on the recorded plats of The Properties.

Section 4. Nuisances. Nothing shall be done or maintained on any Lot which may be or become a nuisance to the occupants of other Lots. Any activity on a Lot which interferes with television, cable or radio reception on another Lot shall be deemed a nuisance and a prohibited activity. ALL PERSONS ARE REFERRED TO ARTICLE XV, SECTION 9 HEREOF WITH RESPECT TO CERTAIN ACTIVITIES OF DECLARANT AND OTHERS.

Section 5. Temporary Structures; Gas Tanks; Other Outdoor Equipment. Except as may be approved or used by Declarant during construction, sales and/or leasing periods, no structure of a temporary character, or trailer, mobile home or recreational vehicle, shall be permitted on any Lots within The Properties at any time or used at any time as a residence, either temporarily or permanently. No gas tank, gas container or gas cylinder shall be permitted to be placed on or about the outside of any Home or on or about any ancillary building, except for gas tanks which are used for swimming pool heaters which are screened from view, one (1) gas cylinder connected to a barbecue grill and/or such other tank as is designed and used for household purposes and approved by the Modifications Committee. Any outdoor equipment such as, but not limited to, pool pumps and water softening devices shall be completely screened from the view of anyone not standing on the Lot by the use of landscaping or other means (in any event, as approved by the Modifications Committee); provided, however, that the use of such screening shall not obviate the requirement that the installation of any such equipment nevertheless be approved by the Modifications Committee.

Section 6. Signs. No sign of any kind shall be displayed to the public view on any Lot unless the type, size, location and other attributes thereof are in accordance with the applicable rules and regulations, if any, adopted by the Association's Board of Directors or the Modifications Committee, absent such rules and regulations no such signage shall be permitted. Notwithstanding the foregoing, signs used by the Declarant and its affiliates and, by Builders (to the extent such signs are approved by the Declarant) during the development, construction and sale of The Properties shall at all times be permitted.

The foregoing restrictions shall not apply to permanent or temporary signs of any type used by the Golf Club Owner provided that all such signs are designed, placed and used in accordance with all local ordinances and regulations.

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Section 7. Oil and Mining Operation: Water Wells and Septic Tanks. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in The Properties, nor on dedicated areas, nor shall water wells, septic tanks, oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in The Properties. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any portion of the land subject to these restrictions. The foregoing restrictions are subject to any and all existing leases, exceptions, reservations and/or conveyances, together with release of damages, of or related to oil, gas and/or other minerals of every kind and character, all other minerals which may be produced in connection with oil and gas including sulphur and any other gases or elements, all salt domes, carbon dioxide, and/or any geothermal energy resources. ALL PERSONS ARE REFERRED TO ARTICLE XV, SECTION 9 HEREOF WITH RESPECT TO CERTAIN ACTIVITIES OF DECLARANT AND ITS DESIGNEES.

Section 8. Pets, Livestock and Poultry. No animals, reptiles, wildlife, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that household pets may be kept, provided they are not kept, bred or maintained for any commercial purpose, and provided that they do not become a nuisance. No dogs or other pets shall be permitted to have excretions on any Common Areas, except areas designated by the Association for such purposes, if any, and Owners shall be responsible to clean-up any such excretions. For purposes hereof, "household pets" shall mean dogs, cats and other animals expressly permitted by the Association, if any. ALL PETS SHALL BE KEPT ON A LEASH WHEN NOT IN THE APPLICABLE HOME OR FULLY ENCLOSED REAR YARD. Pets shall also be subject to all applicable rules and regulations. Nothing contained herein shall prohibit the keeping of fish or domestic (household-type) birds, as long as the latter are kept indoors and do not become a source of annoyance to neighbors.

Section 9. Visibility at Intersections. No obstruction to visibility at street intersections or Common Area intersections shall be permitted; provided that neither the Declarant nor the Association shall be liable in any manner to any person or entity, including Owners and Members Permittees, for any damages, injuries or deaths arising from any violation of this Section.

Section 10. Architectural Control. Except as to initial construction on or improvement of a Lot which shall be subject to Article X hereof, no home, building or other structure or improvement or addition of any nature (including, but not limited to, fences, walls, swimming pools, screen enclosures, patios or patio extensions, hedges, trees, other landscaping, exterior paint or finish, awnings, shutters, hurricane protection, basketball hoops, swing sets or play apperati, decorative plaques or accessories, statues, traffic restriction devices, yard ornaments, benches and other site furniture, planters, birdhouses, other pet houses, mail and/or newspaper boxes, exterior lighting, swales, asphaltting, paving, curbing, sidewalk/driveway surfaces or treatments or other improvements or changes of any kind, even if not permanently affixed to the land or to other improvements) shall be constructed, erected, placed, installed, altered or relocated on any Lot, or removed therefrom, until the construction plans and specifications and a plan showing the location of

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the structure and landscaping or of the materials as may be required by the Modifications Committee (which shall be a committee appointed by the Board of Directors of the Association, absent such appointment the Board to serve in such capacity) have been approved, if at all, in writing by the Modifications Committee and all necessary governmental permits are obtained. Conversions of garages to living space or other uses are hereby prohibited, even though same are not readily apparent from the exteriors of applicable Homes. Each building, wall, fence, or other structure or improvement of any nature, together with landscaping, shall be constructed, erected, placed, installed, altered, relocated, or removed only in accordance with the Modifications Committee's approval and all applicable governmental permits and requirements. Refusal of approval of plans, specifications and location plans, or any of them, may be based on any grounds, including purely aesthetic ones, which in the sole discretion of said Modifications Committee are deemed sufficient. Any change in the exterior appearance of any building, wall, fence or other structure or improvements, and any change in the appearance of landscaping, shall be deemed an alteration requiring approval; provided, however, that lights, flags and other decorations customary for holidays shall not require approval hereunder (but may be regulated as to quantity, nature and how long they may remain in place).

The Modifications Committee shall have the power to promulgate and amend, from time to time, such rules and regulations as it deems necessary to carry out the provisions and intent of this Section. Such rules and regulations shall initially be embodied in a manual to be known as the Architectural Guidelines and Criteria Manual (the "Manual"), adopted or to be adopted by the Declarant and the Modifications Committee. A majority of the Modifications Committee may take any action the Modifications Committee is empowered to take, may designate a representative to act for the Modifications Committee and may employ personnel and consultants to act for it. In the event of death, disability or resignation of any member of the Modifications Committee, the Board of Directors shall have full authority to designate a successor. The members of the Modifications Committee shall not be entitled to any compensation for services performed pursuant to this covenant, unless engaged by the Association in a professional capacity. The Modifications Committee shall act on submissions to it within forty-five (45) days after receipt of the same (and all further documentation required by it) or else the request shall be deemed approved.

No request for approval shall be valid or require any action unless and until all Assessments on the applicable Lot (and any interest thereon) have been paid in full or if any other violation of this Declaration or the Association's rules and regulations remains uncorrected.

In light of the fact that the types, styles and locations of Homes may differ among the Neighborhoods, in approving or disapproving requests submitted to it hereunder the Modifications Committee may vary its standards among the Neighborhoods to reflect such differing characteristics. Accordingly, the fact that the Modifications Committee may approve or disapprove a request pertaining to a Lot in one Neighborhood shall not serve as precedent for a similar request from an Owner in another Neighborhood where one Neighborhood has relevant characteristics differing from the other. In determining

standards for architectural approval in specific Neighborhoods, the Modifications Committee may, but shall not be required to, consult with the applicable Neighborhood Committee in such regard, provided that the Modifications Committee shall be the final authority in determining and enforcing such standards.

In the event that any new improvement or landscaping is added to a Home/Lot, or any existing improvement on a Lot is altered, in violation of this Section, the Association shall have all rights and remedies lawfully available to it as well as the specific right (and an easement and license) to enter upon the applicable Lot and remove or otherwise remedy the applicable violation after giving the Owner of the Lot at least ten (10) days' prior written notice of, and opportunity to cure, the violation in question. The costs of such remedial work and a surcharge of a minimum of \$25.00 (but in no event more than thirty-five percent (35%) of the aforesaid costs) shall be an Individual Assessment against the Lot, which Individual Assessment shall be payable upon demand and secured by the lien for Assessments provided for in this Declaration.

The approval of any proposed improvements or alterations by the Modifications Committee shall not constitute a warranty, representation or approval as to, and neither the Declarant, the Association nor any member or representative of the Modifications Committee or the Board of Directors shall be liable for, the safety, soundness, workmanship, materials or usefulness for any purpose of any such improvement or alteration nor as to its compliance with applicable laws, codes, ordinances or standards. By submitting a request for the approval of any improvement or alteration, the requesting Owner shall be deemed to have automatically agreed to hold harmless and indemnify the aforesaid members and representatives, and the Declarant, the Association and their officers, directors, members, managers and agents, generally, from and for any loss, claim or damages connected with the aforesaid aspects of the improvements or alterations.

The Modifications Committee may, but shall not be obligated to, require that any request for its approval be accompanied by the written consent of the Owners of the Lots [up to five (5)] adjoining or nearby the Lot/Home proposed to be altered or further improved as described in the request.

Without limiting the generality of Article VII, Section 1 hereof, the foregoing provisions of this Section 10 shall not be applicable to Declarant or its affiliates or designees, the Golf Club (to the extent provided in Article X hereof) or to initial construction, which is subject to Article X hereof.

Section 11. Commercial Vehicles, Trucks, Trailers, Campers and Boats. No trucks (other than those of a type, if any, expressly permitted by the Association) or commercial or public service vehicles, or campers, mobile homes, motorhomes, house trailers or trailers of every other description, recreational vehicles, boats or other water crafts, boat or other water craft trailers, horse trailers or horse vans, shall be permitted to be parked or to be stored at any place on The Properties, nor in dedicated areas, except in (i) enclosed garages or (ii) spaces for some or all of the above specifically designated by Declarant or the Association, if any. For purposes of this Section, "commercial vehicles"

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and "public service vehicles" shall mean those which are not designed and used for customary, personal/family purposes. The absence of lettering or graphics on a vehicle shall not be dispositive as to whether it is a commercial or public service vehicle. These restrictions shall not apply to vehicles used by or in connection with the Golf Club.

The prohibitions on parking contained in this Section shall not apply to temporary parking of trucks and commercial vehicles, such as construction use or providing pick-up and delivery and other commercial services, nor to passenger-type vans with windows for personal use which are in acceptable condition in the sole opinion of the Board (which favorable opinion may be changed at any time), nor to any vehicles of Declarant or its affiliates.

All Owners and other occupants of Homes are advised to consult with the Association prior to purchasing, or bringing onto The Properties, any type of vehicle other than a passenger car inasmuch as such other type of vehicle may not be permitted to be kept within The Properties.

Subject to applicable laws and ordinances, any vehicle parked in violation of these or other restrictions contained herein or in the rules and regulations now or hereafter adopted may be towed by the Association at the sole expense of the owner of such vehicle if such vehicle remains in violation for a period of 24 hours from the time a notice of violation is placed on the vehicle. The Association shall not be liable to the owner of such vehicle for trespass, conversion or otherwise, nor guilty of any criminal act, by reason of such towing and once the notice is posted, neither its removal, nor failure of the owner to receive it for any other reason, shall be grounds for relief of any kind. For purposes of this paragraph, "vehicle" shall also mean campers, mobile homes and trailers. An affidavit of the person posting the aforesaid notice stating that it was properly posted shall be conclusive evidence of proper posting.

Section 12. Parking on Common Areas and Lots/Garages. Except as provided in Article IV, Section 6, no vehicles of any type shall be parked on any portion of the Common Areas (including swales and roadways) except to the extent, if at all, a portion(s) of the Common Areas is specifically designated for such purposes, and then only for such duration as the Board of Directors shall from time to time specify shall be permitted, or such parking is for a special event and, as such, is temporary in nature.

All Owners and Members Permittees shall use at least one (1) space in their respective garages for the parking of a vehicle. In the event that such a party keeps a boat on a trailer (or some other vehicle or trailer) in the party's garage, the other space shall still be used for vehicular parking. All garages shall have functioning garage doors which shall be kept closed at all times except when in actual use and during reasonably limited periods when the garage is being cleaned or repaired or when other activities permitted by this Declaration are being conducted therefrom which reasonably require the doors to be left open.

No parking shall be permitted on any portion of a Lot except its driveway and garage.

Section 13. Garbage and Trash Disposal. No garbage, refuse, trash or rubbish (including materials for recycling) shall be placed outside of a Home except as permitted by the Association. No garbage, refuse, trash or rubbish shall be burned, buried or dumped on any portion of The Properties. The requirements from time to time of the applicable governmental authority or private company for disposal or collection of waste shall be followed. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. Refuse containers must be rigid plastic, no less than 20 gallons or more than 32 gallons in capacity, and well sealed. Such containers may not be placed out for collection sooner than 12 hours prior to scheduled collection and must be removed within 12 hours of collection. In the event that an Owner or occupant of a Lot keeps containers for recyclable materials thereon, same shall be deemed to be refuse containers for the purposes of this Section.

Section 14. No Drying. No clothing, laundry or wash shall be aired or dried on any portion of The Properties except on a portion of a Lot which is completely screened from the view of all persons other than those on the Lot itself.

Section 15. Waterfront Property. As to all portions of The Properties which have a boundary contiguous to any lake, canal, river or other body of water, the following additional restrictions and requirements shall be applicable:

- (a) No boathouse, deck, gazebo, dock, wharf, pier, lift, ramp or other structure of any kind shall be erected, placed, altered or maintained on the shores of any lake unless erected by Declarant or its affiliates or approved by the Modification Committee and the Declarant.
- (b) No boat, boat trailer or recreational or other vehicular parking on any lake slope or shore areas shall be permitted.
- (c) No solid or liquid waste, litter or other materials may be discharged into/onto or thrown into/onto any lake or other body of water or the banks thereof.
- (d) Each applicable Owner shall maintain his Lot to the line of the water in the adjacent lake or other water body, as such line may change from time to time by virtue of changes in water levels.
- (e) No landscaping (other than that initially installed or approved by Declarant), fences, structures or other improvements (regardless of whether or not same are permanently attached to the land or to other improvements) shall be placed within any lake maintenance or similar easements around lakes or other bodies of water.

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(f) Any boats kept on The Properties shall be subject to Article VII, Section 11 hereof.

(g) Any boats operated on lakes or other waterbodies owned by, or dedicated to, any public authority or the Neighboring Association shall be subject to any regulations of such authority and not to regulation by the Association (which will have no jurisdiction over such areas).

Without limiting the generality of Article VII, Section 1 hereof, the foregoing provisions of this Section 15 shall not be applicable to the Golf Club Owner.

WITH RESPECT TO WATER LEVELS AND QUALITY AND OTHER WATERBODY-RELATED MATTERS, ALL PERSONS ARE REFERRED TO ARTICLE XV, SECTION 10 HEREOF.

Section 16. Home Air Conditioners and Reflective Materials. No air conditioning units may be mounted through windows or walls. No building shall have any aluminum foil placed in any window or glass door or any reflective substance or other materials (except standard window treatments) placed on any glass, except such as may be approved by the Modifications Committee for energy conservation purposes.

Section 17. Exterior Antennas. No exterior antennas, satellite dishes or similar equipment shall be permitted on any Lot or improvement thereon without the prior approval of the Modifications Committee, which shall adopt standards for such installations which are no more restrictive than provided by law.

Section 18. Renewable Resource Devices. Nothing in this Declaration shall be deemed to prohibit the installation of energy devices based on renewable resources (e.g., solar collector panels); provided, however, that same shall be installed only in accordance with the reasonable standards adopted from time to time by the Modifications Committee and with such Modifications Committee's approval. Such standards shall be reasonably calculated to maintain the aesthetic integrity of The Properties without making the cost of the aforesaid devices prohibitively expensive.

Section 19. Driveway and Sidewalk Surfaces. No Owner shall install on a Lot, and the Modifications Committee shall not approve, any sidewalk or driveway which has a surface material and/or color which is different from the materials and colors originally used or approved by the Declarant. Further, no Owner shall change any existing sidewalk or driveway in a manner inconsistent with this Section.

Section 20. Artificial Vegetation. No artificial grass, plants or other artificial vegetation, or rocks or other landscape devices, shall be placed or maintained upon the exterior portion of any Lot without the prior approval of the Modifications Committee.

Section 21. Gatehouse Procedures; Roving Patrols. All Owners shall be responsible for complying with and ensuring that their Members' Permittees and invitees

comply with, all procedures adopted for controlling access to and upon The Properties through any gatehouse serving The Properties or any portion thereof as well as Common Area roadways and other portions of the Common Areas, as such procedures and restrictions are adopted and amended from time to time. The foregoing shall also apply to require compliance with gatehouse and access control procedures adopted by the Neighboring Association per the Shared Use Agreement.

ALL OWNERS AND OTHER OCCUPANTS OF HOMES AND THEIR RESPECTIVE INVITEES ARE ADVISED THAT ANY GATEHOUSE STAFF AND SYSTEM, AS WELL AS ANY ROVING PATROL/SURVEILLANCE PERSONNEL, SERVING THE PROPERTIES ARE NOT LAW ENFORCEMENT OFFICERS AND ARE NOT INTENDED TO SUPPLANT SAME, SUCH PERSONS BEING ENGAGED, IF AT ALL, ONLY FOR THE PURPOSE OF MONITORING ACCESS TO THE PROPERTIES AND OBSERVING ACTIVITIES THEREIN WHICH ARE READILY APPARENT TO SUCH PERSONS.

Section 22. Subdivision and Combination of Lots. 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.

Section 23. Variances. The Board of Directors of the Association shall have the right and power to grant variances from the provisions of this Article VII and from the Association's rules and regulations for good cause shown, as determined in the reasonable discretion of the Board. No variance granted as aforesaid shall alter, waive or impair the operation or effect of the provisions of this Article VII in any instance in which such variance is not granted.

Section 24. Additional Rules and Regulations. In addition to the Manual which may be adopted and amended from time to time by the Modifications Committee, the Board of Directors of the Association may adopt rules and regulations governing the maintenance and use of The Properties (including Lots and Common Areas). The Board of Directors shall make reasonable efforts to notify members of the adoption of such rules and regulations, including any amendments thereto which may be made by the Board of Directors from time to time, but shall not be required to record same in the public records of the County or to publicize the same. Any such rules and regulations shall be either (i) in furtherance of specific provisions of this Declaration or (ii) reasonably calculated to enhance the orderly and peaceful appearance, use and/or operation of The Properties but, in either case, shall not conflict with any provision of this Declaration, the Articles or Bylaws.

No rule or regulation may discriminate against the Golf Club so as to prevent its reasonable use in accordance with all laws, codes and ordinances.