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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR BRIDGEWATER II

THIS DECLARATION is made and executed as of this the 1st day of September, 2006, by **AUGUSTA 185, LLC, A Mississippi limited liability company**, hereinafter sometimes referred to as the "Declarant".

WHEREAS, AUGUSTA 185, LLC, a Mississippi limited liability company, is the owner of a parcel of land containing approximately 60.5 acres, more or less, lying and being situated in the Section 21, Township 7 North, Range 1 East, Madison County, Mississippi, which parcel of land is more particularly described in Exhibit "A" attached hereto; and

WHEREAS, the Declarant wishes to create and continue to develop on said land described in said Exhibit "A" a residential community singular in nature and quality, together with appurtenant common areas and community facilities reserved or dedicated for the use and benefit of the residents of the Bridgewater Community, known and designated herein as Bridgewater II.

"A"

WHEREAS, the Declarant desires to provide for the preservation of the values and amenities in said Community, for the designation and maintenance of said Common Areas and community facilities; and to this end, the Declarant desires to subject all of said property described in said Exhibit "A", including any and all improvements existing or to be constructed thereon, to the covenants, conditions, restrictions, uses, limitations, prohibitions, requirements, obligations, easements, servitudes, charges, assessments, and liens hereinafter set forth, each of which separately is, and all of which jointly are, for the benefit of the Declarant, and for the benefit of the subsequent assignees or successors to the Declarant of any and all of said real property described in said Exhibit "A"; and

WHEREAS, the Declarant deems it desirable, for the efficient preservation of the values and amenities of said Community, to create an association to which can and shall be delegated and assigned the powers and duties of maintaining and administering said Common Areas and community facilities, administering and enforcing the covenants, conditions and restrictions hereinafter declared, and collecting and disbursing the charges and assessments hereinafter specified; and

WHEREAS, the Declarant has caused to be formed, under the laws of the State of Mississippi, a non-profit and non-share corporation named **Bridgewater II Owners Association, Inc.**, which corporation shall have as its purpose the carrying out of the powers and duties mentioned herein; and

NOW, THEREFORE, AUGUSTA 185, LLC, and the Declarant herein, does hereby declare that all of said real property described in said Exhibit "A" is and shall be held, conveyed, hypothecated, encumbered, assigned, leased, rented, used, occupied and improved subject to the covenants, conditions, restrictions, uses, limitations, prohibitions, requirements, obligations, easements, servitudes, charges, assessments, and liens, hereinafter set forth, all of which are agreed and declared to be in aid of a plan for the development of said Community and the improvement of said real property described in said Exhibit "A", all of which shall be deemed to run with and bind said real property described in said Exhibit "A", and all of which shall inure to the benefit of and be enforceable by the Declarant or its successors, by the assignees of the Declarant to all or any part of the said real property described in said Exhibit "A", or by any person acquiring or owning any interest in said real property described in said Exhibit "A" or an improvement thereon, including, without limitation, any person who holds such interest solely as security for the performance of an obligation or payment of a debt.

**ARTICLE I. DEFINITIONS AND PROPERTY SUBJECT TO
DECLARATION**

SECTION A. Definitions. The words and phrases set out below, when used in this Declaration, shall have the following meanings, respectively, to-wit:

(1) Association.

(a) The word "Association" shall mean and refer to Bridgewater II Owners Association, Inc., a Mississippi non-profit, non-share corporation, and its successors and assigns.

(b) The word "Association" shall also mean a subordinate association organized for the purpose of maintaining, servicing, and policing those properties included in a

particular area such as a Garden Home Development and/or any lake abutting same, as the context may require.

(2) **Board of Directors.** The expression "Board of Directors" shall mean and include the board of directors of the Association.

(3) **Bylaws.** The word "Bylaws" shall mean and include the bylaws of the Association and all amendments thereto.

(4) **Common Areas.** The expression "Common Areas" shall mean those portions of the Property designated or described as a Common Area on the face of the plat of any Bridgewater Subdivision or is conveyed as such to and owned by the Association by a recorded document. The designation of any portion of the Property as a Common Area shall not mean that the public at large acquires any easement of use or right of enjoyment therein.

(5) **Community.** The word "Community" as used herein shall mean that certain residential development known generally as "Bridgewater II" which is being constructed, and which hereafter will be constructed and/or improved by the Declarant and others on the Property.

(6) **Community Facilities.** The expression "community facilities" shall mean all real property assigned or otherwise available to the Association for the use, benefit and enjoyment of its Members and their invited guests, and including streets and lands subject to an easement for the benefit of the Association in the discharge of its responsibilities. The designation of any portion of the Property as a community facility shall not mean that the public at large acquires any easement of use or right of enjoyment therein. Unless indicated otherwise in an instrument conveying same to the Association, the real property designated and/or described in Exhibit "B" hereto and the components and appurtenances thereof and thereto shall be considered and treated as community facilities.

(7) **Covenants, Conditions and Restrictions.** The expression "covenants, conditions and restrictions" shall mean and include all the covenants, conditions, restrictions, uses, limitations, prohibitions, requirements, obligations, easements, servitudes, charges, assessments, and liens set forth in this Declaration.

(8) **Declaration.**

(a) The word "Declaration" shall mean and include this instrument and all amendments hereto including the Architectural Design Guidelines.

(b) The word "Supplemental Declaration" shall mean any declaration filed pursuant to this Declaration for the purpose of amending the Declaration to annex Additional Property as provided for in, and pursuant to, Article XII hereof or for the purpose of providing for the maintenance, servicing, security of certain specified areas, such as a Garden Home Development.

(9) **Declarant.**

(a) The word "Declarant" shall mean AUGUSTA 185, LLC, and any successors and assigns of the entire interest of said AUGUSTA 185, LLC in all of the Property which it then owns, including those who, as the mortgagee in, or the holder of, any recorded mortgage executed by said Declarant or as the secured party or beneficiary of any recorded deed of trust executed by Declarant who comes into possession of all of any portion of the Property pursuant to foreclosure or execution of an assignment or other proceedings or arrangement in lieu of foreclosure.

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

(10) **Dwelling.** The word "dwelling" shall mean and refer to any building or portion of a building situated upon the Property and designed and intended for use and occupancy as a residence.

(11) **Garden Home.** A home or dwelling constructed in certain areas designated as a garden home development within Bridgewater II, a "garden home" development or subdivision being comprised of smaller lots with smaller minimum square footage area and having a supplemental Declaration.

(12) **Green Space.** "Green Space" shall mean certain portions of Common Area which are designated to be maintained in its natural condition so that the natural, scenic and recreational resources, soils, wetlands, wildlife, game and migratory birds currently in evidence

at Bridgewater II be maintained and enhanced. Such areas are designated as such on the recorded plat.

(13) Lakes.

(a) Lake. Any body of water shown on any plat on any phase or part of Bridgewater II and which has been designated as a Common Area, and which may be used by any member of the Association.

(b) Limited Access Lake (LAL). Any lake shown on any subdivision of or in Bridgewater II which is a facility to be used and access to which is only by any person who is a member of the Association and whose lot abuts the lake.

(14) Lot. The word "Lot" shall mean and refer to each of the Bridgewater Community numerically designated lots delineated on any plat of a subdivision in Bridgewater II. The word "Lot" shall not include any of the Common Areas or community facilities shown on the Plat. Each Lot shall also be either an "Improved Lot" or an "Unimproved Lot" as hereinafter defined.

(a) Improved Lot. The expression "Improved Lot" shall mean and refer to a Lot on which the dwelling has been substantially completed or is occupied or would be reasonably considered as ready for occupancy.

(b) Unimproved Lot. The expression "Unimproved Lot" shall mean and refer to a Lot on which the dwelling has not yet been started or may have been started but is not yet substantially complete or be reasonably considered as ready for occupancy.

However, if a person acquires ownership in two or more contiguous platted Lots, constructs on such contiguous platted Lots only one dwelling, and by covenant made for the benefit of the Association and his successors and filed for record in the Office of the Chancery Clerk of Madison County, Mississippi, declares that such platted and contiguous Lots shall thereafter be held, conveyed, hypothecated or encumbered, assigned, leased, rented, used, occupied and improved collectively in a manner which effectively combines such contiguous platted Lots into one parcel of land, then such contiguous platted Lots, except as to assessments, shall constitute one Lot.

(15) Member. The word "Member" shall mean and include every person holding any class of membership in the Association. Each and every person who is, or who

hereafter becomes, an owner of a Lot comprising part of the Property shall be a Member of the Association.

(16) **Mortgagee**. The word "mortgagee", as used herein, means and includes the mortgagee in or the holder, insurer or guarantor of any recorded mortgage, and the secured party or beneficiary in any recorded deed of trust, encumbering one or more Lots. The word "mortgage", as used herein, means and includes mortgage, deed of trust and any similar encumbrance. The expression "first mortgage", as used herein, means a mortgage with priority over all other mortgages encumbering the same Lot. The word "holder", as used herein, means the person entitled to the security afforded by a mortgage. The word "first mortgagee", as used herein, means the holder of a first mortgage. The word "institutional", when used to describe a mortgagee or holder, shall mean and include mortgagees or holders who are banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, all corporations, and any agency or department of the United States Government or of any state or municipal government.

(17) **Person**. The word "person" shall mean and include individuals, corporations, trusts, partnerships and all other legal entities, and any combination or group of any of same.

(18) **Plat**. The word "Plat" shall mean and refer to any plat designated as a part of "Bridgewater II" according to the map or plat filed for record in the office of the Chancery Clerk of Madison County, Mississippi, and subsequent phases of development of Bridgewater II.

(19) **Property**. The word "Property" shall mean and refer to all the land described in Exhibit "A" attached hereto, and any land described in Exhibit "B" upon annexation according to this Declaration. Portions of said land are described and will be described, shown, and subdivided on the various plats of Bridgewater II Community development.

ARTICLE II.

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

SECTION A. Membership. The Members of the Association shall include every person who is, or who hereafter becomes, an Owner of a Lot. When more than one person owns a Lot, all such persons shall be considered a Member of the Association, but only one vote may be cast for each Lot.

SECTION B. Administration. Bridgewater II Owners Association, Inc. will administer and manage Bridgewater II under its bylaws.

SECTION C. Action by Members of the Association. The Association shall have two classes of voting membership. Whenever in this Declaration any action is required to be taken by a specified percentage of "each class of the then Members" of the Association, then such action shall be required to be taken separately by the specified percentage of the then outstanding Class A members and by the specified percentage of the then outstanding Class B Members. Whenever in this Declaration any action is required to be taken by a specified percentage of the "then Members" of the Association, then such action shall be required to be taken by the specified percentage of the then outstanding total membership of the Association regardless of class.

SECTION D. Voting Rights. The voting rights of the Members shall be as follows, to-wit:

(1) **Class "A" Members.** Each person, other than a person herein defined as a "Declarant", who is or who hereafter becomes an owner of a Lot shall be a Class A Member of the Association. Class A Members shall be entitled to one vote for each Lot in which such person holds ownership.

(2) **Class "B" Members.** Each of the persons herein defined as "Declarant", and the nominee or nominees, if any, of each such person who becomes an Owner of a Lot, shall be Class B Members of the Association. Class B Members shall be entitled to five votes for each Lot in which such person holds ownership.

(3) Wherever any provision of the Declaration, or the By-Laws, requires a vote of a specified percentage of the voting power of each class of Members, then such

provisions shall require a separate vote by the specified percentage of the voting power of the Class A Members and by the specified percentage of the voting power of the Class B Members. Whenever any provisions of the Declaration requires a vote of a specified percentage of the voting power of the Members, then such provision shall require a vote by the specified percentage of the combined voting power of all Members.

SECTION E. Memberships Appurtenant to Real Property. In every case, the membership of a Class A Member and the membership of a Class B Member shall be appurtenant to the ownership of a Lot. A membership shall not be held, assigned, transferred, pledged, hypothecated, encumbered, conveyed or alienated in any manner except in conjunction with and as an appurtenance to the ownership, assignment, transfer, pledge, hypothecation, encumbrance, conveyance or alienation of the Lot to which the membership is appurtenant.

SECTION F. Termination and Reinstatement of Class B Memberships. The Class B Memberships shall terminate and automatically shall be converted into Class A Memberships upon the first to occur of the following dates, to-wit:

(1) Thirty-Six (36) months after no Class B Member owns any Property which has not been developed into lots or appurtenant facilities ready for sale in the ordinary course of business; or

(2) The date on which all remaining Class B Members shall voluntarily relinquish all Class B Memberships by a written document or documents delivered to the Association.

Upon the termination of the Class B Memberships, as provided above, each and all persons herein defined as a Declarant thereafter shall be and remain Class A Members as to each and every Lot he owns otherwise required for Class A Membership.

(3) If on one or more occasions all Class B memberships should terminate, and if after any such termination the Declarant, by annexation of the Property in accordance with the Declaration, should add additional property to the Property theretofore subject to the Declaration, then on each such occasion the status of the Declarant as Class B Members shall be fully reinstated, and following each such occasion the Declarant, or the nominee or nominees, if any, of the Declarant, shall continue to be Class B Members until such time as the total votes outstanding of Class A and Class B Members resulting from the newly added property has been

equalized. At such time, the Class B membership resulting from such addition shall cease and be converted to Class A memberships. Following each such reinstatement of the Class B memberships, and for so long thereafter as the Class B memberships shall continue to exist, the Declarant, and the nominee or nominees, if any, of the Declarant, shall have all rights and powers of Class B membership, as herein prescribed.

SECTION G. Other Voting Provisions. Only one vote may be cast with respect to any one Lot. Any person qualifying as a Member of more than one voting class of membership may exercise the votes to which he is entitled for each such class of membership. If a particular Lot is owned of record by more than one person, the vote appurtenant to such Lot may be exercised by any one of the owners, unless the other Owner or Owners shall object prior to the completion of voting upon the particular matter under consideration. In the case of any such objection, the vote appurtenant to said Lot shall not be counted.

SECTION H. Board of Directors. The affairs of the Association shall be managed and controlled by a Board of Directors consisting of the number of individuals from time to time prescribed by the Bylaws, which number, however, shall not be less than three nor more than seven. Directors need not be Members of the Association. From and after the first annual Members' meeting, and for so long as there is a Class B Member, the Board of Directors shall consist of Appointed Directors and Elected Directors. When there is no Class B Member, all Directors shall be Elected Directors.

SECTION I. Appointed Directors. Appointed Directors shall be selected and appointed by the concurrence of a majority of the Class B members, and shall serve at the pleasure of a majority of the Class B Members. The initial Board of Directors shall consist of three individuals, all of whom shall be Appointed Directors, and unless earlier replaced, said initial Directors shall serve until the first annual meeting of Members. From and after the first annual Members' meeting, and for so long as there is a Class B Member, the number of Appointed Directors at all times shall be equal to two-thirds of the total number of Directors prescribed from time to time by the Bylaws, or if at any time the total number of Directors prescribed by the Bylaws is not evenly divisible by three, then the number of Appointed Directors shall be equal to the whole number next larger than two-thirds of the total number of Directors prescribed by the Bylaws. It is anticipated that the Association may engage in

transactions with Declarant or companies affiliated with Declarant; and the fact that a Director of the Association has an interest in the Declarant or such affiliated company shall not, in and of itself, be considered a conflict of interest.

SECTION J. Elected Directors. Elected Directors shall be elected by the Class A Members at annual Members' meetings, and shall serve until their successors shall be elected and qualified in accordance with the Bylaws.

SECTION K. Officers. The Board of Directors may elect one or more officers of the Association to enforce the Board's policies. The number of such officers and their duties shall be specified in the Bylaws.

ARTICLE III.

MEMBERS' RIGHT OF ENJOYMENT

SECTION A. Members' Right of Enjoyment. Except as is provided in Section B of this Article, every Member shall have a right and easement of enjoyment in and to Common Areas and community facilities, which easement shall be appurtenant to and shall pass with the Lot owned by such Member, subject, in every case, however, to the following, to-wit:

(1) The right of the Association, acting by and through its Board of Directors, and in accordance with its Articles of Incorporation and Bylaws, to borrow money for the purpose of improving Common Areas and community facilities or any portion thereof, in a manner designed to promote the enjoyment and welfare of the Members, and in aid thereof to mortgage any Common Areas and community facilities, provided, however, that no such borrowing shall be done and no such mortgage shall be executed unless and until same has been approved by the vote of at least two-thirds of each class of the then Class A Members and the then Class B Members of the Association, voting separately; and

(2) The right of the Association, acting by and through its Board of Directors, to levy reasonable admission and other fees for the use of any Common Areas and community facilities by the Members and their families, lessees, employees, and guests; provided, however, that any such fees shall be charged on a uniform basis for each Member; and

(3) The right of the Association, acting by and through its Board of Directors, to take such steps as are reasonably necessary to protect the property of the Association against mortgage default and foreclosure, provided, however, that any such steps are in conformity with the other provisions of this Declaration; and

(4) The right of the Association, acting by and through its Board of Directors, to adopt reasonable house rules respecting use of any Common Areas and community facilities and to limit the number of guests of Members who may use any facilities on the Property; and

(5) The right of the Association, acting by and through its Board of Directors, to suspend any Member's voting rights and any Member's rights to use Common Areas and community facilities for any period during which any assessment remains unpaid and for any period not exceeding sixty (60) days for any infraction of any of the published rules and regulations of the Association; and

(6) The right of the Association, acting by and through its Board of Directors, to dedicate or transfer its interest in all or any part of the Common Areas, or to dedicate or transfer its interest in all or any part of any community facilities to the Declarant, or to any public or municipal agency, authority or utility for any purpose consistent with the purposes of the Declaration, and subject to such conditions as may be agreed to by the Board; provided, however, except for the grant of licenses, rights-of-way and easements as hereafter provided in Sub-paragraph 7, that no such dedication or transfer or determination as to purpose or as to conditions, shall be effective unless a majority of each class of the then Members of the Association consent to such dedication, transfer, purpose and conditions, at a special meeting of the Members duly called for such purpose; and provided and notwithstanding anything stated elsewhere herein, the adjustment or realignment of lot and Common Area boundaries, the granting of rights of way and easements, and the like for utilities or for other purposes consistent with the use of any Common Area or community facilities by the Members of the Association shall not be considered an encumbrance, sale or transfer within the meaning of this Sub-section; and

(7) The right of the Association, acting by and through its Board of Directors, to grant licenses, rights-of-way and easements in, upon, over and across any Common Area or community facility for access or for the construction, reconstruction, maintenance and repair of

any utility mains, cables, lines or appurtenances, whether public or private, to the Declarant, to any government agency, public utility, or any other person, provided, however, that no such licenses, rights-of-way or easements shall be unreasonable and permanently inconsistent with the rights of the Members to the use and enjoyment of any Common Areas and community facilities; and

(8) The right of the Association, acting by and through its Board of Directors, to open Common Areas and community facilities, or any portions thereof, to a wider group of persons, all for such purposes and on such terms and conditions as the Board of Directors may from time to time consider appropriate; and

(9) The right of the Association, acting by and through its Board of Directors, to restrict the use and enjoyment of certain parts of Common Areas and community facilities in accordance with specific provisions of this Declaration, for any purpose consistent with the purposes of the Declaration, or with a prior reservation scheduled by the Management Agent; and

(10) The right of the Association, acting by and through its Board of Directors, for such purposes as it may deem necessary in its sole discretion to maintain guarded or electronically monitored gates monitoring, limiting, or controlling pedestrian or vehicular access to and from the Property or to and from any Common Areas and community facilities; and

(11) The right of the Association, acting by and through its Board of Directors, for such purposes as it may deem necessary in its sole discretion, to maintain guarded or electrically monitored gates monitoring, limiting, or controlling pedestrian or vehicular access to restrict the use and enjoyment of any Common Areas and community facilities in order to comply with the provisions of the comprehensive liability insurance policy obtained and maintained in favor of the Association; and

(12) Those limitations and conditions which may be stated in any document of record transferring to the Association an interest in any Common Area or community facility.

SECTION B. Delegation of Right to Use. Any Member of the Association may delegate his rights to the use and enjoyment of Common Areas and community facilities to the members of his family who reside permanently with him and to his approved tenants, contract

purchasers and guests, all subject to such reasonable rules and regulations as the Board of Directors of the Association may adopt and uniformly apply and enforce.

ARTICLE IV.
ASSESSMENTS

SECTION A. Authority to Levy Assessments.

(1) The Association, acting by and through its Board of Directors, shall have the right to levy assessments against Lots within the Property for defraying the Association's expenses, for administering and enforcing the covenants, conditions and restrictions of this Declaration, for carrying out the powers and duties mentioned herein, and for otherwise fulfilling the purposes of this Declaration or of the Association. The Board of Directors may levy any or all of the following types of assessments:

- (a) Annual Operating and Maintenance Assessments;
- (b) Special Assessments;
- (c) Damage Assessments;

(d) Dwelling & Lawn Maintenance. Generally, this Declaration does not contemplate that the Association shall have any responsibility for the maintenance or repair of any Dwelling or its appurtenances or for the maintenance and care of lawn, garden and landscaped areas on any Lot, and the Association shall have the responsibility and duty only for the maintenance, repair and care of the Common Area and Community Facilities. However, the Association may provide the exterior maintenance and repair of Dwellings and their appurtenances and/or the maintenance and care of lawn, garden and landscaped areas of certain Lots pursuant to (i) a determination by the Board of Directors either on its own recommendation or initiative or the recommendation or request of Owners of certain Lots, or (ii) the provisions of a Supplement which annexes all or a portion of the Additional Property to the Property and provides that the Association shall perform such maintenance, repair and care in or on a specified portion of the annexed Additional Property. The cost of such maintenance, repair and care shall be included in the annual maintenance Assessments of such Lots and a charge and a lien upon

each such Lot and the Owners of such Lots. In no event shall the Association maintain and care for lawn, garden and landscaped areas in or on any enclosed portion of any Lot which is intended for use only by the occupants of the Dwelling of such Lot.

The Association may levy any and all of these types of assessments concurrently for the purposes specified or implied, as and when provided and conditioned in the bylaws of the Association, and in the amounts determined and limited by the Board of Directors, and against each and all of those Lots hereinafter identified. Each and all of these assessments properly levied shall become a lien against such Lots enforceable by the Association.

(2) **Section 2. Annual Operating and Maintenance Assessments.** Each Assessment Year, the Association shall levy an Annual operating and Maintenance Assessment against all Lots owned by a Class A Member. The amount of the Annual Operating and Maintenance Assessment shall be the amount required by the Association, as estimated by the Board of Directors, to meet the Association's Annual Expenses during the Assessment Year, including Reserves for Replacement, divided by the total number of Lots owned, at the time of such estimate, by a Class A Member. Annual Operating and Maintenance Assessments shall be levied equally and uniformly against each of said Lots owned by a Class A Member. The amount of such Annual Operating and Maintenance Assessment levied against a Lot owned by a Class A Member shall be the Association's Annual Operating and Maintenance Assessment for that Assessment Year. Each person, except Declarant, who becomes an owner of a Lot comprising part of the Property, by acceptance of a deed therefor or acceptance of a similar instrument transferring to him title to the Lot, whether or not said instrument shall so state, shall be deemed to covenant and agree to pay the Association each month, in advance, a sum equal to one-twelfth (1/12) of the Association's Annual Operating and Maintenance Assessment, as same from year to year may be determined and set. The Board of Directors may allow annual or semi-annual payments at its discretion. Each Class A Member owning a Lot at the beginning of an Assessment Year shall be responsible for paying during the Assessment Year the full amount of the Annual Operating and Maintenance Assessment levied against his Lot. Each Class A Member acquiring ownership in a Lot during an Assessment Year shall be responsible for paying during the remainder of the Assessment Year a prorated amount of the Annual Operating and Maintenance Assessment.

The Association's annual expenses shall include but in no way shall be limited to the following, to-wit:

- (a) The costs of operating Common Areas and community facilities, including the costs incurred for reasonably necessary management and administration of Common Areas and community facilities, which costs shall include fees paid to any Management Agent; and
- (b) The costs of maintaining, cutting, pruning, treating, fertilizing, caring for, replacing, and irrigating trees, shrubs, lawn grasses, and other landscape components located within the rights-of-way of public or private streets within or bordering the Property or within any Common Areas and community facilities; and
- (c) The costs of maintaining, replacing and repairing the components of the Community entrance and fences installed by Declarant along Hickory Road including staining surfaces visible from said roads, and the costs of such equipment required therefor; and
- (d) The costs of maintaining, replacing and repairing streets including pavements, curbs, gutters, storm sewers, inlets, street lights (including costs of operation), utility fixtures, sidewalks, the Community entrance and the costs of such equipment required therefor, as, when and to the extent the Board of Directors shall determine is necessary and proper to fulfill the purposes of the Declaration; and
- (e) The amount of all taxes and assessments levied against Common Areas and community facilities or otherwise levied against the Association; and
- (f) The costs of fire and extended coverage and comprehensive general liability insurance on Common Areas and community facilities and the costs of such other insurance as the Association may place in force with respect to Common Areas and community facilities; and
- (g) The costs of utilities and other services which may be provided to the Association, including any Community entrance; and
- (h) The costs of funding all reserves established by the Association, including a general operating reserve and a reserve for replacements. The Association shall establish and maintain a reserve fund for replacements of Common Areas and community facilities

and their components and equipment. The Association shall allocate and pay monthly to such reserve fund whatever amount may be designated from time to time by the Board of Directors. The Board of Directors may allow annual or semi-annual payments at its sole discretion. Amounts paid into such fund shall be conclusively deemed to be a common expense of the Association, and all such amounts may be deposited in any banking institution, the amounts of which are insured by any agency of the United States, or, in the discretion of the Board of Directors, may be invested in obligations of, or obligations fully guaranteed as to principal by, the United States of America. The reserve for replacements of Common Areas and community facilities may be expended only for the purpose of effecting the replacement of Common Areas and community facilities, for major repairs to the components thereof, for equipment replacement, and for start-up expenses and operating contingencies of a non-recurring nature relating to Common Areas and community facilities. The Association may establish such other reserves for such other purposes as the Board of Directors may from time to time consider to be necessary or appropriate. The proportional interest of each Member in any such reserves shall be considered an appurtenance to his Lot, and shall not be withdrawn, assigned or transferred separately from or otherwise than as an appurtenance to the Lot to which it appertains, and shall be deemed to be transferred with such Lot.

(3) **Special Maintenance Assessments.** The Association, acting by and through its Board of Directors, may levy during any Assessment Year one or more Special Maintenance Assessments, applicable to that year only, for the purpose of paying in whole or in part the costs of any construction and reconstruction, inordinate repair or replacement of any improvement, fixtures or personal property constituting part of the Common Area and community facilities or for such other purposes as the Board of Directors may deem appropriate; provided that prior to being levied any such assessment shall be approved by not less than two-thirds (2/3) of the then Class A Members and not less than two-thirds (2/3) of the then Class B Members, voting separately. A meeting of the Members shall be duly called for the purpose of approving any special Maintenance Assessment. Each person, including the Declarant, who becomes an Owner of a Lot comprising part of the Property, by acceptance of a deed therefor or acceptance of a similar instrument transferring to him the ownership in the Lot, whether or not

said instrument shall so state, shall be deemed to covenant and agree to pay the Association each month, in advance, a sum equal to one twelfth (1/12) of any Special Maintenance Assessment. The Board of Directors may allow semi-annual or annual payments at its sole discretion. Each Member owning a Lot at the beginning of an Assessment Year shall be responsible for paying such installments as directed during the Assessment Year the full amount of such Special Maintenance Assessment levied against his Lot. Each Member acquiring a Lot during an Assessment Year shall be responsible for paying in such installments during the remainder of the Assessment Year a prorated amount of any such Special Maintenance Assessment unless such Special Maintenance Assessment levied against his Lot has been fully paid.

(4) **Damage Assessments.** In the event the Board of Directors, in its discretion, determines that a Class A Member has failed or refused to discharge properly his obligations with respect to the maintenance, repair or replacement of any items for which the Member is responsible or finds that a Member is responsible wholly or partially for damage to the Community entrance, any street or component thereof, any Common Area or community facility or component thereof, or any area of common responsibility, the Board of Directors, acting for and on behalf of the Association, shall give the Member written notice of the Association's intent to provide the necessary maintenance, repair or replacement at the Member's cost and expense, which notice shall set forth with particularity the maintenance, repairs and replacement deemed necessary, and which notice shall be sent through the U. S. Postal Service by Certified Mail. The Member shall have thirty (30) days from the post mark date of mailing the notice to complete the maintenance, repair or replacement or appear before the Board of Directors to contest its determination. If the Member fails in this obligation the Association may provide such maintenance, repair and replacement at the Member's expense and all or any part of the costs thereof shall be levied as a Damage Assessment against one or more of the Lots in which the Members owns an interest. Each person, excluding the Declarant, who becomes an Owner of a Lot comprising part of the Property, by acceptance of a deed therefor or acceptance of a similar instrument transferring to him ownership in the Lot, whether or not said instrument shall so state, shall be deemed to covenant and agree to pay the Association each month for the next successive twelve (12) months, in advance, a sum equal to one twelfth (1/12) of any such Damage Assessment as levied.

(5) **Equitable Adjustments.** If a Supplement is filed for record which annexes any portion of the Additional Property to the Property and specifies that a greater or lesser level of use, benefit or enjoyment of the Common Area or Common Facilities or of services shall be available or provided by the Association with respect to any portion of the annexed Additional Property, then the Supplement may provide a different method or basis for the establishment, determination and calculation of the annual maintenance or special Assessments under Section A (2), Section A (3), Section A (4) or Section A (1) (d), supra, with respect to such annexed Additional Property. In such event, the Association shall have the authority and the duty to make equitable adjustments in and to the procedures described in this Article IV for the establishment, determination and calculation of the annual maintenance and special Assessments to reflect any such different level of use, benefit and enjoyment of the Common Area or Common Facilities or services available or provided by the Association.

(6) **Assessments Are Not Dues.** No portion of the annual maintenance and special Assessments provided in or permitted by this Article IV are intended to be, or shall be construed to be, dues for membership in the Association.

(7) **Assessment of Developers.** Any Lot owned by a Developer shall be subject to Assessment by the Association with the assessment to be pro-rated between Developer and Declarant for the year of purchase.

SECTION B. Enforcement of Assessments.

The Association, acting by and through its Board of Directors, and acting pursuant to the bylaws of the Association, shall have the power to enforce the collection of any assessment levied by the Board and take such other and further action as to assessments (levy and collection, etc.) as may be necessary and as expressed in the bylaws of the Association.

SECTION C. Subordination of Mortgages. Notwithstanding any other provision of this Declaration to the contrary, the lien upon any Lot to secure any assessment levied pursuant to this Declaration shall be subordinate to the lien of any duly recorded first mortgage on such Lot made in good faith and for value received, and the lien hereunder shall in no way affect the rights of the holder of any such first mortgage; provided, however, that such subordination shall apply only to assessments, and installments thereof, which have become due and payable prior to the sale or transfer of such Lot pursuant to a foreclosure of any such first mortgage, or prior to

the execution of any deed, assignment or other proceeding or arrangement in lieu of foreclosure. Any holder of any such duly recorded first mortgage made in good faith and for value received who comes into possession of such Lot pursuant to a foreclosure of the mortgage, or pursuant to the execution of any deed, assignment or other proceeding or arrangement in lieu of foreclosure, and any purchaser at a foreclosure sale, as well as any transferee under any deed, assignment or other proceeding or arrangement in lieu of foreclosure, shall take the Lot free of any claims for unpaid assessments levied against the Lot which accrued prior to the time such holder comes into possession of the Lot, or prior to the foreclosure sale or prior to the execution of any deed, assignment or other proceeding or arrangement in lieu of foreclosure, as the case may be, except for claims for a proportionate share of such unpaid assessments resulting from a reallocation of such unpaid assessments among the various Lots upon the Property. However, such foreclosure, deed, assignment or other proceeding or arrangement in lieu of foreclosure shall not relieve the mortgagee in possession or the purchaser at foreclosure or the transferee under any deed, assignment, or other proceeding's or arrangement in lieu of foreclosure from any liability for any assessments thereafter becoming due, or from the lien herein created to secure the payment of any such assessments, which lien, if it be asserted as to any such assessments thereafter becoming due, shall have the same effect and be enforced in the same manner as is provided herein.

No amendment to this Section shall affect the rights of the holder of any first mortgage on any Lot (or the holder of any indebtedness secured thereby) recorded prior to the recording of any such amendment, unless said holder shall join in the execution of any such amendment.

The Board of Directors, in its sole and absolute discretion, may extend the provisions of this Section to the holders of mortgages (or the holders of the indebtedness secured thereby) not otherwise entitled to the benefits hereof.

SECTION D. Additional Default. Any recorded first mortgage encumbering a Lot on the Property may provide that any default by the mortgagor in the payment of any assessment levied pursuant to this Declaration, or any installment thereof, likewise shall be a default under such mortgage, but failure to include such a provision in any mortgage shall not affect the validity or priority thereof, and the protection extended to the holder of any such mortgage (or

the indebtedness secured thereby) by this Declaration shall not be altered, modified or diminished by reason of any such failure.

ARTICLE V.

ARCHITECTURAL REVIEW

SECTION A. Architectural Guidelines and Review.

(1) In order to protect the natural beauty and tranquility of the Property, promote aesthetic harmony of the Community, and protect property values, and subject to Sub-Paragraph (2) following, an Architectural Review Committee appointed by the Board of Directors must review and approve all plans for any improvements (including grading, site location and landscaping) on the Property prior to any construction activity. Architectural Design Guidelines and a review and approval process have been established to provide owners, architects and contractors with parameters for the preparation and approval of these drawings and specifications. The Architectural Design Guidelines are incorporated herein and made a part hereof by reference. A copy of the Guidelines may be obtained from the Declarant or the Association. Prospective purchasers of Lots are encouraged to review these Architectural Design Guidelines prior to purchasing a Lot. To cover expenses of review, including expenses of architects or other consultants, the Architectural Review Committee may charge a fee for reviewing applications, which fee may be established by the Committee from time to time.

(2) Subject to the limitations imposed by and under Article XIV, Section D. (2), the Architectural Review Committee shall be appointed by the Declarant or by a majority of Class B members as long as Declarant owns of record any lot or any part of the Property unplatted subject to annexation. Thereafter, the Architectural Review Committee shall be appointed by the Board of Directors.

SECTION B. Enforcement of Architectural Guidelines. In addition to its other powers under these Declarations or existing law, the Association shall be entitled to:

(1) Prohibit construction of any improvements on the Property which the Architectural Review Committee has not approved; and

(2) Prohibit further construction of or compel removal or modification of improvements which are at variance or not in compliance with the plans approved by the Architectural Review Committee, if the Association, in its sole discretion, determines that the variance is material.

(3) All Owners, by accepting a deed to the Property, acknowledge, and a conclusive presumption exists, that no adequate remedy exists at law for a violation of the Architectural Design Guidelines, and that the threatened harm of a violation of the Architectural Design Guidelines exceeds any threatened harm to an Owner from not being able to construct improvements in violation of the Guidelines. The Association shall be entitled to recover its attorneys fees and other costs of enforcing compliance with the Architectural Design Guidelines.

ARTICLE VI.

MAINTENANCE

SECTION A. Obligation to Maintain Lot.

(1) Each Class A Member shall have the obligation to maintain his entire Lot, which obligation shall include regular cutting, pruning, treating, fertilizing and caring for trees, shrubs, lawn grasses and other components (including irrigation systems) of lawns and landscaped and/or open areas within his Lot. This obligation applies to Unimproved Lots as well as Improved Lots, and, without limiting the foregoing, expressly requires owners of Unimproved Lots to keep the grass cut. This obligation applies from lot line to lot line within each Lot, and to the curb of each street to which a Lot adjoins, and regardless of whether part of the Lot is burdened by an easement.

(2) In addition, the Association may secure the services of a landscaping or a yard maintenance company to effect the cutting of yards on a regular basis, i.e., on the first and third Saturdays of each month during certain seasons.

SECTION B. Obligation to Maintain Dwellings. In addition to his obligation to maintain his Lot, each Class A Member who has an interest in an Improved Lot shall have the obligation to maintain and repair the exterior of the dwelling and any other structures on his Lot, which obligation shall include repainting the dwelling on a regular basis to maintain a tasteful

and attractive exterior, and repairing broken windows and missing roof tiles or shingles. If the dwelling or any other structure should be damaged or destroyed by fire or other casualty, the Member shall remove, repair and/or replace any damaged portions promptly.

SECTION C. Enforcement. If the Board of Directors, in its discretion, determines that a Class A Member is not fulfilling his duty of maintenance under this section, then the Association may enter upon this Member's Lot, perform the maintenance, and levy an assessment on the Lot to secure repayment of its costs, all as provided in Article IV, Section B herein, and in the bylaws referenced therein. The Association also may use any other remedy available to it under this Declaration or by law to enforce this maintenance obligation.

ARTICLE VII.

PROHIBITIONS

SECTION A. Prohibited Actions, Activities, Uses and Nuisances. Except for the activities of the Declarant during the construction and development of the Community, except for activities and uses expressly permitted and not substantially inconsistent with the provisions of this Declaration, except for things done pursuant to the prior written approval of the Architectural Review Committee, and except as may be necessary in connection with reasonable and necessary repairs or maintenance to any dwelling or to any Common Areas or community facilities or component thereof:

(1) A Lot may shall used for single family residential purposes only and not for commercial purposes, with siting of all improvements to be determined by the decision of said Architectural Review Committee.

(a) The term "residential purposes" as used herein shall be held and construed to exclude, among other things, hospitals, duplex houses, apartment houses, churches, playgrounds, parks, and to exclude offices, commercial and professional use, except an office in the home, and these covenants do hereby prohibit such usage for any lot.

(b) An Owner may not lease a Lot or improvements on a Lot to another person, unless the Board of Directors approves. No timesharing or similar arrangements are allowed.

(c) Each Lot or Owner covenants to notify the Association in writing of the transfer, sale, or lease of his or her Lot or Property and the name of the new owner or approved lessee. No Lot or Property may be sold, transferred, or leased without so notifying the Association. All new owners and lessees shall be required to become a member of the Association and be subject to this Declaration and the bylaws, rules, and regulations of the Association.

(2) No noxious or offensive trade or activity shall be carried on upon any Lot or within any dwelling, nor shall anything be done thereon or therein, which may be or become an annoyance or nuisance to the Community or other Members. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell or other sound device, except such devices as may be used exclusively for security or safety purposes, shall be located, installed or maintained upon the exterior of any dwelling or upon the exterior of any other improvements. No noxious or offensive odors shall be allowed to arise from any Lot.

(3) The maintenance, keeping, boarding or raising of animals, livestock, fowl, or poultry of any kind, regardless of number, is hereby prohibited on any Lot or within any dwelling, except that this shall not prohibit the keeping of dogs, cats or caged birds as domestic pets provided they are not kept, bred or maintained for commercial purposes, and provided further, that such domestic pets are not a source of annoyance or nuisance to the community or other Members. The Board of Directors, or upon resolution of the Board of Directors, the Architectural Review Committee, shall have the authority, after hearing, to determine whether a particular pet is a nuisance or a source of annoyance to other Members, and such determination shall be conclusive. Pets shall be attended at all times and shall be registered with the proper authority, licensed and inoculated as may from time to time be required by law. Pets shall not be permitted within or upon any other Common Areas and community facilities unless the pet be carried, or is on a leash and accompanied by an adult capable of controlling the animal. In no such event shall any pet be allowed to use any Common Area or community facility as a toilet facility. The Board of Directors shall have the right to adopt such additional rules and regulations regarding pets as it may from time to time consider necessary or appropriate.

(4) No burning of any trash and no accumulation or storage of litter, lumber, scrap metals, refuse bulk materials, waste, new or used building materials, or trash of any other

kind shall be permitted on any Lot. Firewood shall be kept neatly stacked only within a Lot on which the dwelling is occupied.

(5) Except for those of a guest or temporary employee, no automobile or other motor vehicle shall be parked or permitted to remain parked on a street except during bona fide emergencies. No wrecked or junk vehicle, commercial vehicle, large trailer, truck larger than 3/4 ton, house trailer, mobile home, bus, camper, all-terrain vehicle, motorcycle, boat, or machinery or equipment of any kind or character (except such equipment and machinery as may be reasonable, customary and usual in connection with the use and maintenance of any dwelling, and except such equipment and machinery as the Association may require in connection with the maintenance and operation of any Common Areas and community facilities) shall be kept within the Property unless such is completely enclosed in a garage or kept in an area specifically designated therefor by the Association, nor (except during bona fide emergencies) shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out on a street, Lot, Common Area or community facility within the Property.

(6) All property owners shall use garbage containers issued by the garbage collection company or as may be specified and approved by the Association. Trash and garbage containers shall not be permitted to remain in public view except on days of trash collection. No incinerator shall be kept or maintained upon any Lot. Garbage, trash, and other refuse shall be placed in covered containers. Containers or other equipment used for the storage or disposal of garbage, trash, rubbish or other refuse shall be kept in clean, sanitary condition.

(7) Except with the written approval of the Association, acting by and through its Board of Directors, which approval must be so indicated within the written instrument effecting the transfer or conveyance of the Lot, no Lot shall be divided or subdivided, no portion of any Lot (other than the entire Lot) shall be transferred or conveyed for any purpose, and no easement or right-of-way shall be transferred or conveyed for any purpose to any public or private utility, public body, or person. Notwithstanding the foregoing, nothing in this subsection shall prohibit such change or realignment of boundaries as between adjacent Lots as may be deemed reasonable to the Association, and the change or realignment of boundaries between a Lot and a Common Area(as to which the Board of Directors shall be required to give its approval, and provided further such does not materially decrease the accessibility of the

Common Area or decrease the acreage in the total Common Areas of the Property), the combination of two or more Lots into a larger Lot, and the conveyance to a public or private utility company of an easement or right-of-way for underground sewers, pipes, wires, cables or conduits which are to be installed and operated for the benefit of the Community. The provisions of this Sub-section shall not apply to Lots owned by the Declarant at the time of such transfer or conveyance of any easement or right-of-way to any municipality, political subdivision, public utility or other public body or authority, private utility, or to the Association, the Declarant, or any other person for any purpose.

(8) No water pipes, sewer pipe, gas pipe, drainage pipe, telephone cable, electric wire, television cable, or similar line shall be installed or maintained on any Lot above the surface of the ground.

(9) No Lot shall be used for the purpose of boring, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth.

(10) No sound hardwood trees measuring in excess of four (4) inches in diameter four (4) feet above the ground shall be removed from any Lot without the written approval of the Architectural Review Committee.

(11) No structure of a temporary character, and no trailer, tent, shack, barn, kennel, outdoor clothes line or dryer, swimming pool filter system, fuel or similar tanks, playhouse, shed or other building shall be erected, used or maintained on any Lot at any time, unless:

(a) Approved in advance by the Architectural Review Committee which shall have complete and unfettered discretion to deny or condition its approval of applications to build such structures, and at the discretion of the Architectural Review Committee, and

(b) Completely enclosed by a fence and not visible from public view.

(12) Except for entrance signs, directional signs, signs for traffic control or safety, Community identification signs, and such promotional sign or signs as may be maintained by the Declarant or the Association, no signs or advertising devices of any character shall be erected, posted or displayed upon, in or about any Lot or dwelling, provided, however, that one temporary non-flashing real estate sign not exceeding six (6) square feet in area, may be erected upon any Lot or attached to any dwelling placed upon the market for sale. Any such temporary

real estate sign shall be removed within forty-eight (48) hours following the sale of such Lot or dwelling.

(13) No structure, planting or other material shall be placed or permitted to remain upon any Lot which may damage or interfere with any easement for the installation or maintenance of utilities, or which may unreasonably change, diminish, obstruct, or retard the direction or flow of surface water runoff in any drainage easement, storm drain, swale or channel.

(14) No television or radio aerial or antenna, and no other type of aerial or antenna or similar device such as a satellite antenna or dish, used either for reception or for transmission, shall be maintained upon any Lot or the exterior of any dwelling, unless such aerial, antenna, or device be screened from public view in a manner approved in advance by the Architectural Review Committee.

(15) No Member shall engage or direct any employee of the Association on any private business during the time when such employee is on duty as an employee of the Association, nor shall any Member who is not an officer or director of the Association direct, supervise, or in any manner attempt to assert control over any employee of the Association during such time.

(16) No Member shall dedicate, convey or permit an easement, license, or right-of-way for any purpose in, through, over or across all or any part of a Lot he owns (unless such easement, license, or right-of-way was dedicated, conveyed or permitted by the Declarant or its predecessors in title) without joinder therein by the Association acting by and through its Board of Directors, which may impose on the grantee or beneficiary thereof such requirements and restrictions as the Board of Directors may deem necessary to preserve the health, safety, convenience, and welfare of the Members of the Association or otherwise promote the purposes of this Declaration.

(17) No Member shall fail to maintain or repair his or her Lot or dwelling or other structure on his Lot, or do anything that detracts from the natural tranquility and beauty of the Property, or the aesthetic harmony or property values of the Community.

(18) No Member shall build his own cesspool, sewerage or water treatment facilities, or water well, but will install and use only water, sewerage and other utility services provided by utility companies serving the Community and approved by the Association.

SECTION B. House Rules. No Member or other person shall violate any rules for the use of the Common Areas or community facilities or house rules or other Community rules and regulations not inconsistent with the provisions of the Declarant which may be adopted from time to time by the Board of Directors and promulgated in writing among the membership, and the Board of Directors is fully authorized to adopt all such rules and regulations.

SECTION C. Prohibited Ownership. Except for Declarant, or a corporation or partnership in which Declarant has an ownership interest, corporations, partnerships, associations, or groups of any kind may not own lots within Bridgewater II. Every person who accepts a deed to property within Bridgewater II covenants that he or she will not convey any property to a corporation, partnership, association, or group of any kind. Lots and the improvements thereon shall be held by one individual except that a person and his or her spouse may own a lot and improvements jointly. This provision applies to the title of a lessee as well to the title of a fee owner. A trustee may, however, for a limited period of time such as in foreclosure or other involuntary acquisition, hold title to a lot or property for up to one (1) year subject to these covenants so long as all of the covenants hereof are observed. A qualified retirement plan may own title to property for a period of up to three (3) years from the date of this Declaration. Thereafter, no qualified retirement plan may own title to property. An estate may hold title to a lot or property for up to three (3) years so long as all of the covenants hereof are observed. The Association may waive the provisions of this Section C. Nevertheless, in certain cases, a builder (contractor/ corporation/ partnership) may take title to construct a dwelling for himself/herself, or for a customer/client, but such builder shall not hold title in a corporate or partnership name for longer than twelve (12) months following substantial completion of construction as said completion is determined by the Board of Directors. During such ownership, the Owner shall observe all of the terms and conditions of these covenants and shall pay such fees, dues, and expenses as would be levied or assessed against any other Owner, or as may be imposed by the Board of Directors.

ARTICLE VIII.**EASEMENTS**

SECTION A. Reservation of Easement Rights by the Declarant. The Declarant, for itself and its assigns, hereby reserves a nonexclusive easement and right-of-way in, through, over, and across any area shown as an easement on the Plat and in, through, over, and across any Common Areas and community facilities for the purposes of the storage of building supplies and materials, the installation, construction, maintenance, reconstruction and repair of sanitary sewers, water pipes, irrigation pipes, electrical wires or cables, telephone wires or cables, gas lines, storm drains, television cables, underground conduits, and related appurtenances to any of same, and for all other purposes reasonably related to the completion of construction and the provision of utility services, whether public or private, to the Community and to other real property in the vicinity of the Community. Any and all instruments of conveyance made by the Declarant to the Association with respect to any Common Areas and community facilities shall be conclusively deemed to incorporate this reservation, whether or not specifically set forth in such instruments. At the request in writing of the Declarant, the Association shall from time to time execute, acknowledge, and deliver to the Declarant such further assurances of this reservation as may be necessary.

SECTION B. Conveyance of Easements for Utilities and Related Purposes. The Association is authorized and empowered to grant (and shall from time to time grant) such other easements, licenses, and rights-of-way over any Common Areas and community facilities for the installation, operation and maintenance of sanitary sewers, water pipes, electrical wires or cables, telephone wires or cables, gas lines, storm drains, television cables, underground conduits, and related appurtenances for any and all purposes benefitting the Community and other real property in the vicinity thereof as may be considered necessary or appropriate by the Board of Directors for the orderly maintenance, preservation and enjoyment of any Common Areas and community facilities and for the preservation of the health, safety, convenience, and welfare of the owners of the Lots, or the Declarant.

SECTION C. Construction Easements. The Association, acting by and through the Board of Directors, shall have the right, but not the duty, to subject temporarily a reasonable part

of any Common Area or community facility or a reasonable part of any Lot to a construction easement for the benefit of the Association or the Owner of an adjoining Lot, which construction easement shall be to permit the safe and proper construction of a dwelling or appurtenance on the adjacent Lot. Said construction easement may be conditioned by any reasonable terms and provisions, including limitations as to duration, as the Board of Directors may determine to be necessary or appropriate. The beneficiary of any such construction easement shall solely bear responsibility for damages to or disturbance of (caused by the beneficiary's exercise of any right herein enumerated) improvements or ground surfaces on the portions of the Common Area or community facility subjected to such easements for benefit of the beneficiary. The failure of the beneficiary to promptly repair or restore such damaged or disturbed improvements and surfaces shall be considered a violation of these covenants, conditions and restrictions, and, upon written notice from the Board of Directors, such violation shall be promptly corrected, removed or remedied. In the event the violation is not corrected, removed or remedied, within fifteen (15) days (or within such shorter period as may be reasonably required in such notice) after notice of the violation is delivered to the Member who is the beneficiary of said construction easement, then the Association shall have the right, through its agents and employees (but only after the Board of Directors by resolution has so directed) to take such steps as may be necessary to correct, remove or otherwise remedy such violation, and the cost thereof may be assessed against any Lot owned by the Member who is the beneficiary of said construction easement, and, when so assessed, a statement for the amount thereof shall be rendered to such Member as the Owner of such Lot, at which time the assessment shall become due and payable and shall be secured by a continuing lien upon such Lot, and shall be a binding personal obligation of the Owner of such Lot, in the same manner and subject to the same limitations as are provided in Article IV of this Declaration and the bylaws therein referenced.

SECTION D. Maintenance and Support Easements. Any Common Areas and community facilities, each Lot, and any dwelling on a Lot, for the benefit of the Association and the Owner of the adjoining Lots and abutting dwellings, shall be and hereby is subject to irrevocable easements for drainage (including "French" drains) for:

(1) The maintenance and unobstructed and uninterrupted use of any and all underground pipes, ducts, flues, chutes, conduits, cables and wire outlets and utility lines of every kind.

(2) To easements for maintenance and lateral support of adjoining and abutting buildings and improvements.

(3) To easements for such portions of any building or improvement that may overhang a Lot or any portion of any Common Areas and community facilities.

(4) To easements for the lead walks and sidewalks serving adjoining and abutting areas.

SECTION E. Landscaping Easement. Declarant and the Association, acting by and through its Board of Directors, shall have the right to impose a landscaping easement not to exceed ten (10) feet in width along Hickory Road, and such easements as may be required or deemed necessary by the Declarant or the Association for the landscaping of the entranceway or ways for Bridgewater II Community, such easements to be reserved in any deed from the Declarant to its Grantee of record.

SECTION F. Utility and Drainage Easements.

(1) Unless otherwise set forth in the deed of conveyance from the Declarant, or otherwise shown on the recorded plat of the subdivision, the following easements are reserved on, over, and across all lots:

(a) An easement ten (10') feet in width off of and across each side of each lot adjacent to the right of way of any dedicated street;

(b) An easement five (5') feet in width adjacent to each interior lot line;

(c) An easement ten (10') feet in width adjacent to the rear lot line;

(d) Any Special Purpose Easement as set forth in Section A of Article VIII, and as shown on the recorded plat of subdivision;

(2) If an owner of two adjacent lots desires to use such lots as one lot and construct a dwelling or other improvement on the property line joining the two lots, then and in that event, the easement along the common line between the two lots may be abandoned by the Declarant and the Association, provided, that there are no utility lines located within such easement. If the Declarant and the Association elect to abandon said easement, and there are no

utility lines or facilities located within the easement, upon filing of a resolution of abandonment by the Association and the Declarant, said easement shall be extinguished.

(3) If there is any conflict between the dimensions as set forth hereinabove, on the recorded plat or in the deed of conveyance from the Declarant to its Grantee, then the easements set forth in the conveyance shall control, except where a greater width is shown on the recorded plat.

(4) As they are shown on the Plat, all the areas depicted on the Plat either as utility easements (or as drainage easements, or as both), and any area which may be designated or reserved as a utility easement, (or as a drainage easement, or both), in a deed to a buyer, shall each and all be subject to non-exclusive easements in favor of, severally, the Association, the Declarant, and each certified utility company which heretofore has installed, or caused to be installed, or which may hereafter install, or cause to be installed, within said easement any sanitary sewer pipe, water pipe, wire, conduit, cable, manhole, valve, transformer, switch, connector, or any other equipment or facility for the purpose of transmitting or providing sanitary sewer service, water, electricity, telephone, natural gas, cable television signals, or any other service normally considered to constitute a "utility" service. Each such easement shall permit the Association, the Declarant, and each such utility company to perform from time to time anything and everything reasonably necessary or appropriate to repair, maintain, replace, change the size of, and otherwise maintain in proper and adequate operating condition all such equipment and facilities heretofore installed by or for each such utility company, provided however, a utility company shall have no right to place any such pipe, wire, conduit or appurtenance above the ground without the express written permission of the owner and the Association unless such pipe, wire, conduit or appurtenance is routinely placed above ground when the utility company provides underground service or unless such pipe, wire, conduit or appurtenance exists on the Lot above ground prior to ownership in the Lot being acquired by the Owner. As used herein, the expression "utility company" shall mean and include Mississippi Power & Light Company, South Central Bell Telephone Company, Madison County television cable companies, Entex, Inc., Mississippi Valley Gas Company, and any other entity which has heretofore or which shall have hereafter installed, or maintains the facilities mentioned above.

(5) All the areas depicted or designated on such plat as drainage easements (or as utility easements or as both), or as reserved in the deed to a buyer, also shall be subject to non-exclusive easements in favor of the Association and Declarant, severally, which easements shall permit the Association and the Declarant, or either of them, to perform from time to time anything and everything reasonably necessary or appropriate to maintain proper drainage within the Community. Nothing in this Sub-paragraph shall be interpreted as relieving the owner of a Lot from the responsibility of performing all routine cutting, trimming, pruning and upkeep necessary or appropriate to maintain any and all portions of a Lot across which surface water may drain.

ARTICLE IX.

LAKE, USE OF LAKE, BOATING AND FISHING REGULATIONS

SECTION A. EASEMENT RIGHTS

1. Reservation of Easement Rights by the Declarant.

(a) In connection with the development of any lake in Bridgewater II, other than a lake falling within the purview of Paragraph 3 Section (O), Declarant reserves certain non-exclusive easements and rights of way in, through, over, and across portions of the properties comprising the lake for the purpose of constructing, maintaining, reconstructing and repairing the lake, the dam and appurtenances to any of same, and for all other purposes reasonably related to the repair, maintenance, or reconstruction of the lake. Any and all instruments of conveyance made by the Declarant to any individual or other entity with respect to any of the subject property shall be conclusively deemed to incorporate the conveyance of such easements or the reservation thereof, whether or not specifically set forth in such instruments.

(b) Any lake heretofore constructed on any part of the Property and falling within the purview of this Declaration or shown on the plat of Bridgewater Eight shall be governed by Paragraph (P), infra, except as set forth in Paragraph (O).

2. Lake Easement. In connection with the development of any lake, Declarant conveys a non-exclusive easement for use of the lake to all members of the

Association, over, under and across the lake. Such easement is within the perimeter of the lake and includes that portion which is inundated by water. Such lake is expressly made subject to a non-exclusive easement for its use by all members of the Association and Declarant.

3. **Reservation in Deeds.** A non-exclusive easement ten (10) feet in width around and exterior to the perimeter of any such lake as shown on the plat whereon said lake appears, is reserved by Declarant and the Association for maintenance of the sea wall and appurtenances, and is reserved to all members for emergency purposes only, and regulated therefor as the Board of Directors may determine. Declarant may make other reservations and restrictions applicable to each lot by appropriate provision in the deed conveying said lot, and such reservations and restrictions shall inure to the benefit of and bind the respective parties in the same manner as though they had been expressed herein.

SECTION B. Common Use, Benefit, and Enjoyment. That part of the Property which is identified as the lake and hereinafter referred to as the "Lake" shall be held and maintained for the common use, benefit, and enjoyment of the Declarant and all of the owners of the Property, subject only to the special conditions and restrictions declared or implied in this paragraph and to the special conditions and restrictions, if any, which may be declared or implied in the instrument conveying an interest in the lands within said lake to the Association. Also, guests of the owners of any lot may enjoy the lake and Common Areas, but only if and when they are accompanied by the owners of Property. The Association shall not be responsible for the maintenance of the lake and all components thereof and improvements therein, except that the Association or any Association governed by lot owners abutting said lake to which such rights are assigned by the Association in accordance with Section N, infra may require an Owner to be specifically responsible for the shore line of his or her lot and for certain improvements constructed by the Member, or his predecessor in title to a lot, as herein permitted.

SECTION C. Easement of Light, Air, and View. There is hereby reserved for the benefit of the Declarant, the Association, and each Member, and their respective successors and assigns, the right and easement of light, air, and view over and across the lake.

SECTION D. Fences, Walls, Trees, and Shrubbery. The Association reserves the right to control the height of fences, walls, and any other structure, of trees and shrubs over three (3) feet in height in any area within twenty-five (25) feet of the edge of the lake.

SECTION E. Regulating the Use of the Lake. A member of the Association may construct shoreline improvements on the lake shore at the edge of the lake to improve shoreline appearance, facilitate maintenance and minimize bank erosion where a sea wall has not been constructed by the Declarant or the Association. Prior to the installation, erection, or construction of such improvements, photographic depictions, plans or specifications therefor must first receive approval by the Association, which may condition its approval and mandate appurtenances to said improvements as it deems necessary. Failure to obtain approval for such improvements, or to construct same in accordance with Committee's approval thereof, or to maintain the same in their required sound and attractive conditions shall be considered to be a violation of these covenants, conditions and restrictions and, upon written notice from the Association or its designated agent, such violation shall promptly be corrected, removed, or remedied. In the event the violation is not corrected, removed, or remedied, within fifteen (15) days (or within such shorter period as may be reasonably required in such notice) after notice of the violation is delivered to the member responsible for such violation, then the Association shall have the right, through its agents and employees (but only after the Board of Directors by resolution has so directed) to take such steps as may be necessary to correct, remove or otherwise remedy such violation, and the cost thereof may be assessed against any lot owned by the member responsible for such violation, and, when so assessed, a statement for the amount thereof shall be rendered to such member as the owner of such lot, at which time the assessment shall become due and payable and shall be secured by a continuing lien upon such lot, and shall be the binding personal obligation of the owner of such lot.

SECTION F. Impoundment. Artificial impoundment of water shall not be permitted except upon the prior written approval of Declarant.

SECTION G. All water impounded within the lake shall be withdrawn and used only by the Association or by a member having approval of the Association.

SECTION H. Lake Water Level. Neither the Declarant nor the Association shall be required to maintain the water level of the Lake at any certain elevation or between any certain maximum and minimum elevations. Declarant and/or the Association may lower the water level or drain the lake if such is prudent or necessary for the discharge of their responsibilities herein,

for the installation, maintenance, and repair of the outlet structure, any shoreline improvement, sewer drain, pipe, wire or cable, or any related appurtenance, or for any other purpose.

SECTION I. Lake Maintenance. Except where provided for in paragraph (O) hereinafter, the Association shall be responsible for the maintenance of the outlet structure of the lake and incoming and outgoing storm drains, for the maintenance of appropriate water quality in the lake, for the removal of excessive amounts of vegetation, debris and/or sediment for the lake, for the regulation of the use and activities of the water surface of the lake, for the propagation, control and management of wildlife of any kind which habitat in or around lakes, and for the acquisition of all permits and approvals, including extensions, renewals, and additions, if any, required by federal, state, or county statutes, ordinances, and regulations. Declarant and the Association shall not be responsible for the safety of any person in or on the surface of the lake or in or on any incoming and outgoing storm drains including the outlet structure.

SECTION J. Trash. No garbage, trash, or refuse of any kind shall be any time be dumped on or deposited in lake.

SECTION K. Boat Length. No boat shall be operated or permitted to operate on the lake in excess of sixteen (16) feet in length, but this may be changed by an act of the Board of Directors of the Association.

SECTION L. Boat Ownership.

(1) No boat may be used or operated on the lake which is not the personal property of a member of the Association.

(2) No person shall be permitted to operate a boat while under the influence of alcohol or drugs.

(3) Each member is responsible for the operation of any boat belonging to him or her and for the conduct of his or her family members and guests as regards observation of all of the provisions hereof. Failure to observe these rules shall result in the issuance of warning tickets and continued failure to observe these rules or any activity which is conducted which may be of a dangerous nature may result in suspension, in whole or in part, of the member's privilege to use Bridgewater II Lake.

SECTION M. Fishing Regulations. Subject to the other provisions hereof, no one shall be permitted to fish in any lake except Members and their families and guests.

(1) Members may invite guests to enjoy fishing privileges provided the said guests are accompanied by a member.

(2) The Board of Directors may designate those areas which may be fished by boat or from shore and may regulate such other aspects of fishing as it may deem necessary.

SECTION N. Use of Lake; Declarant Held Harmless. Each and every member and occupant of any lot or property shall and does, by accepting title to his or her interest in the lot or property, agree to indemnify, defend, and hold harmless Declarant, his agents, employees, and successors, against and from all claims for injury or death to persons, or damage to or loss of property arising out of the construction, use, operation and/or maintenance of the improvements on the lot or property occupied by, owned by, or under the control of such owner or occupant, the use and/or possession of such lot or property, the conduct of business or any other activities by such member or occupant or his or her guests or invitees on any lot or property, or upon the lake.

SECTION O. Limited Access Lake. In the event the use of any lake constructed either on the property or otherwise coming within the purview of this Declaration and being bound by all the terms, covenants, and conditions thereof by an appropriate document, shall be limited to those abutting said lake, such lakes shall be designated as a Limited Access Lake (LAL). On any Limited Access Lake (LAL) only those members of the Association whose property or properties abut the LAL shall be entitled to use that particular LAL. There shall be no fishing, boating, sailing, or any other use of said LAL by any member of the Association except as herein stated.

In all other respects: fences, walls, impoundment, use of the water, etc., the covenants affecting the Lake shall apply to an LAL except that those owners abutting said LAL shall set up their own LAL maintenance, upkeep, water level, boating (number, size, and horse power only), and dam and drainage maintenance controls, rules, and regulations.

SECTION P. Authority of the Board of Directors. The Board of Directors of the Association shall have the power to regulate the uses of any Lake or Limited Access Lake, except as to those matters pertaining to a LAL, as to which only the abutting owners have a peculiar interest, and one not shared with the membership at large.

ARTICLE X.

GARDEN HOME DEVELOPMENT

SECTION A. Garden Home Reservation. Declarant reserves the right to set aside certain areas of Bridgewater II as and for Garden Home Development. Any such area anticipated is shown on the master plan of Bridgewater II. However, in no event shall any dwelling in any Garden Home lot be less than three thousand (3,000) square feet of heated and cooled space as said space and square footage is set forth and defined in the Architectural Guidelines for Bridgewater II.

SECTION B. Supplemental Declaration. In setting up and establishing each Garden Home Development or area, Declarant shall file a Supplemental Declaration, which supplement or amendment to this Declaration shall provide for an association as referenced under Article I, Section A.(1)(b), and for the imposition of such other covenants, rules, and regulations as shall be appropriate for each such development, which covenants shall provide, *interalia*, that Declarant may impose such additional assessments as each area included within a Garden Home Development may require for its proper operation, security, upkeep, and beautification.

SECTION C. Other Lots. In setting up and establishing each Garden Home Development or area, Declarant or the Association may include in the garden home development all or a portion of any lot abutting a "Garden Home Lake" /(Limited Access Lake)and may impose on such lot or portion of the lot, such covenants, rules, regulations; and may impose such assessments as the Declarant determines necessary and proper, including such lot or portion of such lot within the garden home development, in addition to any assessment imposed by the Association referenced under Article IV. Section A. (1)(a).

ARTICLE XI.

MANAGEMENT AGENT, INSURANCE, AND TAXES

The Board of Directors shall have the power to employ for the Association a Management Agent, and to make arrangements for such insurance as the Board deems necessary

and prudent to protect the property of the Association and to secure the prompt payment of all taxes and insurance due by the Association.

ARTICLE XII.

PROPERTY SUBJECT TO THIS DECLARATION

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

Section B. Phase Development. The Declarant expressly reserves the option, right and privilege (i) to annex all or any portion of the real property described in Exhibit B which is the Additional Property, to the Property, and (ii) by or as a result of such annexation to subject the annexed Additional Property to the provisions of this Declaration and the jurisdiction of the Association. The provisions of this Declaration shall not affect or apply to any portion of the Additional Property unless and until such portion of the Additional Property is annexed to the Property pursuant to the provisions of Section C of this Article XII.

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

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

(2) The Declarant may annex any portion of the Additional Property at different times and in any sequence desired by the Declarant without regard to whether or not the portion of the Additional Property being annexed is contiguous or noncontiguous to the Property.

(3) The Supplement shall extend the provisions and scheme of this Declaration to the Additional Property being annexed, but the Supplement may contain such complementary additions to and modifications of the provisions of this Declaration as the Declarant determines to be appropriate or necessary to provide additional security and an auxiliary entrance or to take advantage of topography enhancing the lot view and value, or for the different character or use, if any, of the Additional Property being annexed. Such complementary additions and modifications shall not be generally or substantially inconsistent with the provisions of this Declaration, except as permitted by Section A (5) of Article IV to equitable adjustments, and other than herein stated shall not amend or modify the provisions of this Declaration.

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

Section E. Additional Property Modifications. At any time or times prior to January 1, 2011, the Declarant shall have the option, right and privilege, but not the obligation, to amend the description of the Additional Property, as contained in Exhibit B, to include other real property the Declarant now or in the future may own or acquire, within the vicinity of, but expressly without the necessity or requirements of being contiguous to, the real property described in Exhibit B, if at such time or times the Declarant intends to develop such other real property in a manner consistent, compatible or in conformance with the Declarant's development of the Property. To amend the description of the Additional Property, the Declarant shall execute and file for record a Supplement which described the other real property being included in the

description of the Additional Property and the resulting new, amended or revised description of the Additional Property.

Section F. Annexation Restrictions. Except for the Property and the Additional Property as amended or revised pursuant to Section E of this Article XII, other real property may be annexed to the Property or become subject to the provisions of this Declaration and the jurisdiction of the Association only by a vote of sixty-seven percent (67%) of the voting power of each class of the Members and such other consent as may be required under this Declaration.

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

ARTICLE XIV.

ADDITIONAL PROVISIONS

SECTION A. Amendment. Subject at all times to all other limitations set forth in this Declaration, this Declaration (including the Architectural Review Guidelines) may be amended as follows:

(1) Until December 31, 2009, by an instrument executed and acknowledged only by the Declarant.

(2) After December 31, 2009, by a two-thirds (2/3rds) majority of each Class of the then Members. Such amending instrument shall be recorded in the land records in the office of the Chancery Clerk of Madison County. Unless a later date shall be specified in any

such amending instrument, any amendment hereto shall be effective on the date of recording of the amending instrument.

SECTION B. Duration. Unless amended in Accordance with the provisions of Section 1 of this Article and the other requirements of this Declaration, and except where permanent easements or other permanent rights or interests are herein created, the covenants, conditions and restrictions of this Declaration shall run with and bind the land now and hereafter constituting the Property, and shall inure to the benefit of and be enforceable by the Association, or the Owners of any Lot, and by their respective legal representatives, heirs, successors and assigns, until December 31, 2031, after which date these covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years each, unless terminated at the end of any such period by an instrument executed and acknowledged within sixty (60) days preceding the end of such period by the Members who own at least a majority of the Lots, which instrument shall be filed for record in the Office of the Chancery Clerk of Madison County.

SECTION C. Construction and Enforcement. The provisions hereof shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of the Community. Enforcement of these covenants, conditions and restrictions, including the Architectural Design Guidelines, may be by any proceedings at law or in equity against any person violating or attempting to violate any covenant, condition or restriction, either to restrain or enjoin violation or to recover damages, or both, and against any Lot to enforce any lien created hereby; and the failure or forbearance by the Association, the Declarant or the owner of any Lot to enforce any covenant, condition or restriction herein shall in no event be deemed a waiver of the right to do so thereafter. The remedies provided in this Declaration for the enforcement of this Declaration are not exclusive but are cumulative of and in addition to any other remedies existing by law or otherwise.

The provisions hereof may be enforced, without limitation, by the Declarant, by the Association, by any Owner or any mortgagee of any Lot within the Property, or by any other person who has any right to the use of any Common Areas or community facilities. Any person who brings an action to enforce these Declarations, and prevails, shall be entitled to recover his attorneys fees and other reasonable costs. Owners, by accepting a deed to the Property, acknowledge, and a conclusive presumption exists, that no adequate remedy exists at law for a

violation of the Declaration, and that the threatened harm of a violation of the Declaration exceeds any threatened harm from not being able to violate the Declaration.

SECTION D. Reservations by Declarant.

(1)

(a) No provisions of this Declaration or the Bylaws or Articles of Incorporation of the Association shall limit or interfere with, or be amended to limit or interfere with, the right of the Declarant to complete the development and conveyance or transfer of all Lots in the Community. Such right shall include, but shall not be limited to, the right to install and maintain such structures, displays, signs, billboards and sales offices as may be reasonably necessary for the conduct of his business for completing the development, and for the conveyance or transfer of his interest in any Lots by warranty deed or otherwise. By accepting the deed to his Lot, each Owner hereby acknowledges that the activities of the Declarant may temporarily or permanently constitute an inconvenience or nuisance to the owner, and each owner hereby consents to such inconvenience or nuisance. The Declarant need not seek or obtain approval from the Association for any improvement constructed or placed by Declarant on any Lot in which the Declarant is the owner. The Declarant need not seek or obtain approval from the Association in order to establish or grant on any Lot the Declarant owns an easement, license, reservation or right-of-way to himself, to utility companies, or to others as may from time to time be reasonably necessary for the proper development and conveyance or transfer of Lots owned by the Declarant.

(b) All or any part of the rights of the Declarant under this Declaration may be assigned by Declarant to any successor by recording in the office of the Chancery Clerk of Madison County, Mississippi, an instrument of assignment.

(c) Declarant reserves the right (i) to adjust or relocate a common boundary line of two Lots, or of one or more lots with a Common Area, or (ii) adjust the amount of property in a Common Area provided an equivalent area is provided in the Bridgewater II Community elsewhere.

(d) This Section of this Article shall be in force and effect for so long as the Declarant owns any part or portion of the Property.

(e) Notwithstanding any other provision of this Declaration to the contrary, the prior written approval of Declarant will be required before any amendment to this Section of this Article shall be effective for so long as Declarant owns any portion of the Property.

(2) Notwithstanding anything contained elsewhere herein to the contrary, all rights and duties conferred on the Board of Directors of the Association under all Sections of this Declaration except for Articles V, VII, and VIII shall be exercised by Declarant for seven (7) years following the execution of this Declaration. Declarant reserves the right to exercise all rights and duties and give consents and waivers under Articles V, VII, and VIII for a period of twelve (12) years following the execution of this Declaration. Declarant may turn over all rights reserved hereunder to the Board of Directors at any time prior to said twelve (12) year period. Any rights reserved under this paragraph will be automatically extinguished or divested, and vest in said Association at such time as Declarant has divested itself of all right, title, and interest in and to the Property.

SECTION E.

(1) **Flood Hazard.** Neither the Declarant nor the Association makes any representation as to the location of any Lot with respect to any flood prone area and/or any regulatory floodway or flood hazard area which now or hereafter may exist or be designated by any governmental agency or entity.

(2) **Hazardous Substances.** Neither the Declarant nor the Association makes any representation as to or with respect to hazardous substances as defined by federal, state, or local law, but Declarant represents that to the best of its knowledge and belief that there are no such substances on the Property.

SECTION F. Successors of Declarant. Any and all rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant hereunder, or any part of them, may be assigned and transferred only and exclusively by the Declarant, with or without notice to the Association.

SECTION G. Incorporation by Reference on Resale. In the event any Member sells, assigns, transfers or otherwise conveys any Lot, any instrument of conveyance purporting to effect such conveyance or transfer shall contain a provision incorporating by reference the covenants, conditions, restrictions, servitudes, easements, charges and liens set forth in this

Declaration; however, any such sale, assignment, transfer or other conveyance shall be subject to this Declaration whether or not expressly referred to in the instrument.

SECTION H. Notices. Any notice required to be sent to any Member under the provisions of this Declaration shall be deemed to have been properly sent when mailed, by ordinary mail, postage prepaid, to the last known address of the person who appears as Member on the records of the Association at the time of such mailing.

SECTION I. No Dedication to Public Use. Nothing herein contained shall be construed as a dedication to public use or as an acceptance for maintenance of any part of any Common Areas or community facilities by any public or municipal agency, authority, or utility, and nothing herein contained shall be interpreted as imposing upon any public agency, authority or utility company any responsibility or liability for the maintenance or operation of any of the Common Areas or community facilities, except that it shall be the obligation of such agency, authority or utility company to repair any damages caused by same.

SECTION J. Severability. Invalidation of any one or more of these covenants, conditions or restrictions by judgment, decree or order shall in no way affect any of the other provisions herein, each and all of which shall be severable and shall remain in full force and effect.

SECTION K. Rights of Action. The Association and any aggrieved Member shall have a right of action against another member for failure to comply with the provisions of this Declaration or the Bylaws of the Association, or with decisions of the Association which are made pursuant to authority granted the Association in this Declaration or said Bylaws. Members shall have similar rights of action against the Association.

SECTION L. Condemnation and Total or Partial Casualty Loss of Any Common Areas or Community Facilities. In the event of a taking or acquisition of part or all of any Common Areas or community facilities by a condemning authority, or in the event of a total or partial casualty loss of any Common Areas or community facilities, the award or proceeds of settlement or insurance allocable to the affected or damaged property shall be payable to the Association to be held in trust for Members and their mortgagees as their interests may appear. The Board of Directors of the Association shall be and hereby is deemed as the attorney-in-fact

for the Association for the purpose of representing the Association and Owners in any condemnation proceeding or in negotiations, settlements and agreements.

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

SECTION N. Relationship Between Declarant and Owners/ Members. Nothing contained herein creates or shall be deemed to create a fiduciary or partnership relationship between Declarant and Owners.

SECTION O. Effective Date. This Declaration shall be effective when executed by Declarant and is filed for record in the office of the Chancery Clerk of Madison County.

SECTION P. Additional Restrictions. The Declarant reserves the right to place additional restrictions on the Common Areas and community facilities in the instrument conveying the Common Areas and community facilities to the Association.

[Signature Page to Follow]

IN WITNESS WHEREOF, on this the 27th day of October, 2006, the said AUGUSTA 185, LLC, a Mississippi limited liability company, acting by and through its Member Manager, has caused this Declaration to be executed and does deliver this Declaration as the act and deed of said AUGUSTA 185, LLC, a Mississippi limited liability company.

**AUGUSTA 185, LLC,
A Mississippi limited liability company**

**BY: AUGUSTA GREEN, LLC,
A Mississippi limited liability company
Member/Manager**

BY: 
BARRY WOODWARD, Member/Manager

**BY: 185 LLC,
A Mississippi limited liability company
Member/Manager**

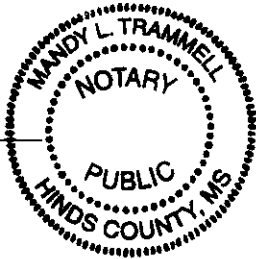
BY: 
LOUIS B. GIDEON, Member/Manager

STATE OF MISSISSIPPI
COUNTY OF HINDS

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on the 27th day of October, 2006, within my jurisdiction, the within named **BARRY WOODWARD**, who acknowledged that he is the Member/Manager of Augusta Green, LLC, a Mississippi limited liability company and member of **AUGUSTA 185, LLC**, a **Mississippi member-managed limited liability company**, and that for and on behalf of said Augusta 185, LLC, as member of said Augusta 185, LLC, and as the act and deed of said Augusta Green, LLC, as member of said limited liability company, and as the act and deed of said Augusta Green, LLC, he executed the above and foregoing instrument, after first having been duly authorized by said Augusta 185, LLC, and said Augusta Green, LLC so to do.

Mandy L. Trammell
NOTARY PUBLIC

My Commission Expires:



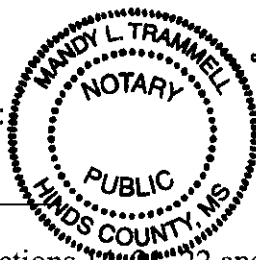
Notary Public State of Mississippi
At Large
My Commission Expires
May 2, 2009
BONDED THRU
HEIDEN, BROOKS & GARLAND, INC.

STATE OF MISSISSIPPI
COUNTY OF HINDS

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on the 27th day of October, 2006, within my jurisdiction, the within named **LOUIS B. GIDEON**, who acknowledged that he is the Member/Manager of 185, LLC, a Mississippi limited liability company and member of **AUGUSTA 185, LLC**, a **Mississippi member-managed limited liability company**, and that for and on behalf of said Augusta 185, LLC, as member of said Augusta 185, LLC, and as the act and deed of said 185, LLC, as member of said limited liability company, and as the act and deed of said 185, LLC, he executed the above and foregoing instrument, after first having been duly authorized by said Augusta 185, LLC, and said 185, LLC so to do.

Mandy L. Trammell
NOTARY PUBLIC

My Commission Expires:



Notary Public State of Mississippi
At Large
My Commission Expires
May 2, 2009
BONDED THRU
HEIDEN, BROOKS & GARLAND, INC.

Indexing Instructions: Sections 14, 21, 22 and 27, T7N, R1E, Madison County, MS

EXHIBIT "A"

PARCEL I

The N ½ of the following described property:

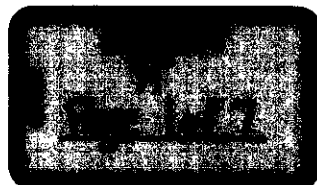
The N ½ of the NE 1/4; The N ½ of the S ½ of the NE 1/4; and the NE 1/4 of the NW 1/4; Section 21, Township 7 North, Range 1 East less and except all of said property lying West of Livingston Road.

Also described as follows: (survey description referenced in Book 358 at Page 485)

Commence at the Northeast corner of said Section 21, Township 7 North, Range 1 East, Madison County, Mississippi, marked by a concrete marker at a fence corner, being the **Point of Beginning**; thence South along the east line of said Section 21, for a distance of 990.00 feet to a fence corner; Thence S 88 degrees 49 minutes 48 seconds West for a distance of 2691.46 feet to a fence corner on the East right of way line of Livingston Road as the same was laid out and in existence as of July 2, 1991; thence N 04 degrees 18 minutes 30 seconds East along said East right of way for a distance of 1000.86 feet; thence leaving said East right of way run N 88 degrees 58 minutes 20 seconds East for a distance of 2616.13 feet to the Point of Beginning, containing 2,635,510 square feet or 60.5 acres more or less.

Being the same land and property described and conveyed in Warranty Deed from Cynthia B. Adams to H.L. Merideth, Jr., dated June 29, 1995, recorded in Deed Book 358 at Page 485 in the office of the Chancery Clerk of Madison County, Mississippi.

U:\WCSJr\DOC\Bridgewater II\Development work\EXHIBIT A-Parcel I.wpd

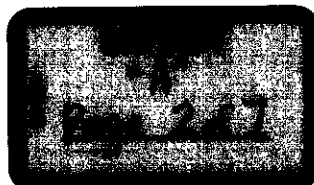


PARCEL II (H.C.P)**TRACT 1:**

A parcel of land which is the SW 1/4 of the NE 1/4 of Section 22, Township 7 North, Range 1 East, Madison County, Mississippi, being more particularly described as follows:

For a Point of Beginning, commence at a concrete monument representing the NE corner of the NW 1/4 of SE 1/4 of said Section 22 and also being the NW corner of Bridgewater Five-B, the map or plat of which is of record and on file in Cabinet D at Slot 68 at the office of the Chancery Clerk of Madison County, located in Canton, Mississippi, and run thence South 89 degrees 08 minutes 17 seconds West along the South line of the SW 1/4 of the NE 1/4 of said Section 22 for a distance of 1321.30 feet to an iron pin; thence run North 0 degrees 18 minutes 21 seconds West along the West line of the SW 1/4 of the NE 1/4 of said Section 22 for a distance of 1319.43 feet to an iron pin; thence run North 89 degrees 05 minutes 25 seconds East along the North line of the SW 1/4 of the NE 1/4 of said Section 22 for a distance of 1319.58 feet to an iron pin; thence run South 0 degrees 22 minutes 52 seconds East along the East line of the SW 1/4 of the NE 1/4 of said Section 22 for a distance of 1320.51 feet to the Point of Beginning. This parcel contains 40.19 acres, more or less.

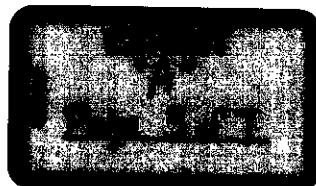
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PARCEL II (H.C.P)**TRACT 2:**

A parcel of land lying and situated in the SW 1/4 of the SE 1/4 of Section 22, and in the NE 1/4 of the NW 1/4 and the NW 1/4 of the NE 1/4 of Section 27, all in Township 7 North, Range 1 East, Madison County, Mississippi, being more particularly described as follows:

For a Point of Beginning, commence at an iron pin representing the SE corner of the NW 1/4 of the SE 1/4 of Section 22, Township 7 North, Range 1 East, Madison County, Mississippi, said iron pin also being the SW corner of Bridgewater Five-C and run thence South 89 degrees 16 minutes 14 seconds West along the South line of the NW 1/4 of the SE 1/4 of said Section 22 for a distance of 1324.57 feet to an iron pin representing the SE corner of the NE 1/4 of the SW 1/4; thence run South 0 degrees 03 minutes 24 seconds East along the West line of the SW 1/4 of the SE 1/4 of said Section 22 for a distance of 1320.51 feet to an iron pin; thence run South 89 degrees 31 minutes 28 seconds West for a distance of 196.28 feet to an iron pin which is the NE corner of that parcel described in Book 188 at Page 50; thence run South 0 degrees 05 minutes 22 seconds West along the East line of said parcel for a distance of 439.26 feet to an iron pin on the Northerly right of way of the Natchez Trace; thence run North 67 degrees 17 minutes 35 seconds East along said right of way for a distance of 933.49 feet to an iron pin which is the Point of Beginning of that parcel described as Parcel 4 of Book 455 at Page 464; thence run North 0 degrees 03 minutes 30 seconds East along the West line of that parcel described in Book 252 at Page 31 for a distance of 798.51 feet to an iron pin; thence run South 89 degrees 44 minutes 06 seconds East for a distance of 207.16 feet to an iron pin; thence run North 0 degrees 06 minutes 29 seconds East along the West line of that parcel described in Book 456 at Page 320 for a distance of 553.64 feet to an iron pin which is the NW corner of said parcel; thence run North 89 degrees 16 minutes 14 seconds East along the North line of said parcel for a distance of 449.73 feet to a point which is 1.02 feet North of and 2.28 feet West of an iron pin; thence run North 0 degrees 48 minutes 52 seconds West for a distance of 59.97 feet to the Point of Beginning. This parcel contains 28.97 acres, more or less.



PARCEL III (L.L.P)**TRACT 3:**

A parcel of land lying and situated in the NE 1/4 of the SW 1/4 and the NW 1/4 of the SE 1/4 all in Section 22, Township 7 North, Range 1 East, Madison County, Mississippi being more particularly described as follows:

For a **Point of Beginning**, commence at a concrete monument representing the NW corner of Bridgewater Five-B, the map or plat of which is of record and on file in Cabinet D, at Slot 68 at the Office of the Chancery Clerk of Madison County, located in Canton, Mississippi, and run thence S 0 degrees 48 minutes 52 seconds E along the west line Bridgewater Five-B and the extension thereof for a distance of 1361.80 feet to a concrete monument representing the SW corner of Bridgewater Five-C; thence run S 89 degrees 16 minutes 14 seconds W for a distance of 1324.57 feet to a iron pin representing the SE corner of the NE 1/4 of the SW 1/4; thence run S 89 degrees 26 minutes 13 seconds W for a distance 1351.84 feet to an iron bar representing the NW corner of the NE 1/4 of the SW 1/4; thence run N 89 degrees 08 minutes 16 seconds E for a distance of 2642.61 feet to the **Point of Beginning**. This parcel contains 82.40 acres, more or less.

U:\WCSJA\DOC\Bridgewater II\Development work\Parcel III-Tract 3 Legal Description.wpd



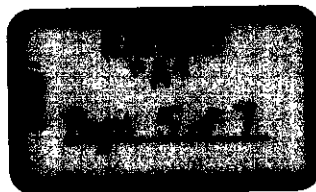
PARCEL IV (Raptor)

TRACT 4:

That certain parcel of land described as:

The East ½ of the Southeast ¼ of the Northwest ¼ (SE ¼ NW ¼) of Section 22, Township 7 North, Range 1 East Madison County, Mississippi.

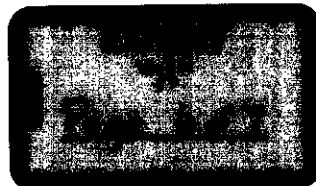
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PARCEL V (MEN/JAM)**TRACT 5:**

A parcel of land lying and situated in the Northwest 1/4 of Section 22, and in the Southeast 1/4 of the Northeast 1/4 of Section 21, all in Township 7 North, Range 1 East, Madison County, Mississippi, being more particularly described as follows:

Commence at a concrete monument representing the Northeast corner of the Northwest 1/4 of the Southeast 1/4 of said Section 22 and also being the Northwest corner of Bridgewater Five-B, the map or plat of which is of record and on file in the office of the Chancery Clerk of Madison County in Canton, Mississippi, in Plat Cabinet D at Slot 68, and run thence South 89 degrees 08 minutes 03 seconds West along the South line of the North 1/2 of said Section 22 for a distance of 1,973.10 feet to a point which is 2.03 feet North of an iron pin, said point is the Point of Beginning of the parcel herein described. From the Point of Beginning run thence South 89 degrees 08 minutes 17 seconds West for a distance of 1,989.51 feet to an iron pin; thence run North 0 degrees 44 minutes 32 seconds West for a distance of 183.05 feet to an iron pin; thence run North 89 degrees 54 minutes 53 seconds West for a distance of 452.06 feet to an iron pin; thence run North 1 degree 14 minutes 53 seconds West for a distance of 487.34 feet to an iron pin; thence run South 89 degrees 54 minutes 53 seconds East for a distance of 456.36 feet to an iron pin; thence run North 0 degrees 44 minutes 32 seconds West for a distance of 319.82 feet to an iron pin; thence run North 89 degrees 08 minutes 16 seconds East for a distance of 1,326.77 feet to an iron pin; thence run North 0 degrees 21 minutes 03 seconds West for a distance of 328.16 feet to an iron pin; thence run North 89 degrees 13 minutes 43 seconds East for a distance of 660.02 feet to an iron pin; thence run South 0 degrees 45 minutes 48 seconds East for a distance of 1,317.22 feet to the Point of Beginning. This parcel contains 55.27 acres, more or less.



PARCEL VI

That certain subdivision known as Bridgewater Eight according to a map or plat thereof on file and of record in Plat Book E at Slide 2A & 2B.

TOGETHER WITH: All right, title and interest in and to all easements, spaces, gores, strips, or other parcels of land adjacent to, or appurtenant any of the above described Parcel I through **Parcel VI**, whether inside or outside of any fence, whether acquired by express grant of conveyance, by implication or under color of title and lying in the Northeast 1/4 of Section 21; the Southwest 1/4 of the Northeast 1/4; the Southeast 1/4 of the Northwest 1/4, and the Southwest 1/4 of the Northwest 1/4; the Northeast 1/4 of the Southwest 1/4, the Southwest 1/4 of the Southeast 1/4, and Northwest 1/4 of the Southeast 1/4 of Section 22; and the Northwest 1/4 of the Northeast 1/4 and the Northeast 1/4 of the Northwest 1/4 of Section 27, all in Township 7 North, Range 1 East, Madison County, Mississippi.

LESS AND EXCEPT: Any part of Parcel II or Parcel III contained in Bridgewater Eight, a subdivision according to the map or plat thereof on file and of record in the office of the Chancery Clerk in Plat Cabinet E at Slide 2A & 2 B.

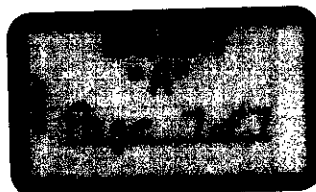


EXHIBIT "B"

(PARCEL VII)

The S 1/2 of the following described property:

The N 1/2 of the NE 1/4; The N 1/2 of the S 1/2 of the NE 1/4; and the NE 1/4 of the NW 1/4; Section 21, Township 7 North, Range 1 East less and except all of said property lying West of Livingston Road.

(PARCEL VIII)

The South 1/2 of the South 1/2 of the Northeast 1/4 (S 1/2 S 1/2 NE 1/4) and a strip of land 300 feet in width North to South lying South and adjacent thereto.

TOGETHER WITH: All right, title and interest in and to all easements, spaces, gores, strips, or other parcels of land adjacent to, or appurtenant any of the above described Parcel I through Parcel VI, whether inside or outside of any fence, whether acquired by express grant of conveyance, by implication or under color of title and lying in the Northeast 1/4 of Section 21; the Southwest 1/4 of the Northeast 1/4; the Southeast 1/4 of the Northwest 1/4, and the Southwest 1/4 of the Northwest 1/4; the Northeast 1/4 of the Southwest 1/4, the Southwest 1/4 of the Southeast 1/4, and Northwest 1/4 of the Southeast 1/4 of Section 22; and the Northwest 1/4 of the Northeast 1/4 and the Northeast 1/4 of the Northwest 1/4 of Section 27, all in Township 7 North, Range 1 East, Madison County, Mississippi.

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MADISON COUNTY MS This instrument was filed for record JAN. 11, 2007 at 5P.M.

Book 2143 Page 180
ARTHUR JOHNSTON, C. C.

BY: [Signature] D.C.

