

DECLARATION OF
COVENANTS, CONDITIONS

AND RESTRICTIONS

FOR

INDIAN TRAILS

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INDIAN TRAILS

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STATE OF MISSISSIPPI

COUNTY OF HINDS

**DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS
FOR
INDIAN TRAILS**

This Declaration of Covenants, Conditions and Restrictions For Indian Trails ("Declaration") is made on this the 18th day of September 1997, by Pinelake Development, Inc., a Mississippi corporation ("Declarant").

The Declarant desires to create and develop on the property as described in Exhibit A attached hereto and certain additional property described in Exhibit B attached hereto ("Additional Property"), a residential community on the Property which shall have designated common areas ("Common Areas") and common facilities ("Common Facilities") for the benefit of Indian Trails. The Declarant desires to provide for the preservation of the values and amenities in, and the enhancement of the charm and beauty of, Indian Trails, and for the designation, administration and maintenance of the Common Areas and Common Facilities. Therefore, the Declarant desires to subject the property described in Exhibit A to the Declaration ("the Property"), including any and all improvements constructed or to be constructed on the Property, to the covenants, conditions, restrictions, uses, limitations, obligations, easements, servitudes, charges, assessments and liens contained in this Declaration which individually and collectively are for the benefit of the Property, each Owner and the Declarant.

The Declarant desires the efficient preservation of the values and amenities in, and the enhancement of the charm and beauty of Indian Trails. Therefore, the Declarant has created and organized Indian Trails, Homeowners' Association, Inc., a Mississippi nonprofit corporation ("Association"), and has delegated and assigned the powers and duties created by and in this Declaration to the Association for the administration and maintenance of the Common Areas and Common Facilities, the administration and enforcement of the provisions of this Declaration, and the determination, collection and disbursement of annual maintenance assessments, special assessments and other charges (collectively "Assessments").

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

ARTICLE I DEFINITIONS

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

"Additional Property" shall mean the property described on Exhibit B attached hereto and any other property situated in Section 17, Township 6 North, Range 1 West, Hinds County, Mississippi, contiguous to said property, owned by the Declarant or its members.

"Architectural Review Committee" shall mean and refer to the committee which shall be appointed by the Association's Board of Directors to approve exterior and structural improvements, additions, and changes within the Development as provided in Article X hereof.

"Assessment" shall mean the share allocated to a Lot and thereby the Owners of such Lot of the Association's (i) maintenance Assessments if elected by the Board of Directors and Class A Members as described under Section 5.02, (ii) Special Assessments under Section 5.03, and (iii) expenses, costs, charges and other amounts incurred with respect to either such Lot or the satisfaction, discharge or compliance with any obligations or duties of the Owners of such Lot as specified in this Declaration.

"Association" shall mean the Indian Trails, Homeowners' Association, Inc., a Mississippi not for profit corporation, and its successors and assigns.

"Board of Directors" shall mean the Board of Directors of the Association.

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

"Charter" means The Articles of Incorporation of the Association, as amended from time to time.

"Common Areas" shall mean all real property conveyed to the Association shown and designated on the plat as Common Area and is owned by or otherwise made available to the Association for the common use, benefit and enjoyment of the members.

"Common Expense" shall mean expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations or reserves.

"Common Facilities" shall mean all the buildings and other improvements constructed on any portion of the Common Area for the common use, benefit and enjoyment of the members.

"Declarant" shall mean Pine Lake Development, Inc., a Mississippi corporation, and its successors and assigns.

"Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions for Indian Trails as supplemented from time to time.

"Developer" means the Declarant and each Person who is a successor in title to or acquires a fee simple interest from the Declarant with respect to any Lot, except the Association, and with the Declarant's permission 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 or appurtenances on any lot.

"Dwelling" shall mean a fully detached residence which is designed and used as a conventional single family home, and which should be designed to maximize views, climatic conditions, and the environmental amenities of the site.

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

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

"Guidelines" shall mean the Individual Development Guidelines adopted by the Declarant and the Architectural Review Committee as a part of these covenants to serve as a reference tool and decision-making guide for property development and construction on lots and property in Indian Trails. No such guideline, statement, criteria or the like shall be construed as a waiver of the provisions of any other provision or requirement of this Declaration.

"Invitees" shall mean an Owner's tenants, guests, patrons, employees or other guests or invitees.

"Lot" shall mean each subdivided parcel, plot or tract of land constituting a portion of the property which is shown and designated as a numbered lot on any subdivision plat filed for record in the office of the Chancery Clerk of Hinds County, Mississippi, and is intended to be improved with a Dwelling, but does not include the Common Areas. A Lot may be a garden, patio, cluster, zero lot line or a regular residential lot, as determined by the Declarant

"Management Agent" means the Person, if any, employed or retained by the Board of Directors for the purpose of conducting and managing the daily operations of the Association.

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

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

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

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

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

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

"Supplement" means any amendment, modification, change or restatement of or to this Declaration.

ARTICLE II PROPERTY SUBJECT TO DECLARATION

Section 2.01. The Property. The real property which is and shall be owned, leased, held, transferred, assigned, sold, conveyed, rented, used occupied, hypothecated or encumbered, and improved subject to this Declaration is the Property which is located in Section 17, Township 6 North, Range 1 West, Hinds County, Mississippi, and is more particularly described in Exhibit A and such portions of the Additional Property which may be annexed to the Property from time to time as provided by Section 2.03 hereof.

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

Section 2.03. Annexation of Additional Property. At any one or more times prior to December 31, 2001, and without the assent of the Class A members, the Declarant or any other person with the written assent of the Declarant, shall have the right, privilege or option to annex to the Property any of the Additional Property. Any such annexation shall have the effect of making the annexed property part of the Property and extending the scheme of the within covenants and restrictions to such annexed property. However, no such annexation shall occur until same has been accomplished in the manner herein prescribed.

Any annexations of additional real property to the Property shall be made by recording a Supplement to the Declaration in the land records in the office of the Chancery Clerk of the First Judicial District of Hinds County, which Supplement to the Declaration shall extend the scheme of the within covenants and restrictions to the annexed additional property therein described. Such Supplement shall be executed by the Owner of the fee simple title to the additional property being annexed, and if such owner is other than the Declarant, shall be executed also by the Declarant. Such Supplement to the Declaration may contain whatever complimentary additions and modifications to the provisions of the Declaration as may be appropriate to reflect the different character or use, if any, of the annexed additional property, which may include garden, patio, cluster, zero lot line or a regular residential lot, as determined by the Declarant, setback lines, total square footage to be contained within any residence, easements, and degree of care and assessments for any care not rendered to all of the Property; provided, however that in no event shall any such addition or modification be substantially inconsistent with the provisions of this Declaration.

ARTICLE III.

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

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

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

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

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

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

Section 3.04. Membership Appurtenant to Real Property. The membership of both the Class A Members and the Class B Member shall be appurtenant to the ownership of a 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 3.05. Voting Conflict Between Members. If the fee title to a particular Lot is owned of record by more than one Member, then the one vote appurtenant to such Lot may be exercised by any one of such Members, unless the other Members who own an interest in such fee title to the Lot shall object prior to the completion of voting upon the particular matter under consideration. In the event of any such objection, the one vote appurtenant to such Lot shall not be counted.

Section 3.06. Termination and Reinstatement of Class B Members. If on any one or more occasions all Class B memberships should terminate, and if after any such termination the Declarant, by annexation to the Property in accordance with the Declaration, should add additional property to the Property theretofore subject to the Declaration, then on each such occasion the status of the Declarant as a Class B Member shall be fully reinstated, and following each such occasion, the Declarant, or the nominee or nominees, if any, of the Declarant, shall continue to be Class B Members until such time as the 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, for so long thereafter as the Class B memberships shall continue to exist, the Declarant, and the nominee or nominees, if any, of the Declarant, shall have all rights and powers of Class B membership, as herein provided.

Section 3.07. Other Voting Provisions. The Charter and/or the Bylaws contain other provisions relating to voting rights of Members with respect to matters or issues unrelated to this Declaration, including, but not limited to, the election of individuals to the Board of Directors.

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

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

Section 4.02. Officers. The Association shall have such officers as are prescribed by the Bylaws. The officers shall conduct affairs of the Association and implement the policies and decisions of the Board of Directors.

ARTICLE V.
ASSESSMENTS

Section 5.01. Covenants For Assessments. Each owner by acceptance of a Deed or other conveyance document for such lot, whether or not expressed in any such Deed or other conveyance document shall be deemed to covenant and agree to pay to the Association any maintenance or special assessments which shall be levied by the Association. Each such assessment shall be a charge on the land, and shall be a continuing lien upon each Lot and the personal obligation of the Person who is the owner of such Lot at the time the assessment fell due. No Class A member may become exempt from or otherwise avoid liability for the payment of any assessment by the abandonment of any lot or by the abandonment or release of the member's rights to use, benefit and enjoy the Common Area and/or Common Facilities. The Association acting by and through its Board of Directors shall have the right to levy all assessments described in this Article V.

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

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

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

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

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

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

(f) The costs to maintain, replace, repair and landscape the Common Areas, including but not limited to, the costs (i) to maintain, replace and repair the sidewalks and streets, and (ii) of such equipment as the Board of Directors shall determine to be necessary or appropriate in connection with such maintenance, replacement, repair and landscaping.

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

Section 5.03 Annual Maintenance Assessment. Prior to the first day of January in each year the Board of Directors shall adopt a budget estimated by the Board of Directors to be sufficient to meet the cost and expenses described in Section 5.02 hereof and shall fix and levy the Annual Maintenance Assessment at an amount sufficient to meet the budget adopted by the Board of Directors.

Section 5.04 Special Assessments. In addition to the maintenance Assessments authorized in Section 5.01, the Association may levy special Assessments as follows:

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

(b) The Association may levy a special assessment against any Lot and the Owners of any Lot for reimbursement (i) of or for repairs occasioned by the willful or negligent acts of the Owners of such Lot, or (ii) of or for any and all costs, expenses and expenditures made or incurred by the Association with respect to either such Lot, including work or activities

performed on such Lot, including, but not limited to, any work required in maintaining and/or mowing any such Lot prior to the construction of a residential dwelling on such Lot pursuant to the provisions of this Declaration, including the discharge or satisfaction of any obligation or duty imposed on such Owners under this Declaration.

Section 5.05. Dwelling and Lawn Maintenance. 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 the maintenance and care of lawn, garden and landscaped areas on any Lot. The Association shall have the responsibility and duty only for the maintenance, repair and care of the Common Areas and Facilities.

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

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

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

Section 5.09. Uniform Rate for Assessments. All Assessments shall be levied at a uniform rate for each Lot to which Class A membership is appurtenant, except special Assessments under Section 5.04(b). The Board of Directors may change or modify the pro rata obligations of any Lot or the Owners of such Lot for the purposes of levying Assessments, except special Assessments under Section 5.04(b), only if approved by at least two-thirds of the voting power of each class of the Members.

Section 5.10. Commencement of Annual Maintenance Assessment. The annual Assessment provided for herein shall commence as to all lots, except lots owned by the Declarant, on the first day

of the month following the conveyance of any of the Common Area to the Association. Assessments on lots owned by the Declarant shall commence as provided in Section 5.11 hereof. The first annual Assessment shall be prorated according to the number of months remaining in the calendar year. Payment of such Assessments will be made in advance in monthly, quarterly, semi-annually or annual installments with the due dates being established by the Board of Directors. The Association shall not collect any Assessments from any Member prior to the date of the conveyance of any portion of the Common Area to the Association.

Section 5.11. Assessment of Declarant. Unless required as a matter of law or as otherwise set forth in this Article, Declarant shall not, at any time, be subject to the Annual Maintenance Assessment; however, the Declarant hereby agrees that until such time as Declarant ceases to be a Class B member, Declarant will pay to the Association any deficit amounts not covered by the income of the Association which are reasonably necessary to maintain the Common Area and the vacant Lots in a neat, attractive, and in addition, where such property is intended for recreational use, usable condition. In determining whether such a deficit exists, paper expenses, such as depreciation, shall not be taken into consideration. Any such deficit amount required to be paid by Declarant shall be treated as an Assessment and subject to the provisions of Article VI; provided however, any lien for such an Assessment shall apply only to those Lots owned by the Declarant which are subject to this Declaration and the amount thereof shall be divided equally among all such Lots; and, provided further, that in no event shall the Declarant be required to pay any amounts, specifically including any deficit amount, which would exceed an amount equal to the amount determined by multiplying the number of Lots owned by the Declarant and subject to the Declaration at the time Declarant becomes responsible for payment, or the time the deficit is incurred (for purposes of this proviso, "the time the deficit is incurred" means the time in which the expense creating such deficit becomes a binding obligation upon the Association) by the assessment assessed to a Lot owned by Class A Member. In addition, and notwithstanding anything to the contrary herein, the Declarant may contribute assessments due from it in services or materials or a combination of services and materials, rather than in money (herein collectively called "in kind contribution"). The amount by which monetary assessments shall be decreased as a result of any in-kind contribution shall be the fair market value of the contribution reasonably determined by the Declarant.

Section 5.12. Exempt Property. No Assessments of any kind or nature shall be levied by the Association against (i) any portion of the Streets and other real property and improvements dedicated and accepted by the local public authority and devoted to public use, (ii) all areas unplatted or reserved for future development by this Declaration of the Plat of the Property, (iii) the Common Areas or Common Facilities.

Section 5.13. Equitable Adjustments. If a Supplement is filed for record which annexes additional property to the property and specifies that a greater or lesser level of use, benefit or enjoyment of the common area or of services shall be available or provided by the Association with respect to any portion of the annexed additional property, then the supplement may provide a different method or basis for the establishment, determination and calculation of the annual maintenance or special assessments under Section 5.02, Section 5.04 or Section 5.05 with respect

to such annexed additional property. In such event, the Association shall have the authority and the duty to make equitable adjustments in and to the procedures described in this Article V. for the establishment, determination and calculation of the annual maintenance and special assessments to reflect any such different level of use, benefit and enjoyment of the common area or services available or provided by the Association.

ARTICLE VI ENFORCEMENT OF ASSESSMENTS

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

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

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

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

Section 6.03. Amount of Lien. Upon the default by any Owner of any Lot in the payment of any installment of an Assessment, the entire unpaid balance of all Assessments against the Lot and the Owners of the Lot shall immediately be and become due and payable, unless the Board of Directors shall otherwise direct. In addition to the amount of the unpaid annual maintenance and special Assessments, the following amount shall be considered to be special Assessments against the Lot and the Owners of such Lot and shall be subject to the lien of Assessments provided under Section 6.01:

- (a) All reasonable costs and expenses of collection incurred or paid by the Association, including attorneys' fees, court costs and other costs and expenses relating to the collection or enforcement of the lien of Assessments.
- (b) Such late payment charges or fees as shall be established by the Board of Directors from time to time.
- (c) Such Association overhead charges as shall be established by the Board of Directors from time to time to reimburse or compensate the Association for overhead or indirect costs and expenses incurred to collect unpaid Assessments or to perform or satisfy any obligation or duty imposed upon such Owners under this Declaration.
- (d) Interest on or with respect to all amounts specified in this Section 6.03, including the unpaid balance of all Assessments, and such interest shall accrue from the due date until the payment of each such amount until paid in full at the maximum rate of interest permitted by law in the State of Mississippi on loans to the Owners from Persons similar to the Association.

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

Section 6.05. Subordination to Mortgages. As provided by Section 6.04, the lien against any Lot to secure payment of any Assessment shall be subordinate to the lien of any duly recorded First Mortgage on or against the Lot made in good faith and for value received, and shall not affect the rights of the holder of any First Mortgage. However, the lien shall be subordinate only to Assessments which have become due and payable prior to the sale or other transfer of or conveyance of the 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 such holder of a First Mortgage who acquires possession of such Lot pursuant to a foreclosure or pursuant to the execution of any deed, assignment or other proceeding or arrangement in lieu of foreclosure, and any purchaser

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

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

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

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

ARTICLE VII. INSURANCE

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

Section 7.02. Owner's Insurance. Each Owner shall insure his Dwelling and other improvements on his Lot at all times for full replacement value against losses due to hazards which may be insured or covered under extended coverage provisions, including fire, windstorm, hail explosion, riot, civil commotion, aircraft, vehicles, and smoke, and other hazards. Each Owner shall be responsible at his own expense and cost for his own personal insurance on the contents of his

Dwelling and other improvements, including decorations, furnishings and personal property in or on such Dwelling or the other improvements, and his personal property stored elsewhere on his Lot or the Property, and for his personal liability to Persons which is not covered by liability insurance for all Owners obtained by the Association and included in the annual maintenance Assessments.

ARTICLE VIII AD VALOREM TAXES

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

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

ARTICLE IX. PROPERTY RIGHTS

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

- (a) The right of the Association, acting by and through its Board of Directors, to levy reasonable admission and other fees for the use of any Common Areas and Common Facilities by the Members and their families and Invitees. Any such fees shall be charged on a uniform basis for each Member. No admission or other fees shall be charged or levied for the use of any Streets.
- (b) The right of the Association, acting by and through its Board of Directors, to suspend any Member's voting rights and any Member's rights to use the Common Areas and Common Facilities for any period during which any Assessment remains unpaid and for any period not exceeding 60 days for any infraction, breach or violation of rules and regulations of the Association. The rights of the Members to use the Streets may not be suspended by the Association for any reason whatsoever.
- (c) The right of the Association, acting by and through its Board of Directors, to dedicate or transfer all or any part of the Common Areas to any governmental agency or authority or any utility for such purposes and subject to such conditions as may be determined by the Association. No such dedication or transfer shall be effective unless either Members representing at least two-thirds of the voting power of each class of Members approve or consent to such dedication, transfer, purpose and conditions, or an instrument agreeing or consenting to such dedication or transfer executed by Members representing at least two-thirds of the voting power of each class of Members has been filed for record.

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

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

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

(g) The right of the Declarant to dedicate or grant the streets, roads, parking areas, sidewalks and/or rights-of-way as shown and designated on the plat to any governmental authority having jurisdiction over the Property.

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

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

(j) The right of the Association to sell, transfer or convey any part of the Common Area which it determines to be beneficial to the Members, upon the consent of two-thirds of the voting power of each class of members, or upon the filing for record of an instrument agreeing or consenting to such sale, transfer or conveyance executed by Members representing at least two-thirds of the voting power of each class of members

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

ARTICLE X.
ARCHITECTURAL CONTROL

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

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

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

- (a) Building plans, at a reasonable scale, and building specifications, which shall include the location, nature, shape, height, materials, color and finish of materials, type of construction, floor plans and elevations, details of exterior wall construction and other exterior features, gross square footage and other characteristics of the improvements and other information required or specified by the Architectural Review Committee.
- (b) A drainage plan which will coordinate with the overall area drainage.

(c) A site plan, at a reasonable scale, which will include an accurate grading plan and which shall show the location of all (i) improvements, (all Dwellings and buildings must be located at least twenty feet (20') from the front lot line), (ii) exterior lighting and signs, (iii) pedestrian walkways, vehicular circulation and parking areas, and (iv) designation of all proposed utility lines, air-conditioning units, aerial lines, pipes, conducts, transformers and similar equipment.

(d) A landscape plan.

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

(f) A construction time table or schedule, including anticipated completion date.

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

Section 10.04. Review Process. Within 30 business days after receipt of all of the Plans, the Architectural Review Committee shall review the Plans and shall either approve or disapprove all or any portion of the Plans. Written notice of such decision shall be given to the Developer or other builder, and such notice shall specify the reasons for any disapproval. The Architectural Review Committee's right to disapprove the Plans shall be limited to (i) the failure of the Developer or other builder to include information required by, or otherwise satisfy the requirements of, this Article X or other provisions of this Declaration, (ii) objections to the design, general massing, color, materials or development of any proposed building or improvement which the Architectural Review Committee determines to be incompatible with the existing or surrounding structures on, or the topography and conformity with the design concept of or for, the Property, (iii) objections that the Plans do not provide for first-class structure, workmanship or materials, (iv) failure to provide a landscape plan which is consistent with the quality, development or design of the Property, or (v) any other reason or reasons which are not arbitrary or capricious, including, but not limited to, aesthetic considerations.

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

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

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

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

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

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

Section 10.05 Disclaimer. The Board of Directors, the Architectural Review Committee, each director and each officer of the Association, each member of the Architectural Review Committee and the Association and, if applicable, the Declarant shall not be liable to any Owner or to any other

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

Section 10.06. Rules and Regulations. Upon the recommendation of the Architectural Review Committee, from time to time the Board of Directors may (i) adopt and promulgate such rules and regulations regarding the construction or alteration of any structure or improvement and the form and content of Plans to be submitted to the Architectural Review Committee for review and approval or disapproval, and (ii) publish and/or file for record such statements of policy, standards, guidelines, and establish such criteria relating to architectural styles or details, colors, size, set-backs, materials or other matters relating to architectural control, protection of the environment, including the use and application of fertilizers, pesticides and other chemicals, and the preservation of such aesthetic values and characteristics and amenities, as may be considered necessary and appropriate. No such rules, regulations, statements or criteria shall be construed as a waiver of any provision of this Article X or any other provision of requirement of this Declaration. Notwithstanding anything in this Section to the contrary, no Dwelling or other building shall be located nearer than twenty feet (20') to the front lot line of any Lot subject to this Declaration.

Section 10.07. Limitations. Construction in accordance with approved Plans shall be commenced within six months after approval, whether by affirmative action or by forbearance from action, and shall be substantially completed either within six months after construction commences, or within such other period as the Architectural Review Committee shall specify in the approval of the Plans. If construction is not commenced or is not completed as required in this Section 10.06, then approval of the Plans shall be conclusively deemed to have lapsed and compliance with the provisions of this Article X shall be required again.

ARTICLE XI. EASEMENTS

Section 11.01. Utility Easements. The Declarant, the Association, and each utility providing service to the Property shall have and is granted or reserved non-exclusive easements and rights-of-way in through, across, on, over and under the portions of the Property which are not improved with Dwellings, buildings or other structures, including full rights of ingress and egress, for the installation, operation, use, maintenance, repair and removal of utilities and drainage facilities and

floodway easements located in utility or drainage easements as shown and designated on a Plat, and the right to remove any obstruction in any utility or drainage easement which may interfere either with the use of any utility or drainage easement or with the installation, operation, use, maintenance, repair and removal of such utility or drainage facility. All utilities services shall be installed and maintained underground.

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

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

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

Section 11.03. Maintenance and Support Easements. Where Dwellings are permitted on or in close proximity to the boundaries of a Lot, the Common Areas and each Lot and Dwelling on such Lot shall be subject to irrevocable easements for the benefit of the Association and the Owners of the adjoining Lots and abutting Dwellings for (i) drainage (ii) the maintenance and unobstructed and uninterrupted use of any and all pipes, ducts, flutes, chutes, conduits, cables and wire outlets and utility lines, (iii) maintenance and lateral support of adjoining and abutting buildings and improvements, (iv) such portions of any building or improvements that may overhang a Lot or any portion of the Common Areas, and (v) the walks and sidewalks serving such adjoining and abutting areas.

Section 11.04. Common Drive and Special Purpose Easements. Declarant hereby creates for the Owners of all Lots, a perpetual non-exclusive easement for ingress and egress over and across the drive common to or used by Owners of Lots as shown on any subdivision plat of any portion of

the Property such as the private drive easement over and across the north side of Lots 33 through 42 of Indian Trails Part One. Declarant further creates and does hereby grant to the Association a perpetual, non-exclusive Special Purpose Easement as shown on any subdivision plat of any portion of the Property for the purpose of establishing and regulating walkways, bike, jogging and riding trails or ways, over and across said easement, for the use and benefit of its members.

ARTICLE XII

USE AND OTHER RESTRICTIONS AND REQUIREMENTS

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

Section 12.02. Lease of Dwelling. The lease or rental of a Dwelling for residential purposes shall not violate Section 12.01 if (i) the entire Dwelling and all the improvements on the Lot are leased, (ii) the term of the lease is at least six months, (iii) the lease otherwise complies with the rules and regulations adopted and promulgated from time to time by the Board of Directors, and (iv) the lease is subordinate and subject to this Declaration and is in writing. Prior to commencement of any lease term, the Owner shall provide the Association and Management Agent, if any, with copies of the lease.

Section 12.03. Sales and Construction Activities. The Declarant is expressly permitted and authorized to maintain and conduct such facilities and activities as may be reasonably appropriate, necessary, required, convenient or incidental to the construction, completion, improvement and sale of Lots and/or Dwellings or the development of Lots, Dwellings and other improvements, and the Common Areas, including, without limitation, the installation and operation of sales and construction trailers, offices and other structures or other improvements. The location of any construction trailers of any Developer or other builder shall be subject to the Declarant's approval. The right to maintain and conduct such facilities and activities specifically includes the right to use Dwellings as model residences, as offices for the sale of Lots and/or Dwellings, and for related activities. The Declarant is expressly permitted and authorized to use, stock, maintain, locate, store and place on any portion of the Property any and all equipment, tools and vehicles as may be reasonably appropriate, necessary, required, convenient or incidental to such construction, improvement, completion, sale or development, including, but not limited to, construction equipment and construction machinery and vehicles.

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

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

Section 12.06. Easement Interference. No structure, planting or other material shall be placed or permitted to remain upon any 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 of flow of surface water runoff in any drainage easement, swale or channel.

Section 12.07. Reconstruction after Fire or Other Casualty Loss. If a Dwelling is partially or completely destroyed by fire or other casualty, the Owner of such Dwelling shall promptly clear the Lot or restore or reconstruct such Dwelling, at his own expense, in accordance with the original Plans or as otherwise approved by the Architectural Review Committee in accordance with the procedure for obtaining such approval as provided in Article X hereof.

Section 12.08. Vacant Lot Maintenance. Each owner shall be responsible for the proper seeding, fertilization, watering, mowing, removal of litter and maintenance of such Owner's Lot (s) which is undeveloped (including that portion of the street right of way adjacent to front lot line and extending to the curb of the paved street in front of such Lot). If fill is placed on the Lot and the construction of the improvements is not promptly commenced and completed, then the Owner will be required to maintain such Lot.

Section 12.09. Signs. Except as may be required by legal proceedings, no signs, advertising or ornaments of any kind shall be placed, maintained or permitted on a Lot or within any windows or on the exterior of any Dwelling or other structure located on any Lot by any Person, including the Owner, without the approval of the Declarant and/or the Architectural Review Committee. The approval of any signs and posters, including name and address signs, shall be upon such conditions the Declarant and/or the Architectural Review Committee shall determine from time to time, and approval may be arbitrarily withheld. Any approved sign or advertising device shall only contain one name and/or one number plate which shall not exceed 450 square inches, and, if advertising the Lot or Leasehold Interest and/or Dwelling "for sale" or "for lease," such sign shall not exceed three square feet in area and shall be subject to the Architectural Review Committee's right to restrict color and content. The restrictions of this Section 12.09 shall not apply to the Declarant. The Board of Directors shall have the right to erect reasonable and appropriate signs on any portion of the Common Areas and Common Facilities and within easement areas established by this Declaration.

Section 12.10. Lot Division and Addition. No residential lot, except as provided in Article XVI hereof, shall be further subdivided and no more than one single-family dwelling shall be constructed or permitted on each lot. It is important that the visual appearance and streetscape quality

not be altered by increasing or decreasing the density of residential units in Indian Trails. Any such changes as might occur by placing one house on two residential lots must be approved by the Declarant until all Declarant's lots are sold and thereafter by the Board of Directors and the Architectural Review Committee.

Section 12.11 Signage, Antenna, etc. No Owner or occupant of any residential lot may allow anything to be hung from windows or displayed from the outside wall of any residence other than the American Flag, plants, or similar items. No sign, basketball goal, radio, or television antenna or dish, except small antenna or dish less than twenty four inches (24") in diameter, the size, shape and location of which shall have been approved by the Architectural Review Committee, may be affixed to an exterior wall or roof of any structure, or permanently mounted in the yard. Each residence may contain a built-in concealed T.V., antenna or cable system if desired. Except as permitted in Article XIII, no "For Rent" signs may be displayed by individual owners or their agents. The location, size and material of any free standing basketball goal must be approved by the Architectural Review Committee.

Section 12.12 Exterior Appearances. (a) Except for maintenance areas within the Common Areas and those fences erected by Declarant or the Association, no chainlink fences shall be permitted within the development unless approved by the Architect Review Committee.

- (b) Unenclosed garages shall be adequately screened from street view.
- (c) No foil, sunscreens, or other reflective materials shall be permitted.
- (d) When not in use, all garage doors shall be kept closed.
- (e) No projections of any type shall be placed or permitted above the roof of any improvement except approved chimneys, vents, small antennaa or dish as described in Section 12.11 above and such other objects as may be approved by the Architectural Review Committee.
- (f) No basketball goal or sports apparatus shall be permitted or placed on any Lot that is visible from any street.
- (g) No clothes line shall be constructed or placed on any Lot.
- (h) Each Property Owner shall provide a screened area to serve as a service yard and an area in which garbage receptacles or similar storage receptacles, electric and gas meters, air conditioning equipment and other unsightly objects must be placed or stored in order to conceal them from view from the road and adjacent properties. Plans for such screened area delineating the size, design, texture, appearance and location must be approved by the Architectural Review Committee prior to construction. Garbage receptacles may be located outside of such screened areas only if located underground.

(i) Each owner of a Lot located in Indian Trails as a part of the construction of a residence on such Lot shall be responsible for and shall construct a sidewalk along all streets which such Lot adjoins. Said sidewalk shall be flush with the curb, 36 inches wide, brushed concrete, edged joints on approximately five foot centers.

Section 12.13. Pets. No animals, livestock or poultry of any kind, shall be raised, bred, kept, staked or pastured on any Lot or on portion of the Common Areas, except dogs, cats, birds or other household pets for non-commercial purposes and which are kept in Dwellings and are not a source of annoyance or a nuisance to the Property or any Member. The Board of Directors shall have the right, but not the obligation, to prohibit or bar certain dogs or breeds of dogs or other household pets from any Lot or Dwelling or other structure on the Lot or any portion of the Property. Pets shall be attended at all times and shall be registered, licensed and inoculated as required by law. Pets shall not be permitted upon the Common Areas unless accompanied by an adult individual and either carried or leashed. The Board of Directors shall have the right to adopt such additional rules and regulations regarding pets from time to time as considered necessary or appropriate, including more restrictive "leash" regulations.

Section 12.14. Vehicle Use and Storage. All vehicles shall be currently licensed and maintained in operating condition, so as not to cause or create hazards or nuisances by excessive noise levels, exhaust emissions, or appearance. Inoperative motor vehicles are strictly prohibited from the subdivision except for emergency situations. Off-street parking, adequate to accommodate the parking needs of the Owner and Occupants shall be provided by the Owner of each lot. The intent of this provision is to eliminate the need for any on-street parking; provided, however, that nothing herein shall be deemed to prohibit short-term on-street parking of employees' or visitors' vehicles.

No motor vehicle may be repaired (except for emergency repairs) on any lot, street, or Common Areas within the subdivision except where such repairs are made on a vehicle owned by an Owner and are done within such Owner's enclosed garage or in an area screened from public view.

Section 12.15. Mobile Homes and Trailers. No house trailer or mobile home shall be admitted in Indian Trails at any time, whether used for residential purposes or not.

Section 12.16. Unsightly Conditions And Nuisances. It shall be the responsibility of each Property Owner and tenants thereof to prevent the development of any unclean, unsightly or unkempt conditions of buildings or grounds on the Property which shall tend to substantially decrease the beauty of the community as a whole or as a specific area. No rubbish or debris of any kind shall be dumped, placed or permitted to accumulate upon any portion of the Property. Nor shall any nuisance or odors be permitted to operate upon or arise from the Property, so as to render any portion thereof unsanitary, unsightly, offensive or detrimental to persons using or occupying any other portions of the Property. Noxious or offensive activities shall not be carried on in any Lot, Dwelling or any part of the Common Areas, and each Owner, his family, tenants, invitees, guests, servants and agents shall refrain from any act or use of a Lot, dwelling or the Common Areas which would cause disorderly, unsightly or unkempt conditions or which would cause embarrassment, discomfort, annoyance or

nuisance to the occupants of other portions of the Property or which would result in a cancellation of any insurance from any portion of the Property or which would be in violation of any law, governmental code or regulation. Without limiting the generality of the foregoing conditions, no exterior speakers, horns, whistles, bells, or other sound devices except security and fire alarm devices used exclusively for such purposes shall be located, used, or placed within the Property. Any Owner, or his family, tenants, guests, invitees, servants, or agents, who dumps or places any trash or debris upon any portion of the Property shall be liable to the Association for the actual costs of removal thereof or the sum of \$150.00, whichever is greater, and any sum shall be added to and become a part of that portion of the assessment next becoming due to which the Owner and his Lot are subject.

Section 12.17. Lights. The design and location of landscape lighting fixtures shall be subject to the approval of the Architectural Review Committee. Neither these nor any other illumination devices, including but not limited to Christmas ornaments, shall be located anywhere on the structure or grounds of any Lot in such a manner as to adversely illuminate or affect the nighttime environment of any adjoining Property.

Section 12.18. Certain Construction Rights. The Declarant expressly reserves to itself, its successors in title, and assigns and any other provisions of this Declaration notwithstanding, the right to build bridges, walkways, or expanse across any natural or man made canals, creeks, riding trails, paths, or lagoons in the Property. Nothing in this section shall be construed as placing an affirmative obligation to the Declarant to provide or construct any such improvement.

Section 12.19. Certain Controls. (a) To implement effective insect, reptile, and fire ant control, and vegetation and trash control, the Declarant or the Association, and their heirs, successors, assigns and agents, have the right to enter upon any property on which a building or structure has not been constructed and upon which no landscaping plan has been implemented for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth, removing trash or dispensing pesticides on all such property which in the opinion of the Declarant or the Architectural Review Committee detracts from the overall beauty, setting and safety of the Property. The cost of this vegetation and trash control shall be kept as low as reasonably possible and shall be paid by the respective Property Owner. Such entry shall not be made until thirty (30) days after such Property Owner has been notified in writing for the need of such work and unless such Property Owner fails to perform the work within said thirty (30) day period.

(b) The provisions of this section shall not be construed as an obligation on the part of the Declarant or the Association to mow, clear, cut or prune any property, to provide garbage or trash removal services to perform any grading or landscaping work, construct or maintain erosion prevention devices, or to provide water pollution control on any privately owned property.

(c) Entrance upon Property pursuant to the provisions of this Section 12.19 shall not be deemed trespass. The rights reserved unto the Declarant and the Association in this section shall not be unreasonably employed and shall be used only where necessary to effect the stated intents and purpose of this Declaration.

ARTICLE XIII GREEN SPACE

Section 13.01 Maintenance of Green Space. It is the intention of the Declarant that the trees, woodland and natural and scenic areas currently in evidence at Indian Trails be maintained and enhanced by designation of certain areas of Indian Trails as "Green Space" on the Plats filed by the Declarant. Green Spaces as expressed above and further defined shall be subject to the policies relating thereto elaborated in this Article and elsewhere throughout this Section.

Section 13.02 Green Space. Pursuant to the aforesaid overall objectives of natural and scenic conservation, no hunting or tracking shall be permitted on any portion of the property at any time except for undesirable wildlife as authorized and approved by the rules and regulations promulgated by the Association from time to time. The Association shall have the right, but shall not be obligated, to protect from erosion all Green Space by planting trees, plants and shrubs where and to the extent necessary. The right is likewise reserved to the Declarant and to the Association to take steps necessary to provide and insure adequate drainage ways in the Green Space, remove diseased, dead or dangerous trees and carry out other similar activities, the cost of which services to be paid by assessment of the Association in accordance with Article V of this Declaration.

ARTICLE XIV ENFORCEMENT OF DECLARATION

Section 14.01 Compliance. If any provision of this Declaration is breached or violated or threatened to be breached or violated by any Owner or other Person, then each of the other Owners, the Declarant and/or the Association, jointly or severally, shall have the right, but not the obligation, to proceed at law or in equity to compel a compliance with, or to prevent the threatened violation or breach of, the provisions of this Declaration. If any structure or other improvement located on any portion of the Property, including any Lot, violates any provision of this Declaration, then the Declarant and/or the Association, jointly or severally, shall have the right, but not the obligation, to enter upon any portion of the Property, including any Lot, to abate or remove such structure or other improvement at the cost and expense of the Owners of the Lot where such structure or improvement is located or who otherwise causes such violation, if the violation is not corrected by such Owners within 30 days after written notice of such violation. Any Person entitled to file or maintain a legal action or proceeding for the actual or threatened violation or breach of this Declaration shall be entitled to recover attorney's fees and other costs and expenses attributable to such action or proceeding, and the Association shall be entitled to recover and receive any other amounts specified in Section 6.03. Any such entry and abatement or removal shall not be or be deemed to be a trespass. The failure by any Person for any period of time to enforce any provision of this Declaration shall not be or be deemed a waiver of the right to enforce or otherwise bar or affect the enforcement of any and all provisions of this Declaration at any time, including any future time.

Section 14.02 Enforcement. This Declaration shall be enforced by any appropriate proceeding at law or in equity (i) against any Person who breaches or violates or threatens to breach or violate

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

ARTICLE XV. GENERAL PROVISIONS

Section 15.01. Duration. This Declaration shall run with and bind the land subject to this Declaration, and shall inure to the benefit of and be enforceable by the Declarant, the Association and the Owners of any land subject to this Declaration, their respective legal representatives, heirs, devisees, successors and assigns, until January 1, 2036. After such date this Declaration shall be automatically extended for successive periods of ten years unless a Supplement signed by a majority of the Owners has been properly filed for record to abolish or terminate all or a substantial portion of this Declaration at least one year prior to the effective date of such abolishment or termination.

Section 15.02. Amendments. Notwithstanding Section 14.01 this Declaration may be amended, modified and/or changed either (i) by the Declarant properly filing for record a Supplement prior to January 1, 2000 or (ii) by a Supplement properly filed for record and executed by the owners of at least 75% of the Lots if amended, modified and/or changed prior to January 1, 2035, and thereafter by the Owners of at least 51% of the Lots.

Section 15.03. Interpretation. The provision of this Declaration shall be construed to implement the purpose of the creation of a uniform plan for the development of the Property.

Section 15.04. Severability. Invalidation of any provision of this Declaration by judgment or court order shall not affect any other provisions of this Declaration which shall remain in full force and effect.

Section 15.05. Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration.

Section 15.06. Notices to Owner. Any notice required to be given to any Owner under the provisions of this Declaration shall be deemed to have been properly delivered when deposited in the United States mails, postage prepaid, addressed to the last known address of the Person who appears as Owner on the records of the Association or, if applicable, the Declarant at the time of such notice is mailed.

