

ADELAIDE

A Traditional Neighborhood Development

Declaration of Easements, Covenants & Restrictions

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Declaration of Easements, Covenants & Restrictions

LIVE ADELAIDE, LLC - A Mississippi Limited Liability Company to be known and hereafter referred to as the "Founder" makes this Declaration on the 11th day of January, 2017.

STATEMENT OF PURPOSE:

- A. The Founder has or will develop upon real property in Oktibbeha County, Mississippi, the first portion of a new traditional neighborhood development, which is that property to be platted as **ADELAIDE, PHASE I**, containing 6.45 ac in the Northeast Quarter of Section 15 and Section 22, Township 18 North, Range 14 East, Oktibbeha County, Mississippi as set forth and described on Exhibit "A" attached hereto.
- B. The development plan for ADELAIDE calls for creation of a new community, with sidewalks, parks, a range of housing types and business locations. Unlike typical suburbs which separate homes from businesses and force dependence on the automobile, the ADELAIDE design is intended to mix commercial, civic and residential uses in a way which enlivens the community.
- C. The sidewalks, parks and other open spaces in common area within ADELAIDE are intended to be owned and maintained by the ADELAIDE OWNERS ASSOCIATION, INC.. The public streets shall, as part of the platting process, be dedicated to and maintained by the City of Starkville, Mississippi.
- D. The Founder records this Declaration primarily for the residential portion of this new community and establishes an Owners' Association to enhance community life, to establish and enforce certain covenants and restrictions, to provide for further maintenance of the community, and to allow for self-governing of ADELAIDE by its owners.

DECLARATION:

The Founder, who is the owner and developer of all of the property which comprises, the Initial Plat, hereby submits certain portions of the Initial Plat as described on Exhibit "A" (the "Neighborhood") to this Declaration of Easements, Covenants and Restrictions (hereafter "ECR"). The Founder hereby declares that the property described on Exhibit "A" shall be sold and conveyed subject to the easements, covenants and restrictions of this Declaration, which shall run with the land and be binding on all parties and heirs, successors and assigns of parties having any right, title or interest in all or an part of the Neighborhood.

ARTICLE I: DEFINITIONS

The following definitions apply wherever the capitalized terms appear in this declaration. Additional terms which apply only to one article are defined the first time they appear.

- 1.1 Articles. "Articles" is the Certificate of Formation of Live Adelaide, LLC on file with the office of the Secretary of State of Mississippi.
- 1.2 Assessments. "Assessments" is the collective term for the following Association charges:
 - a) General Assessment. The "General Assessment" is the amount allocated among all Members to meet the Association's annual budgeted expenses, as described in Section 8.3.
 - b) Individual Parcel Assessments. An "Individual Parcel Assessment" is a charge made to a particular Parcel Owner for charges relating only to the Parcel, as provided in Section 8.5, or for Zone charges.
 - c) Special Assessments. A "Special Assessment" may be charged to each Parcel for capital improvements or emergency expenses, in accordance with the provisions of Section 8.4.
- 1.3 Association. "Association" is the ADELAIDE OWNERS ASSOCIATION, INC., A Mississippi Non-profit Corporation, its successors and assigns, whose members are the Owners.
- 1.4 Board. "Board" is the Board of Directors of the Association.
- 1.5 Building. "Building" is any residential commercial, or clinic building. If permitted by the Adelaide Pattern Book, a Building may be attached to another Building and share party walls. The Adelaide Pattern Book may permit the construction of two or more Buildings or two or more dwelling units on a lot.
- 1.6 Bylaws. "Bylaws" are the Bylaws of the Association available to each Owner upon request to the Founder .

- 1.7 Common Area. "Common Area" comprises real property within the Adelaide development designated as Common Area, lanes, alleyways, signage, street light poles, sidewalks, irrigation, landscaping and any other designation of property intended for the common use as shown on the Initial Plat (or any subsequent plat), or specifically conveyed to the Association and intended for the common use and enjoyment of all Owners.
- 1.8 Common Roads. "Common Roads" are the lane and alleyways designated on the subdivision plat for each phase of Adelaide which are intended for automobile traffic to service the residential properties and which shall be maintained by the Association.
- 1.9 Public Roads. "Public Roads" are streets located within each phase of Adelaide which are intended for automobile traffic and which have been dedicated to the City of Starkville as part of the platting process.
- 1.10 Community Meeting. The "Community Meeting" is the public meeting of Members, for discussion and voting, as described in Article VIII.
- 1.11 Declaration. "Declaration" is this Declaration of Easements, Covenants and Restrictions primarily for the residential portion of Adelaide.
- 1.12 Founder. The "Founder" is LIVE ADELAIDE, LLC - A Mississippi Limited Liability Company, its successors and/or assigns. "Founder" is one and the same entity as the Owner and Developer.
- 1.13 Adelaide. "Adelaide" is all of the property made subject to this ECR.
- 1.14 Adelaide Architectural Review Board. The "Adelaide Architectural Review Board" shall consist of not less than three (3) members appointed by the Founder until such time as its responsibilities have been turned over to the Association and shall be responsible for the administration of the Adelaide Pattern Book as provided in Article III of this ECR.
- 1.15 Adelaide Pattern Book. The "Adelaide Pattern Book" establishes the plan for the development of Adelaide through its regulation of land use, architecture and environment. The Adelaide Pattern Book does not need to be recorded to be effective but shall be available from the Adelaide Architectural Review Board.
- 1.16 Development Plan. The Development Plan is the initial plan for the development of the Development plan Area. The Development plan is subject to changes based on market conditions, governmental requirements and other modifications which may be made as development progresses.
- 1.17 Development Plan Area. The Development Plan Area comprises approximately 480 acres, which includes the 6.45 acre parcel described in Exhibit "A" to this ECR.

- 1.18 Member. Each Owner is a “Member” of the Association, as provided in Article IV of this Declaration.
- 1.19 Mortgagee. A “Mortgagee” is any person, firm or entity which holds a bona fide first mortgage encumbering a Parcel as security for the performance of an obligation.
- 1.20 Neighborhood. The “Neighborhood” is the primarily residential portion of Adelaide which is subject to this Declaration. The initial property comprising the Neighborhood is described on Exhibit “A”. Property may be added to the Neighborhood as provided in Section 2.3 of Article II.
- 1.21 Owner. “Owner” is the record owner, whether one or more persons or entities, of the fee simple title to any Parcel. Owners shall not include those having such interest merely as security for the performance of an obligation.
- 1.22 Parcel. A “Parcel” is the smallest parcel of land which may be separately conveyed. Ordinarily, Parcels are designated as numbered, separately identifiable lots on a recorded subdivision plat. Once improved, the Parcel includes any building or other permanent improvements. The Founder may redefine Parcel prior to sale to third parties by dividing or combining Parcels or portions of Parcels or adjusting the boundary of a Parcel.
- 1.23 Residential Unit. A “Residential Unit: is any single family dwelling or residence.
- 1.24 Special Use Parcel. Any parcel other than a residential or commercial unit designated by the Founder which may be subject to additional or specific restrictive covenants.
- 1.25 Supplemental Declaration. A “Supplemental Declaration” is any declaration which may be recorded by the Founder or the Association in accordance with Section 2.3 in Article II for the purpose of adding additional phases to the Adelaide Neighborhood Development.
- 1.26 Village Center. The “Village Center” is the mixed-use and commercial portion of Adelaide and is intended to be subject to a separate Village Center Declaration.
- 1.27 Zone. “Zones” are smaller, contiguous area within Adelaide of distinct character or housing type. Owners of property within a Zone may be assessed for maintenance of property primarily serving that Zone.

ARTICLE II: PROPERTY COMPRISING THE NEIGHBORHOOD

Adelaide is being developed in phases, and is intended to include offices, restaurants, shops, recreation facilities and other commercial and civic areas, as well as residential and mixed use streets. This article describes the real property of which the Neighborhood will initially be comprised, provides the method by which additional property may be added and establishes necessary easements.

- 2.1 Initial Property. The real property which shall be held, transferred, conveyed and occupied subject to this ECR consisting initially of that real property described on Exhibit "A".
- 2.2 Development Plan Area. The property which comprises the Development Plan Area is intended for development as a single, unified traditional neighborhood development and is intended to include both residential and commercial properties. Portions of the Development Plan Area which are primarily commercial may be submitted to this Declaration in accordance with Section 2.3, or may be submitted to a separate declaration and maintained by a separate association.
- 2.3 Additional Property.
- (a) By the Founder. The Founder shall have the right, but not the obligation, from the filing date of this ECR to add to the Adelaide Neighborhood any or all of the following properties:
- (i) any part of the Development Plan Area. This reserved development right may be exercised with respect to different portions of the Development Plan Area at different times. No assurances are made as to the boundaries of those portions or order in which the portions will be added. Exercising any development right in any portion of the Development Plan Area does not necessarily mean the right will be exercised in the remainder of the Development Plan Area;
- (ii) any contiguous property any portion of which is within one-half mile of any portion of the Neighborhood (including any property separated from the Neighborhood by a public street, body of water or other property) or any other property with a reasonable relationship to the Neighborhood;
- (iii) individual Residential Units which are within primarily commercial portions of the Development Plan Area, even if the land surrounding the units is not annexed.
- (b) By Association. Additional property of any type may be annexed to the Neighborhood by a majority vote of the Board. Such right shall begin when the Founder no longer selects a majority of the Board of Directors and shall extend indefinitely.
- (c) Supplemental Declaration. A Supplemental Declaration adding the additional property shall become effective upon being recorded in the county's public records.
- (d) Special Provisions. The Supplemental Declaration may modify or add to the provisions of this Declaration if needed to reflect the different character of the additional property. A Supplemental Declaration may define Zone; may designate certain Commons as "Zone Commons" for the use of certain Zones; and may created an assessment procedure by which certain Zones are assessed separately for Zone Commons. However, no such Supplemental Declaration shall deny use of existing Commons to those Owners who had such right prior to the recording of the Supplemental Declaration. A

Supplemental Declaration may also create Zone advisory councils or create a plan for election of the Board of Directors which includes district representation. If individual Residential Units which are within primarily commercial portions of the Development Plan Area are annexed, the amount of assessments to be paid by such units may be reduced based upon a reasonable estimate of the units' usage of the Commons.

2.4 Easements. The Founder hereby reserves for the Association and all governmental or utility service entities providing service to the Adelaide Neighborhood Development following easements:

(a) Utility Easements. All utility easements necessary and/or required by any governmental entity or utility service provider shall be identified and shown on the subdivision plat for each phase Adelaide.

(b) Drainage, Erosion Controls. A blanket easement and right on, over, under and through the ground within the Neighborhood to inspect, maintain and to correct drainage of surface water and other erosion controls. This easement includes the right to cut any trees, bushes or shrubbery, grade soil, or to take any other action reasonably necessary for health or safety or to comply with governmental requirements. The Association shall notify affected Owners (except in an emergency) and shall restore the affected property to its original condition as nearly as practicable. The reservation of this easement shall in no way impose an affirmative obligation on the association for abatement of any drainage issue.

(c) Encroachment. An easement for any improvements constructed on the Commons which encroach on any Parcel, whether due to any minor deviation from the subdivision plat of the Neighborhood or the settling or shifting of any land or improvements.

(d) Maintenance of Commons. To the extent reasonably necessary, an easement over any Parcel for maintenance of the Commons.

2.5 Relationship between Parcels.

(a) Intent. The easement in this Section 2.5 are intended to provide guidelines for reasonable cooperation between neighbors. The Association may make rules for maintenance and use of easement areas and shared improvements which shall be applied uniformly to all Parcels similarly configured.

(b) Parcel Lines. Parcels may not be subdivided or separated into small Parcels, or any portion of a Parcel separately conveyed, except by the Founder or with the specific consent of the Adelaide Architectural Review Board. However, this shall not prohibit corrective deeds or similar corrective instruments. The Founder may redefine Parcels prior to sale by dividing or combining Parcels or portions of Parcels and adjusting the boundary of a Parcel. The Founder shall also have the right to modify subdivision plats of the Neighborhood to make adjustments to Parcel boundary lines with consent only of those Owners whose Parcel boundaries are to be changed. The division or

combination of Parcels may be subject to zoning or other governmental regulation.

(c) Structural Party Walls. Structural party walls shall be owned and maintained as provided by the Adelaide Pattern Book.

(d) Exterior Walls along a Parcel Line. The Association may make rules and regulations concerning use and maintenance of any exterior wall which supports a Building on only one parcel or which encloses a courtyard on one Parcel.

(e) Yard Easements. To allow most efficient use of a Parcel while complying with governmental setback requirements, a portion of a Parcel along a Parcel line may be subject to an easement for use by the adjoining Parcel Owner. Such easements may be designated on the plat, the Adelaide Pattern Book or on the deed from the Founder to the first Owner other than the Founder. Such use easements may be up to four feet wide and shall run along a boundary line, but shall not encroach upon more than one boundary line. In addition, the Owners of such a Parcel subject to an easement shall be the beneficiary of a similar easement along another portion of the Parcel, unless the Parcel in a corner Parcel or is larger than the surrounding Parcels. Subject to regulation under the Adelaide Pattern Book, the beneficiary of such an easement shall have the use and maintenance responsibility for the easement area and may place fences, decks or patios or other structures (but not a primary structure) upon the easement area.

(f) Roof Overhang. If permitted by the Adelaide Pattern Book, roofs may overhang a property line.

ARTICLE III: PROPERTY, COMMUNITY PLANNING, ADMINISTRATION OF THE ADELAIDE PATTERN BOOK & OPERATION OF THE ADELAIDE ARCHITECTURAL REVIEW BOARD

Adelaide will be built by different homeowners, architects and builders. Each will contribute to the shaping of the final community.

The Adelaide Pattern Book communicates the elements which are essential for creating the community. Within these essential elements, there is room for the creative and individual design which vitalizes the community.

- 3.1 Easement, Covenants and Restrictions. These Easements, Covenants and Restrictions establish the Adelaide Pattern Book as the guide for all construction within the Adelaide Development Area, administration the Adelaide Pattern Book and creation the Adelaide Architectural Review Board. All construction or modification, any tree removal or any material alteration of the landscaping or topography of any Parcel or Commons must be approved in advance by the Adelaide Architectural Review Board.

- 3.2 Binding Effect. These Easements, Covenants and Restrictions, which shall be recorded in the public records, are binding upon all of the property within Adelaide. Unless a notice is recorded specifically to the contrary, the submission of additional property to the Declaration for the Neighborhood shall automatically extend the provisions of the these ECRs to the additional property.
- 3.3 Assignment to Association. The ECRs provide for the Founder's enforcement of the Adelaide Pattern Book during the development period. At the end of the development period, the Founder shall assign to the Association its rights to enforce the Adelaide Pattern Book.

ARTICLE IV: OWNERS ASSOCIATION

The Association is responsible for maintaining the Neighborhood and enforcing the Declaration. While the Founder will control the Association during the early development stage, the owners themselves will be responsible for the continuation of the community through their participation in the Association.

The Articles and Bylaws of the Association, which create the Association as a non-profit corporation and provide certain procedures for its corporate operation shall be established by the Founder.

- 4.1 Membership. Every Owner shall be a mandatory Member of the Association. Membership shall be appurtenant to and may not be separated from title to any Parcel.
- 4.2 Duties.
- (a) Generally. The Association shall perform all duties required by this Declaration and Mississippi law, and shall enforce the terms of this Declaration.
- (b) Maintenance of Common Area. It shall be the responsibility of the Association to maintain all of the Common or Public Areas as designated on the subdivision plat for each development phase.
- 4.3 Contracts. The Association may contract with any party, including the Founder, for the performance of all or any portion of the management of the Association and its maintenance and repair obligations. The cost of the contract shall be included within the General Assessment, Special Assessment or Individual Parcel Assessment as applicable. The Association may require that Owners contract for certain routine yard maintenance, in order to provide a uniform level of care. The Association also may, but is not obligated to, act as agent for an Owner, if so requested by that Owner, to contract for routine maintenance and other services not required to be provided by the Association, the cost of which would be assessed to that Owner as an Individual Parcel Assessment. The terms and conditions of all such contracts shall be at the direction of the Board.

ARTICLE V: COMMONS

Certain property within the Neighborhood and certain easement rights, called the "Commons," are to be owned and maintained by the Association for the benefit of all Owners. As the Neighborhood is completed in phases, additional property will be added to the Commons.

5.1 Title.

(a) Association-Owned Commons. The Association may hold title to certain Commons for the benefit of its members.

(b) Additional Commons. The Founder may convey to the Association additional Commons or other infrastructure which the Association shall accept for repair and/or maintenance.

5.2 Association-Owned Commons: Maintenance.

(a) Generally. The Association shall be responsible for the management, control and improvements of the Association-owned Commons and shall keep such Commons attractive, clean and in good repair.

(b) Capital Improvements. The Association may make capital improvements to the Commons and may modify the uses of the Commons. Expenses for substantial capital improvements must be approved in accordance with Section 7.6.

The Association shall also be responsible for the repair and maintenance of all signage, street light poles, landscaping, irrigation systems and all sidewalk areas whether located within an designated common area or within a public right-of-way as shown on each subdivision plat.

5.3 Easements of Access and Environment.

(a) Owners. The Founder hereby grants and conveys to every Owner a right and easement of appropriate use and enjoyment of the Association-owned Commons, subject to the Association's right of regulation in accordance with this Declaration and the Founder's right to use the Commons as provided in paragraph 5.4, and subject also to any limitations contained in the conveyance of those Commons to the Association. These easements shall be appurtenant to and shall pass with title to every Parcel.

(b) Tenants. Guests. Any Owner may delegate, subject to the provisions of this Declaration, the Bylaws and the Rules and Regulations, his right to enjoyment to the Association-owned Commons to the members of his family, his tenants or his guests who reside on the Parcel or are accompanied by the Owner. The Association will adopt rules to prohibit or restrict use of the Commons recreational facilities by a non-resident Owner whose dwelling has been leased to a tenant, except when the Owner is a bona fide guest of the tenant.

5.4 Uses of Commons.

- (a) Member's Benefit. The Association shall maintain the Association-owned Commons for the benefit of its Members.
- (b) Non-Members. The Association may permit limited use and access for all of a portion of the Association-owned Commons, through the sale of club memberships or other fees. Any such revenue shall benefit the Association.
- (c) Open-Air Market and Festivals. The Founder reserves, for itself or its various assigns, the right to use portions of the Association-owned Commons as designated in the Adelaide Pattern Book as an open-air market for the rental of space for push-carts, kiosks, stands or similar temporary sales structures. Such uses may be for special events or on a recurring or daily basis. Founder also reserves, for itself or its various assigns, the right to use portions of the Commons as designated in the Adelaide Pattern Book for festivals or other events intended to enrich and enliven the community. Founder further reserves a right to access through the Association owned Commons for all such purposes. Founder may, but is not obligated to, assign such rights to the Association at any time.
- (d) No Commercial Use. Except as specifically permitted by this Declaration, there shall be no commercial use of Commons, nor shall the Commons be subdivided or sold.

5.5 Public Roads.

- (a) Regulation. All roadways located with the Adelaide Neighborhood have or will be dedicated to the City of Starkville, Mississippi for maintenance as shown on each subdivision plat.
- (b) Private Lanes or Alleyways. If two-thirds of the Owners served by a rear lane or alleyway which is owned by the Association or designated as a non-public roadway on the subdivision plat, wish to privately maintain said lane or alleyway, they may petition the Association to have the lane or alleyway deeded to the adjacent Owners. Unless otherwise agreed, any lane or alleyway shall be divided so that the property lines are extended to the middle of the rear lane or alleyway for a double-loaded lane or alleyway and to the opposite side of a single-loaded lane or alleyway.

- 5.6 Damage or Destruction of Commons by Owner. If any Owner or any of his guests, tenants licensees, agents, employees or members of his family damages any of the Commons as a result of negligence or misuse, the Owner hereby authorizes the Association to repair the damage. The cost of the repair shall be the responsibility of that Owner and shall become an Individual Parcel Assessment payable by the responsible Owner. The Association may, but is not required to, seek compensation for damage from the guest, tenant or other party who caused the damage, in which case the Owner shall be jointly and severally liable.

- 5.7 Limitation of Liability. The Association shall use reasonable judgment in providing security, maintaining the Commons and enforcing traffic control measures, but neither the Association nor the Founder makes any representation or assumes any liability for any loss or injury.

ARTICLE VI: ASSOCIATION OPERATION; VOTING AND DECISION MAKING

Most day to-day decisions about the maintenance of the Neighborhood and enforcement of the Declaration are the responsibility of the Board, acting on the Members' approval, the Community Meeting provides a public opportunity for discussion and voting.

- 6.1 Voting Rights. Each Member shall vote in proportion to the interest allocated to that Member's Parcel or Parcels in accordance with Section 6.1 subject to the Founder's rights under Section 6.2 ("Initial Selection by Founder"). Voting rights for Special Use Parcels shall be determined by the Founder based on the anticipated use of the parcel.
- 6.2 Exercise of Vote. When more than one person holds an interest in any Parcel, all such persons shall be Members. However, the number of votes for that Parcel shall not be increased, and the Members must determine among themselves how the Parcel's vote may be exercised. Corporations, partnerships and other entities shall notify the Association of the natural person who shall exercise its vote. To the greatest extent permitted by law, the Association may institute voting by electronic or other means.
- 6.3 Board of Directors.
- (a) Election Procedures. Elections shall be conducted in accordance with the Bylaws.
- (b) Initial Selection by Founder. The Founder shall appoint and remove the initial officers and members of the Board and may elect a majority of the Board until sixty (60) days after 75% of the Residential Units other than outbuildings indicated by the Development Plan as defined in paragraph 1.17 have been completed and conveyed to Owners other than the Founder or the builder. Any land within the Development Plan Area which is developed but which is not submitted to this Declaration shall be removed from the Development Plan for purposes of this calculation. The Founder may voluntarily surrender the right to appoint and remove officers and members of the Board before termination of the control period, in which case the Founder reserves the right to record an instrument specifying that, until the time Founder would have been required to end control of the Board, certain actions of the Association or Board must be approved by the Founder before they become effective.
- (c) Owner Representative. No later than sixty days after at least ten (10) Residential Units other than outbuildings have been completed and conveyed to Owners other than the Founder or the builder, Parcel owners other than the Founder shall have the right to elect at least one member of the Board.

(d) No Compensation. Directors shall receive no compensation for their services unless expressly provided for in resolution adopted by the Members, but may be reimbursed for reasonable expenses.

6.4 Board Meetings.

(a) Board's Responsibility. Except as specifically provided in this Article or elsewhere in the Declaration, the Board has been delegated the power, and shall have the authority to act on behalf of the Association and to make all decisions necessary for the operation of the Association, the enforcement of this Declaration and the care of the Commons.

(b) Quorum. Voting at a Board meeting requires the presence of at least one-half of the directors, in person or telephone or electronic conference or, if allowed by law, by proxy. If permitted by law, any action required to be taken by vote of the Board may be taken in the absence of a meeting (or in the absence of a quorum at a meeting) by obtaining the written approval of a majority of the Board.

6.5 Community Meeting.

(a) Generally. Most day-to-day decisions about the maintenance of the Neighborhood and enforcement of the Declarations are the responsibility of the Board, acting on the Member's behalf. For those decisions requiring Members' approval, the Community Meeting provides a public opportunity for discussion and voting.

(b) When Called. The Community Meeting shall be called annually for the election of members of the Board, and whenever any action is required by this Declaration to be taken by vote or assent in writing of the Members. As a convenient reference and not as a limitation, actions requiring a vote of the Members, or assent in writing, include the following:

Addition of Property	Section 2.3
Election of the Board of Directors	Section 6.3
Approval of General Assessments when increased more than 15% ...	Section 7.4
Ratification of Expenditures for capital improvements	Section 7.6
Approval of Zone expenses	Section 7.7
Repeal of Rules and Regulations adopted by the Board	Section 9.6
Amendment of Declaration	Section 11.1
Dedication of the Commons	Section 11.2
Redevelopment	Section 11.3
Termination of the Declaration	Section 11.4

(c) Quorum. Voting at a Community Meeting requires presence of members representing the percentage of votes necessary to transact business. The necessary percentage is determined by the Bylaws, and if permitted by the Bylaws and by statute, the Board may revise this percentage from time to time.

(d) Notice. Notice of the meeting must be given to Members in accordance with Section 12.4 and in accordance with the Bylaws. Notice of meetings shall also be posted in at least one place within the Commons.

(e) Proxies: Electronic Voting. To the extent allowed by the Bylaws and statute, proxies and limited proxies may be used to establish a quorum and for voting purposes. To the extent allowed by law and in accordance with procedure which may be adopted in the Bylaws, a quorum may be evidenced, and votes may be cast by electronic means.

(f) Action without Meeting. If permitted by the Board, the membership may approve any matter (specifically including the election of directors) by a written or electronic ballot procedure, which may be conducted by mail, or by written consent without a meeting, without prior notice and without a vote. Voting or consents shall be in accordance with the Bylaws and statute.

6.6 Record Keeping. The Board shall keep a record of all meetings, both the Board and of the Association. For each action taken, the record shall state the vote and a description of the action approved, and, where applicable, the reasons why the action was considered necessary and a summary of the information on which the decision was based. The record shall be available for inspection by any Member.

6.7 Approval. Wherever used in this Declaration, approval by a majority or other proportion of the Members refers to a vote in accordance with this Article, either at a properly called Community Meeting or through a voting procedure established under Section 6.5. Where the Declaration specifies consent in writing, or request in writing, by a majority or other proportion of all Members, then the necessary number is based on the number of votes represented by the total Membership of the Association, and signatures may be collected without a Community Meeting or other voting procedure.

6.8 Additional Provisions. Additional provisions concerning the operation of the Association and the Board are contained in the Articles and Bylaws.

ARTICLE VII: ASSOCIATION BUDGET

To fulfill its obligations, the Board is responsible for the fiscal management of the Association.

7.1 Fiscal Year. The fiscal year of the Association shall begin January 1 of each year and end on December 31 of that year, unless the Board selects a different fiscal year.

7.2 Budget Items. The budget shall estimate total expenses to be incurred by the Association in carrying out its responsibilities. These expenses shall include, without limitation, the cost of wages, materials, insurance premiums, taxes, services, supplies and other expenses for the rendering of all services required by this Declaration or property approved in accordance with this Declaration. The budget may also include reasonable amounts, as determined by the Board, for working capital for the Association

and for reserves. If Association-owned property is taxed separately from the Parcels, the Association shall include such taxes as part of the budget. Fees for professional management of the association, accounting services, legal counsel and other professional services may also be included in the budget.

7.3 Reserves. The Association may build up and maintain reserves for working capital, contingencies and replacement, which shall be included in the budget and collected as part of the annual General Assessment. Extraordinary expenses not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. Except in the event of an emergency, reserves accumulated for one purpose may not be expended for any other purpose unless approved by a majority vote of the Members. If the reserves are inadequate for any reason, including nonpayment of any Member's assessment, the Board may at any time levy an emergency assessment in accordance with the provisions of Section 8.4(b) ("Special Assessment"). If there is an excess of reserves at the end of the fiscal year and the Board so determines, the excess may be returned on a prorata basis to all Members who are current in payment of all assessments due the Association, or may be used to reduce the following year's assessment, at the Board's discretion.

7.4 Preparation and Approval of Annual Budget.

(a) Initial Budget. The Founder shall determine the budget for the fiscal year in which a Parcel is first conveyed to an Owner other than the Founder.

(b) Subsequent Years. Beginning with the year in which a Parcel is first conveyed to an Owner other than the Founder and each year thereafter, at least one month before the end of the fiscal year, the Board shall, by majority vote, adopt a budget for the coming year and set the annual General Assessments at a level sufficient to meet the budget. At least two weeks before the fiscal year to which the budget applies, the Board shall send to each Member a copy of the budget in reasonably itemized form, which shall include the amount of General Assessments payable by each Member.

(c) Approval. If the General Assessments are to be increased to greater than 115% of the previous year's General Assessment which was not a year in which General Assessments were guaranteed in whole or in part by Founder, and petitions signed by at least 10% of all Members request review within thirty (30) days after the budget is delivered to Members, the Board shall call a Community Meeting to present the budget and to answer any questions. After presentation, the budget shall be deemed approved unless the percentage required to transact business is present and the budget is rejected by a majority of the Members present. If the budget is rejected, the Board shall approve a new budget within ten (10) days and send a copy to each Member.

7.5 Effect of Failure to Prepare or Adopt Budget. The Board's failure or delay in preparing or adopting the annual budget for any fiscal year, or review of the budget under paragraph 7.4 (c), shall not waive or release a Member's obligation to pay General Assessment whenever the amount of such assessments is finally determined. In the

absence of an annual Association budget each Member shall continue to pay the assessment at the rate established for the previous fiscal period until notified otherwise.

7.6 Capital Improvements. Any substantial capital improvement to the Commons approved by the Board must be ratified by a majority of the Members. If the substantial capital improvement is approved by the Members, the Board shall determine whether it shall be paid from General Assessments or by Special Assessment. A capital improvement shall be considered substantial if the cost to the Association of the improvement is more than six percent (6%) of the Association's annual budget, or if, when added to other capital improvements for the fiscal year, totals more than ten percent (10%) of the Association's annual budget. However, any repair or replacement of existing improvements shall not be considered a capital improvement. Approval of the Adelaide Architectural Review Board is required for all capital improvements. This paragraph shall not limit the right of the Founder to make improvements to the Commons.

7.7 Zone Expenses:

(a) Capital Improvements. Any Zone may, by two-thirds (2/3) vote of the Members within that Zone and approval of the Board, vote to assess themselves for capital improvements to Commons which will primarily benefit that Zone.

(b) Additional Services. Any Zone may, by majority vote of the Members within that Zone and approval of the Board, vote to assess themselves for maintenance or services in addition to those normally provided by the Association.

(c) Combined Zones: Smaller Groups. Zones may be combined or join together for such assessments. If more than one Zone is to vote, the Board shall determine whether approval and assessment is to be by Zone or by the combined group of Zones. If a group smaller than a Zone wishes to be assessed for capital improvements or services, all of those being assessed must agree to the assessment.

(d) Assessment Levy. Any Assessment so approved shall be assessed against all Owners within that Zone or designated group as an Individual Parcel Assessment.

7.8 Accounts. Reserves shall be kept separate from other Association funds, either in a single account for all reserves or separated by purpose. All other sums collected by the Board with respect to Assessments and charges of all types may be commingled in a single fund.

ARTICLE VIII: COVENANTS FOR MAINTENANCE ASSESSMENTS

The cost of fulfilling the Associations's financial obligations is divided equitably among the Members by means of Assessments. To assure the Association of a reliable source of funds and to protect those Members who contribute their equitable share, assessments are mandatory and are secured both by a lien on the Parcel and the Member's personal obligation.

8.1 Obligation for Assessments. The Founder, for each Parcel owned within the property submitted by this Declaration or Supplemental Declaration to the Neighborhood, hereby covenants, and each Owner of any Parcel by acceptance of a deed or other transfer instrument, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the Association the following (to be know collectively as "Assessments"):

- (a) General Assessments for expenses included in the budget,
- (b) Special Assessments for the purposes provided in this Declaration, and
- (c) Individual Parcel Assessments for any charges particular to that Parcel,

together with a late fee and interest, as established by the Board, and cost of collection when delinquent, including a reasonable attorney's fee whether or not suit is brought. Upon default in the payment of any one or more installments, the Board may accelerate the entire balance of such Assessment, which shall be declared due and payable in full.

8.2 Allocation of Expenses.

(a) Generally. The common expenses of the Association shall be allocated among the Parcels in the same manner as for the District.

(b) Developer's Guarantee of Expenses. The Founder shall be excused from payment of assessments if the Founder guarantees to Parcel owners that their Assessments during the "Guarantee Period," as defined below, shall not exceed the amounts shown in the then-current estimated operating budget. If the Founder offers such a guarantee, the Founder agrees to pay any Common Expenses incurred during the Guarantee Period which exceed the amount produced by Assessments during that time. The "Guarantee Period" may begin at Founder's discretion at any time within the first three years after the recording of this Declaration in the public records of Oktibbeha County, Mississippi and shall end at the beginning of the next fiscal year. The Guarantee Period shall then be automatically extended for successive six-month periods up to an additional five years unless terminated upon written notice by the Founder to the Association at least thirty (30) days before the end of the then-current Guarantee Period. During the Guarantee Period, the General Assessments may be increased by up to 15% per year.

8.3 General Assessments.

(a) Establishment by Board. The Board shall set the date or dates such assessments become due and may provide for collection of assessments annually or in monthly, quarterly or semiannual installments.

(b) Date of Commencement. The annual General Assessments shall begin on the day of conveyance of the first Parcel to an Owner other than the Founder. The initial Assessment on any Parcel subject to assessment shall be collected at the time title is

conveyed to the Owner. During the initial year of ownership, each Owner shall be responsible for the prorata share of the annual General or Special Assessment charged to each Parcel, prorated to the month of closing.

8.4 Special Assessment. In addition to the General Assessment, the Board may levy in any fiscal year a Special Assessment applicable to that year and not more than the next four succeeding years as follows:

(a) Capital Improvements. Any substantial capital improvement which has been approved in accordance with Section 7.6 ("Capital Improvements") or any capital improvement not required to be approved by the Members may be paid by Special Assessment.

(b) Emergency Assessment. By a two-thirds (2/3) vote, the Board may impose a Special Assessment for any unusual or emergency maintenance or repair or other expense which this Declaration or the law requires the Association to pay (including, after depletion of reserves, any unexpected expenditures not provided by the budget or unanticipated increases in the amounts budgeted).

8.5 Individual Parcel Assessments. The Association may levy at any time an Individual Parcel Assessment against a particular Parcel for the purpose of defraying, in whole or in part, the cost of any special services to that Parcel, for expenses approved by that Zone in accordance with Section 7.7, or any other charges designated in this Declaration as an Individual Parcel Assessment.

8.6 Capital Contribution. At the closing and transfer of title of each Parcel to the first Owner other than the Founder, the Owner shall contribute an amount equal to the greater of one hundred twenty five dollars (\$125.00) or three months' assessments, or such greater amount as required by the Founder by contract. This contribution shall be used by the Association for the purpose of initial and non recurring capital expenses of the Association and for providing initial working capital for the Association, and shall not be considered as a pre-payment of assessments.

8.7 Effect of Nonpayment of Assessment: Remedies.

(a) Personal Obligation. All assessments, together with any late fee, interest and cost of collection when delinquent, including a reasonable attorney's fee whether or not suit is brought (collectively, the "Assessment Charge") shall be the personal obligation of the person or entity who was the Owner of the Parcel at the time when the assessment was levied, and each subsequent Owner. No Owner may waive or otherwise escape liability for the Assessment Charge by abandonment of the Parcel.

(b) Creation of Lien. The Assessment Charge shall also be charged on the land and shall be a continuing lien upon the Parcel against which the Assessment Charge is made, which may be enforced upon recording of a claim of lien. This lien, in favor of the Association, shall secure the Assessment Charge which is then due and which may accrue

subsequent to the recording of the claim of lien and prior to entry of final judgment of foreclosure. Any subsequent owner of the Parcel shall be deemed to have notice of the Assessment Charge on land, whether or not a lien has been filed.

(c) Suit for Payment; Foreclosure of Lien. The Association may bring an action at law against the Owner personally obligated to pay the Assessment Charge, or may foreclose the Lien in a manner similar to foreclosure of a mortgage lien, or both. The Association, acting on behalf of the Owners, shall have the power to bid for an interest in any Parcel foreclosed at such foreclosure sale to acquire, hold, lease, mortgage and convey the Parcel.

(d) Other Remedies. The Association shall have the right to assess fines and suspend the voting rights and right to use of the Commons by an Owner for an period during which any Assessment against his Parcel remains unpaid.

8.8 Certificate of Payment. The treasurer of the Association, upon request of any Owner, shall furnish a certificate signed by a member of the Board stating whether any assessments are paid to date by that Owner, such certificate, when co-signed by secretary of the Association, may be relied upon by a good faith purchaser or mortgagee as conclusive evidence of payment of any assessment therein stated to have been paid.

ARTICLE IX: USE OF PARCELS

The following covenants are designed to protect the quality of life for all Owners within the Neighborhood and to set a standard for reasonable cooperation within the community. Additional covenants pertaining to commercial uses are found in Article X.

9.1 Permitted Uses. Permitted uses for Parcels, which may include residential use or retail, office, restaurant or other commercial use, shall be determined based on the Adelaide Pattern Book and subject to the zoning requirements of any governmental authority. At the Founder's discretion, the Founder shall make the determination of record at time of the Parcel's addition to the Neighborhood, or at any time up to and including the time of conveyance of the Parcel to someone other than the Founder. If the Founder fails to make such a determination of record, the Adelaide Pattern Book or approval of the Association may describe permitted uses. To the extent allowed by law, home-based business which does not generate significant noise, odor or traffic shall be permitted in any residential area.

9.2 Prohibited Uses.

(a) Nuisances, Unlawful Use. No nuisance or immoral, improper, offensive or unlawful use shall be permitted to exist or operate on an Parcel. The Association may from time to time define and determine such unacceptable uses; however, for commercial uses, such determination shall be made by the Merchants' Council established under Section 10.1. All laws, building codes, orders, rules, regulations or requirements of the Adelaide Architectural Review Board and any governmental agency having jurisdiction shall be

complied with, by and at the sole expense of the Owner.

(b) Insurance. Nothing shall be done or kept on any Parcel or the Commons which will increase the rate of, or result in cancellation of, insurance for the Commons or any other Parcel or its content, without the prior written consent of the Association.

(c) Soliciting. The Association may prohibit soliciting within the Neighborhood.

(d) Time Sharing. No time-share ownership of Parcels is permitted without the Association's approval. For this purpose, the term "time-share ownership" shall mean a method of ownership of an interest in a Parcel under which the exclusive right of use, possession or occupancy of the Parcel circulates among the various owners on a periodically reoccurring basis over a scheduled period of time.

9.3 Attractiveness and Safety of Parcels.

(a) Generally. Each Owner shall keep all parts of his Parcel in good order and repair and free from debris. The Adelaide Pattern Book or the Association (or Merchants' Council as established under Section 10.1, for commercial uses) may regulate placement and maintenance of garbage and trash containers, and fuel or gas storage tanks, and other matters affecting the attractiveness or safety of Parcels.

(b) Signage. No sign, advertisement or notice of any type or nature whatsoever (including "For Sale" or "For Rent" signs) shall be erected or displayed on any Parcel or portion of the Commons unless both the design and location are approved and permitted by the Founder or the Association.

(c) Vehicles. The Adelaide Pattern Book or the Association may regulate or prohibit the parking of trailers, boats, oversized vehicles, non-functioning or excessive numbers of vehicles, or any other item visible on Parcel.

(d) Sports Equipment. Play structures, such as basketball hoops and swing sets, are encouraged but must be kept in good repair and may be limited to back yards or alleys. Large play structures such as skateboard ramps which are visible from the front of the Parcel may be prohibited or regulated.

(e) Temporary Structures. The Adelaide Pattern Book may prohibit or regulate construction trailers, tents, shacks, barns, sheds or other structures of a temporary character which are visible from outside the Parcel. However, reasonable, occasional use of tents for festive occasions or children's backyard camping is part of life and should be enjoyed.

9.4 Leasing.

(a) Residential Units. Residential units may be rented, subject only to reasonable rules and regulations as promulgated by the Association, which may be modified from time

to time. The Association may establish a minimum lease term of at least six months.

(b) Commercial Space. The leasing of commercial space is subject to regulation under Article X ("Commercial Uses").

(c) Generally. The Association may prohibit the leasing of any Parcel while the Owner is in default in the payment of Assessments. If the Parcel is leased in violation, the Association may attach rentals and may evict the tenant as if it were a tenant violation under paragraph 9.7 (b).

9.5 Pets. Pets may be kept by an Owner on his Parcel but only if such pets do not cause an unsafe condition or unreasonable disturbance or annoyance within the Neighborhood. Each Owner shall be held strictly responsible to immediately collect and properly dispose of wastes and litter of his pets. The Association reserves the right to regulate the number, type and size of pets (specifically including particular breeds of dogs deemed to create unreasonable danger); to prohibit the keeping of animals other than customary household pets, which it may define, acting reasonably; to designate specific areas within the Commons where pets may be walked and to prohibit pets on other areas; to require pets to be on leash; and to place additional restrictions on the rights of tenants to keep pets.

9.6 Rules and Regulations.

(a) Generally. The Association may from time to time adopt rules or amend previously adopted rules and regulations governing the details of the operation, use, maintenance and control of the Parcels, Commons and any facilities or services made available to the Owners. This right shall include without limitation the right to approve rental agents, contractors, and sub-contractors who do business within the Neighborhood. However, any rules affecting a business's hours of operation, noise or odor-control, external appearance or other aspects of business operation must be approved by the Merchants' Council.

(b) Effect. Rules and Regulations shall take effect immediately upon approval by the Board, or at a later date selected by the Board. If requested by at least 10% of the Members, a Community Meeting may be called and any Rule or Regulation may be repealed by majority vote of the Members.

(c) Notice. A copy of the Rules and Regulations adopted from time to time shall be posted in a conspicuous place within the Neighborhood or furnished to each Owner.

9.7 Enforcement.

(a) Owner's Responsibility. Each Owner and Owner's family members, guests and tenants shall conform and abide by the covenants contained in this Declaration and any Rules and Regulations which may be adopted from time to time by the Association. Each Owner shall be responsible for assuring such compliance, and any violation by family

members, guests or tenants may be considered to be a violation by the Owner.

(b) Notice, Hearing and Fines. Any Owner who is believed to be in violation of this Declaration or the Rules and Regulations shall be given notice and an opportunity to be heard. After such hearing, the Association shall have the right to assess fines, up to the maximum allowed by law, and may restrict the Owner's use of the Commons for up to sixty (60) day or until remedied, whichever is longer. However, the primary goal of this provision is not to punish but to conciliate and resolve problems. The Association may suggest or approve agreements and withhold the requirement of paying a fine if the agreement is honored. Fines shall be charged against the Parcel as an Individual Parcel Assessment. Any fines collected shall be contributed to the general fund of the Association.

(c) Tenant Violations. If a tenant is believed to be in violation of the Declaration or Rules and Regulations, the Association shall notify the Owner and tenant and provide an opportunity for hearing. If the Association determines after notice and opportunity for hearing that a tenant has violated this Declaration or Rules and Regulations, the Association may assess fines against the Owner as provided in Paragraph (b). In addition, if the violation continues for ten days after notice to the Owner of the findings, or if the tenant materially violates either Declaration or Rules and Regulations more than once in any one-year period, the Association shall have the right to evict the tenant. Each Owner by acceptance of a deed irrevocably appoints the Association as its agent and attorney-in-fact in such eviction action. All costs related to such action shall be charged to the Owner as an Individual Parcel Assessment.

(d) Corrective Action for Parcel Maintenance. If the Association determines after notice and hearing that any Owner has failed to maintain any part of the Parcel (including the yard and any wall, fence, Building, garden structure or other structure) in a clean, attractive and safe manner, in accordance with the provisions of this Declaration, the Adelaide Pattern Book and applicable rules and regulations, the Association shall notify the Owner of its findings and may assess fines as provided in paragraph (b). If the violation continues for ten days after notice to the Owner, the Association shall have the right without liability to enter upon such Parcel to correct, repair, restore, paint and maintain any part of such Parcel and to have any objectionable items removed from the Parcel. The Association may reduce or eliminate the time for notice if it believes the condition creates a hazard. All costs related to such action shall be assessed to the Owner as an Individual Assessment.

(e) Pets. After notice and hearing, the Association may find that a pet causes an unsafe condition or unreasonable disturbance or annoyance and may require Owner or tenant to take steps to cure or limit the offensive condition. If such steps are ineffective, if the Owner or Tenant fails to cooperate or if the pet is considered to create an unsafe condition, the Association may require that an Owner or tenant permanently remove the pet from the Neighborhood. After the third such removal, the Owner or Tenant may be prohibited from having another pet except with the permission of the Association.

(f) Covenants' Committee. The Association may appoint a Covenants' Committee, composed of Parcel Owners, to hear violations of the Declaration or Rules and Regulations and to recommend or impose fines or take any other enforcement action under Section 9.7.

(g) Commercial Areas. At the request of the Merchants' Council, any violation regarding business operation shall be heard by the Merchants' Council, rather than by the Association.

(h) Additional Remedies. All remedies listed in this section are non-exclusive and may be applied cumulatively. The Association shall also have the right to bring suit to enforce the Declaration and Rules and Regulations, as described in Section 12.3 ("Enforcement of the Declaration").

ARTICLE X: COMMERCIAL USES

Although most commercial uses will occur within the Village Center, some commercial uses may be scattered with the Neighborhood. Each Owner, by acceptance of a deed to a Parcel, recognizes that the proper balance of types of retail stores and other businesses, as well as the quality of those businesses, are critical to the success of the Neighborhood and the entire community of Adelaide. The conditions of this Declaration regarding operation of businesses within the Neighborhood are part of the consideration for the granting of a deed from the Founder to Owners other than Founder.

- 10.1 Merchants' Council. The Merchant's Council is established by this Declaration to promote business activity. The Merchants' Council shall be activated by the Board of the Association upon request of any business owner within the Neighborhood and shall originally operate as a committee of the Association. However, the Merchant's Council may choose, by majority vote of its members and its board of directors, to incorporate and operate as a separate entity or to merge with the Merchants' Council for the Village Center.
- 10.2 Purpose. The Merchants' Council shall promote Adelaide for the mutual benefit of all business. Its responsibilities shall include advertising, special event programming and other promotional activities. The Merchants' Council shall also be responsible for approving businesses, reviewing appropriate operation, and taking other actions aimed at securing an appropriate mix of high-quality businesses.
- 10.3 Membership. Each permanent business located within the Neighborhood shall be a member of the Merchants' Council. The Merchants' Council may determine whether concessions or other types of business arrangements which are not held out to the public as a separate business are to be included with the primary business or shall be a separate member. A home-based occupation may become a member but shall not be required to be a member unless it advertises to the general public or has signage on any street other than a lane.

- 10.4 Board of Directors. The Association's Board shall select the Merchants' Council's board of directors during the first five years of its operation. In each subsequent year until incorporation of the Merchants' Council, the Merchants' Council's board of directors shall be elected by the businesses in an election supervised by the Association Board. The membership may, by majority vote of its members, adopt election procedures and other bylaws for the Merchants' Council's operation. After incorporation, the Merchants' Council board shall be selected as provided by its articles of incorporation and bylaws.
- 10.5 Voting. Each business's vote for all Merchants' Council elections and other matters shall be determined in pro rata share based upon the amount of assessments paid by that business during the prior year.
- 10.6 Merchants' Council Funds. To fund the activities of the Merchants' Council, the Association shall provide to the Merchants' Council and amount determined by the Association Board after consideration of a budget prepared by the Merchants' Council. The Association Board shall provide sufficient funds from General Assessments to fund the Merchants' Council basic operations. However, any amounts for advertising, special event programming and promotional activities shall be funded from assessments on all businesses up to 2% of gross revenues for the previous year, based on state sales tax reports. Upon request of the Merchants' Council, such business assessments shall be collected and enforced by the Association in the same manner as Individual Parcel Assessments.
- 10.7 Appearance Operation. The entrance and interior of the business shall be kept immaculately clean and inviting in appearance at all times. Good business techniques should be used to minimize to the greatest extent reasonably possible the impact of noise and odors on the surrounding area.
- 10.8 Leases. The provisions of the Master Deed Restrictions and this Article X of the Declaration shall be deemed included in any lease of commercial space within the Neighborhood. The Merchant's Council shall have the right to review such leases in advance and may promulgate a standard form lease to simplify its review. If any tenants is in violation of these provisions the Merchants' Council may enforce these provisions against the Owner, the tenant or both, and is granted the right as Owner's agent and attorney in fact in accordance with Section 10.8 of this Declaration to evict any tenant in violation of these provisions.
- 10.9 Enforcement. The Merchants' Council shall have the right to enforce all of the provisions of this Article X, and any rules and regulations promulgated by it under this Article, in the same manner as the Association under Section 9.7 of this Declaration. Alternatively, if requested by the Merchant's Council, the Association shall pursue such enforcement.
- 10.10 Founder's rights. The establishment of a Merchants' Council does not in any way restrict the Founder's right to similarly regulate any property sold, leased or managed by it or by any related entity. So long as the Founder selects a majority of the Board of Directors of the Association, that Board shall have the right to review and approve all actions of

the Merchants' Council, which approval shall not be unreasonably withheld or delayed.

ARTICLE XI: AMENDMENT, REDEVELOPMENT AND TERMINATION

Property Owners should be able to rely on the Declaration and the general principles it states. Amendment should not be easy. However, new solutions will be proposed from time to time to make the Association operate more efficiently or to adjust to changing conditions. Where clearly to the community's benefit, these new provisions should be incorporated into the Declaration.

When, over Long periods of time, conditions change so that redevelopment is necessary, the Declaration allows for a unified plan of redevelopment and compensation for affected owners.

11.1 Amendment.

(a) By Members. This Declaration may be amended at any time by an instrument signed by the president or vice president and secretary of the Association, certifying approval in writing by Parcel Owners representing sixty seven percent (67%) of the votes in the Association.

(b) By the Founder. To the extent permitted by law, the Founder specifically reserves the absolute and unconditional right to amend this Declaration without the consent or joinder of any party (i) to conform to the requirements of the Federal Home Loan Mortgage Corporation, Veterans Administration, Federal National Mortgage Association or any other generally recognized institution involved in the guarantee or purchase and sale of home loan mortgages, (ii) to conform to the requirements of institutional mortgage lenders or title insurance companies, or (iii) to clarify the Declaration's provisions or correct errors.

(c) Limitations. Whenever any action described in this Declaration requires approval of greater than sixty seven (67%) of the Parcel Owners, amendment of that provision shall require the same percentage vote as would be required to accomplish that action directly rights reserved to the Founder may not be amended without the specific consent of the Founder.

(d) Recording. Any amendment shall take effect upon recording in the public records.

11.2 Dedication.

(a) Common Roads. If any portion of the Common Roads is owned by the Association and has not previously been dedicated to the public, the Founder or Association shall have the right to convey title to or dedicated the Common Roads to the appropriate public agency or authority.

(b) Commons. All other Commons owned by the Association and not previously dedicated may be amended to the public by the Board upon consent in writing of Parcel

Owners representing sixty seven percent (67%) of the votes in the Association.

- 11.3 Duration: Termination. The Covenants and restrictions contained in this Declaration shall run with and bind the Neighborhood and shall inure to the benefit of and be enforceable by the Founder, the Association, and all Owners of property within the Neighborhood, their respective legal representatives, heirs, successors or assigns for thirty years, and shall be automatically extended for each succeeding ten year periods unless an instrument signed by Owners representing 90% of the votes in the Association shall have been recorded, agreeing to terminate the Declarations as of a specified date.

The Declaration may also be terminated in any of the following ways:

- (a) Unanimous Consent. The Declaration may be terminated at any time by the consent in writing of all Owners.
- (b) Dedication of Commons. The Declaration may be terminated by consent in writing by Parcel Owners representing sixty seven percent (67%) of the votes in the Association, of the Commons have been accepted for dedication or taken by eminent domain by the appropriate unit of local government (except that lanes or footpaths between two Parcels may be divided evenly between the adjacent Parcel Owners.
- (c) Redevelopment. The Declaration may be terminated for all or part of the Neighborhood in accordance with the redevelopment provisions of Section 11.3.
- 11.4 Rerecording. Unless this Declaration is terminated, the Association shall rerecord this Declaration or other notice of its terms at intervals necessary under Mississippi law to preserve its effect.
- 11.5 Condemnation. If all or part of the Commons is taken or condemned by any authority having the power of eminent domain, all compensation and damages shall be paid to the Association. The Board shall have the right to act on behalf of the Association with respect to the negotiation and litigation of the taking or condemnation affecting such property.

ARTICLE XII: GENERAL PROVISIONS

- 12.1 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purpose of creating a uniform and consistent plan for the development and operation of Adelaide as a community of the highest quality. The italicized portions at the beginning of each Article are intended to state the purposes for the provisions that follow and may be used as an aid to interpretation. However, if the italicized portion conflicts with the operative provision, the operative provision shall govern.
- 1.2 Invalidity. The invalidity of any part of this Declaration shall not impair or affect the

validity or enforceability of the rest of the Declaration, which shall remain in full force and effect.

12.3 Enforcement of Declaration.

(a) Enforcement. Suit may be brought against any person, persons or entity violating or attempting to violate the provisions of this Declaration, either to restrain violation or to recover damages, and against his or its property to enforce any lien created by this Declaration. To enforce this Declaration or the Rules and Regulations, the Association, the Founder or any Owner may bring an action for damages, specific performance, declaratory decree or injunction, or any other remedy at law or in equity. The Board shall be empowered to bring suits on behalf of the Association.

(b) No Waiver. Failure to enforce any provision of this Declaration or the Rules and Regulations shall be deemed a waiver of the right to do so at any time thereafter.

(c) Associations's Legal Fees. Any and all costs, including but not limited to attorney's fees and court costs, which may be incurred by the Association in the enforcement of any of the provisions of this Declaration, whether or not suit is brought, may be assessed as an Individual Parcel Assessment to the Owners against whom such action was taken.

(d) Water Management. The City of Starkville, Mississippi and/or any other Water Management Authority providing service to any part of the Adelaide Development area shall have the right to enforce, by a proceeding in law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the surface water or storm water management system.

12.4 Notices. Any notice required to be sent to the Owners shall be deemed to have been properly sent when mailed, postage prepaid, or hand delivered to the Parcel and, if different, to the last known address of the person who appears as Owner of the Parcel as that address is stated on the records of the Association at the time of mailing.

12.5 Gender and Number. The use of the masculine gender herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

12.6 Consent of Mortgagees.

(a) When Consent Required. This Declaration contains provisions concerning various rights, priorities, remedies and interests of Mortgagees. Such provisions are to be construed as covenants for the protection of the Mortgagees on which they may rely in making loans secured by a mortgage on a Parcel. Accordingly, no amendment or modification of this Declaration specifically impairing such rights, priorities, remedies or interest of a mortgagee shall be adopted without the prior written consent of affected Mortgagee. This section shall not be construed, however, as a limitation upon the right of the Founder, the Association Members to make amendments which do not adversely


affect any Mortgagee.

(b) Lien Priority. It is understood and agreed that a valid mortgage on any property located within the Adelaide Development Area shall have a priority over all future association dues and assessments accruing after the filing date of said mortgage.

12.7 Law to Govern. This Declaration shall be deemed construed in accordance with the laws of the State of Mississippi.

IN WITNESS WHEREOF, the undersigned does hereby make this Declaration of Easements, Covenants & Restrictions for Adelaide and has caused the Declaration to be executed as of the day and year first above written.

**LIVE ADELAIDE, LLC - a Mississippi
Limited Liability Company**

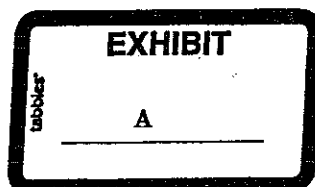
BY: 
**DERO S. RAMSEY, JR.,
LLC MEMBER and LLC MANAGER**

BY: 
**DERO-SAUNDERS RAMSEY, III.,
LLC MEMBER**

LEGAL DESCRIPTION OF ADELAIDE, PHASE I

THE FOLLOWING DESCRIPTION IS BASED ON THE MISSISSIPPI STATE PLANE COORDINATE SYSTEM, EAST ZONE NAD 83, GRID VALUES, US FEET, USING SCALE FACTOR OF 0.99995005 AND A CONVERGENCE ANGLE OF (+) 00 DEGREES 00 MINUTES 43.54 SECONDS DEVELOPED AT THE APPROXIMATE CENTER OF THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT THE NAIL FOUND AT THE INTERSECTION OF SOUTH MONTGOMERY STREET AND POOR HOUSE ROAD ALSO BEING THE SOUTHEAST CORNER OF SECTION 22, TOWNSHIP 18 NORTH, RANGE 14 EAST, OKTIBBEHA COUNTY, MISSISSIPPI; THENCE NORTH 00 DEGREES 37 MINUTES 14 SECONDS WEST FOR A DISTANCE OF 5131.20 FEET TO A SET 1/2" REBAR ON THE WEST RIGHT OF WAY OF SOUTH MONTGOMERY STREET SAID POINT BEING THE POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST A DISTANCE OF 380.10 FEET TO A SET 1/2" REBAR; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 40.94 FEET TO A SET 1/2" REBAR; THENCE SOUTH 44 DEGREES 16 MINUTES 41 SECONDS WEST A DISTANCE OF 346.75 FEET TO A SET 1/2" REBAR; THENCE NORTH 45 DEGREES 43 MINUTES 19 SECONDS WEST A DISTANCE OF 24.00 FEET TO A SET 1/2" REBAR; THENCE NORTH 44 DEGREES 16 MINUTES 41 SECONDS EAST A DISTANCE OF 223.15 FEET TO A SET 1/2" REBAR; THENCE NORTH 45 DEGREES 43 MINUTES 52 SECONDS WEST A DISTANCE OF 120.00 FEET TO A SET 1/2" REBAR; THENCE SOUTH 44 DEGREES 16 MINUTES 41 SECONDS WEST A DISTANCE OF 13.38 FEET TO A SET 1/2" REBAR; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST A DISTANCE OF 38.84 FEET TO A SET 1/2" REBAR; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 356.75 FEET TO A SET 1/2" REBAR; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 58.00 FEET TO A SET 1/2" REBAR; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 109.75 FEET TO A SET 1/2" REBAR; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 560.10 FEET TO A SET 1/2" REBAR ON THE WEST RIGHT OF WAY OF SAID SOUTH MONTGOMERY STREET; THENCE, ALONG SAID WEST RIGHT OF WAY, SOUTH 00 DEGREES 02 MINUTES 44 SECONDS WEST A DISTANCE OF 382.18 FEET TO A FOUND 1/2" REBAR; THENCE SOUTH 00 DEGREES 08 MINUTES 35 SECONDS WEST A DISTANCE OF 45.82 FEET TO THE POINT OF BEGINNING, CONTAINING 6.45 ACRES, MORE OR LESS, AND LYING IN THE NORTHEAST QUARTER OF SECTION 22 AND THE SOUTHEAST QUARTER OF SECTION 15, TOWNSHIP 18 NORTH, RANGE 14 EAST, OKTIBBEHA COUNTY, MISSISSIPPI.



STATE OF ~~ALABAMA~~ *Mississippi*
COUNTY OF Oktibbeha :

Personally appeared before me, the undersigned authority in and for the said county and state, on this 12th day of January, 2017, within my jurisdiction, the within named **DERO S. RAMSEY, JR.**, who acknowledged that he is a LLC Member and the LLC Manager of LIVE ADELAIDE, LLC and that in said representative capacity he executed the above and foregoing instrument, after first having been duly authorized so to do.

My Commission Expires:

M. Van Colotta
NOTARY PUBLIC

SEAL



STATE OF MISSISSIPPI:
COUNTY OF OKTIBBEHA:

Personally appeared before me, the undersigned authority in and for the said county and state, on this 11th day of January, 2017, within my jurisdiction, the within named **DERO SAUDERS RAMSEY, III.**, who acknowledged that he is a LLC Member of LIVE ADELAIDE, LLC and that in said representative capacity he executed the above and foregoing instrument, after first having been duly authorized so to do.

My Commission Expires:

Terry Lynn Thomas
NOTARY PUBLIC

SEAL



Oktibbeha County, MS
I certify this instrument was filed
on 01/13/2017 11:02:01 AM
and recorded in the
Deed
Book 2017 Page 558 - 587
Sharon Livingston, Interim Chancery
Clerk