

AFFIDAVIT AND SURVEYORS CERTIFICATE

STATE OF MISSISSIPPI
COUNTY OF HINDS

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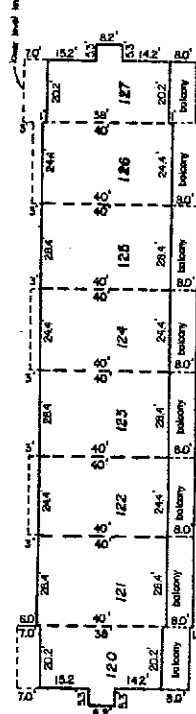
Personally appeared before me the undersigned authority in and for the aforesaid jurisdiction, C. Dwayne Sharp, who after being duly sworn states on oath as follows:

1. I, C. Dwayne Sharp, P.E., am a Licensed Registered Professional Engineer, Number 6548, and in said capacity, and at the request of the record owner of the property, prepared the Condominium Plat known as The Breakers, as recorded in the office of the Chancery Clerk of Madison County, Mississippi in Cabinet B, Slide 39. I further prepared the Plats and Exhibits attached to the Declaration and Plan of Condominium as recorded in the aforesaid Chancery Clerk's office in Book 466 at Page 200, as amended and supplemented.

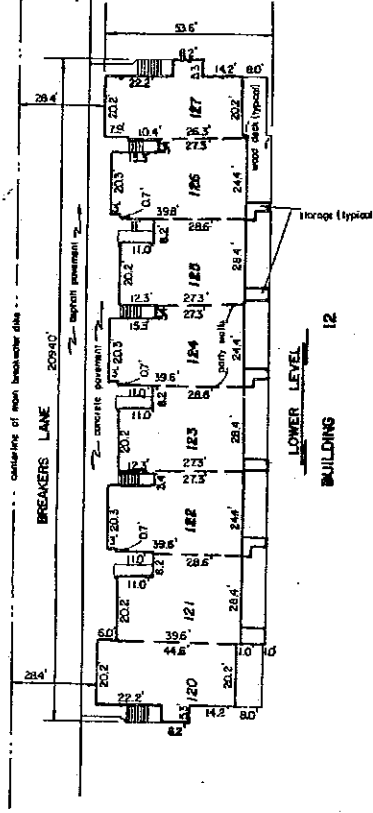
2. Pursuant to the request and at the instruction of the record owner I affixed the correct unit numbers to the Plats attached to the Plan of Condominium as recorded in Book 466 at Page 200.

3. In preparing the sub-division Plat as recorded in Cabinet B at Slide 39 I inadvertently and as a result of drafting error mis-numbered Units 123, 124, 125, 126 and 127 for Building Number 12. These units were incorrectly reflected on said Plat as Units 203, 204, 205, 206 and 207.

4. The units in Building 12 designated as Units 123, 124, 125, 126 and 127 as shown on the Plan of Condominium in Book 466 at Page 200, and as incorrectly reflected on the Plat should be numbered on the Plat in Cabinet B at Slide 39 and shown thereon as follows:



UPPER LEVEL

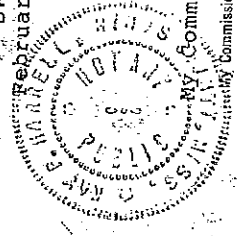


LOWER LEVEL

WITNESS MY SIGNATURE, this the 9th day of February, 1984.

C. Dwayne Sharp
C. DWAYNE SHARP

SWORN TO AND SUBSCRIBED BEFORE ME, this the 9th day of February, 1984.



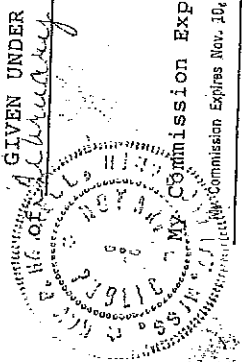
Kay D. Harrell
NOTARY PUBLIC

My Commission Expires: Nov. 10, 1987

STATE OF MISSISSIPPI
COUNTY OF HINDS

Personally appeared before me, the undersigned authority in and for the said County and State, the within named, C. Dwayne Sharp, P.E., who acknowledged that he signed and delivered the above and foregoing Affidavit and Surveyors Certificate on the day and year therein mentioned.

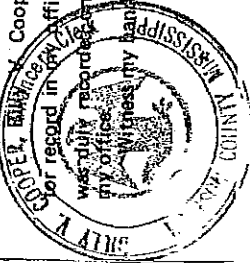
GIVEN UNDER MY HAND AND OFFICIAL SEAL this, the 9th day of February, 1984.



Kay D. Harrell
NOTARY PUBLIC

My Commission Expires: Nov. 10, 1987

STATE OF MISSISSIPPI, County of Madison:



Billy V. Cooper, Clerk of the Chancery Court of said County, certify that the within instrument was filed for record in my office this 10th day of February, 1984, at 11:45 o'clock A.M., and was duly recorded on the 10th day of February, 1984, Book No. 227, on Page 740 in my office.

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By Billy V. Cooper, D.C.

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THE BREAKERS CONDOMINIUM

AMENDMENT AND SUPPLEMENT TO DECLARATION AND PLAN
OF CONDOMINIUM NO. 3

The Breakers of Mississippi, Ltd., a Mississippi corporation, subjected certain of its property in Madison County, Mississippi, to the provisions of the Mississippi Condominium Act by execution of a Declaration and Plan of Condominium and recordation thereof in Book 466 at Page 200 in the office of the Chancery Clerk of Madison County at Canton, Mississippi, and The Breakers, a general partnership whose partners are Marcus J. Byrd and Paul Garner, successor to The Breakers of Mississippi, Ltd., and being the record owner of the subject property desire to add additional real estate to The Breakers Condominium and to subject such additional real estate to the Mississippi Condominium Act, pursuant to the reservation of authority contained in the Declaration and Plan of Condominium. The Breakers, a general partnership, pursuant to such authority, herewith adopts this Supplemental Plan of Condominium covering the real estate more particularly described in Section 1 hereof, which is hereby submitted as Parcel IV-B of the Declaration and Plan of Condominium declared to be The Breakers Condominium.

SECTION 1

Description: The property within the project covered by this Supplemental Plan of Condominium is located in Madison County, Mississippi, and is more particularly described as a portion of Parcel No. IV, being designated Parcel No. IV-B, on Exhibit "A" attached hereto. A survey map of the property made a part of the project is attached hereto as Exhibit "B" and made a part hereof. The Breakers, a general partnership, reaffirms its reservation of the right, without the consent of any person who may subsequently become the owner of any unit of The Breakers Condominium or the holder of any security interest of record on any unit of The Breakers Condominium to add additional real estate to the project, as more specifically provided in the Plan of Condominium.

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J. Cole

SECTION 2

Diagrams and Plans: Attached hereto as Exhibit "C" are typical diagrams of the units in Phase IV-B as depicted as Building No. 4 on Exhibit "B."

SECTION 3

Certificate of Consent to Recordation: By execution hereof The Breakers, a general partnership, the record owner of the real property covered by this Plan of Condominium, hereby consents to the recordation hereof pursuant to the provisions of the Mississippi Condominium Act. Deposit Guaranty National Bank, the holder of a security interest in the property described as Parcel No. IV-B in Exhibit "A," joins herein for the sole purpose to consent to the recordation hereof.

SECTION 4

Declaration of Restrictions: The Declaration of Covenants, Conditions and Restrictions referred to above shall be applicable to the property made a part of The Breakers Condominium by this Supplemental Plan of Condominium and are reaffirmed and readopted by The Breakers, a general partnership.

SECTION 5

Definitions: Words used in this Supplemental Plan of Condominium shall have the same meaning they are given in the Mississippi Condominium Act.

WITNESS the signatures this the 22nd day of April 1983.

THE BREAKERS, a General Partnership

By: [Signature]
Marcus J. Byrd

By: [Signature]
Paul Garner

DEPOSIT GUARANTY NATIONAL BANK

By: [Signature]
John B. Neville
Senior Vice President

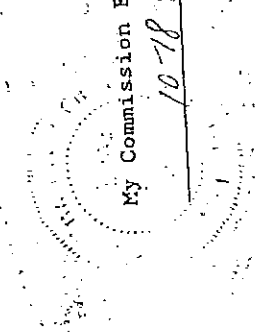
STATE OF MISSISSIPPI
COUNTY OF HINDS

Personally appeared before me, the undersigned authority in and for the jurisdiction aforesaid, the within named Marcus J. Byrd and Paul Garner, who acknowledged that they are all the partners of The Breakers, A General Partnership, and who acknowledged that they signed and delivered the above and foregoing instrument on the day and year therein mentioned.

GIVEN under my hand and official seal, this the 22nd day

of April, 1983.

Mary C. O'Brien
NOTARY PUBLIC



My Commission Expires:

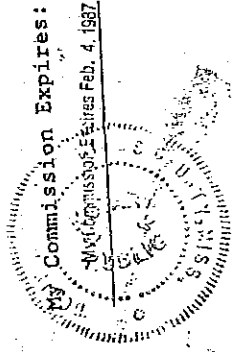
10-18-85

STATE OF MISSISSIPPI
COUNTY OF HINDS

Personally appeared before me, the undersigned authority in and for the jurisdiction aforesaid, the within named John B. Neville, who acknowledged that he is Senior Vice President of Deposit Guaranty National Bank, a banking corporation, and who further acknowledged that for and on behalf of said corporation he signed and delivered the above and foregoing instrument on the day and year therein mentioned, he being duly authorized so to do.

GIVEN under my hand and official seal, this the 25th day of April, 1983.

Clara C. Hunter
NOTARY PUBLIC



OVERALL PROPERTY

That certain tract of land lying in the $\frac{1}{2}$ of Section 27, Township 7 North, Range 2 East, Madison County, Mississippi known as the Main Breakwater Dike and being all that land 84.00 feet either side of a line beginning at a point 663.78 feet East of and 135.06 feet North of the SW corner of said Section 27 and running North for a distance of 1939.00 feet from said Point of Beginning to the Northern extremity of the dike; as shown hereon in aid of and as part of this legal description. Said Dike is further described in six parcels, as shown hereon and as follows, to-wit:

PARCEL NO. I

All that portion of said Dike lying North of a line running due East from the West side of the Dike to its centerline at Station 15+50 thereof; thence running South along said centerline to Station 12+00 thereof; thence running due East to the East side of the Dike, containing 3.22 Acres, more or less.

PARCEL NO. II

All that portion of said Dike lying South of Parcel No. I as described herein above; and lying North of a line running due West from the East side of the Dike to its centerline at Station 8+95 thereof; thence running South along said centerline to Station 5+90 thereof; thence running due West to the West side of the Dike, containing 2.18 Acres, more or less.

PARCEL NO. III

All that portion of said Dike lying South of Parcel No. II as described herein above; and lying North of a line running due West from the East side of the Dike to its centerline at Station 6+25 thereof; thence running South along said centerline to Station 3+10 thereof; thence running due West to the West side of the Dike, containing 1.06 Acres, more or less.

PARCEL NO. IV-A

All that portion of the Dike lying on the West side of the centerline and being South of Parcel No. III as described herein above; and lying North of a line running due East from the West side of the Dike to its centerline at Station 0+00 thereof, containing 0.60 Acres, more or less.

PARCEL NO. IV-B

All that portion of the Dike lying on the East side of the centerline and being South of Parcel No. III as described herein above; and lying North of a line running due West from the East side of the Dike to its centerline at Station 3+25 thereof, containing 0.58 Acres, more or less.

PARCEL NO. IV-C

All that portion of the Dike lying on the East side of the centerline and being South of Parcel No. IV-B as described herein above; and lying North of a line running due West from the East side of the Dike to its centerline at Station 0+00 thereof, containing 0.62 Acres, more or less.

EXHIBIT "A"

EASEMENTS

EASEMENT NO. 1

A 25' wide easement oriented East and West across the Dike South of and contiguous with the South boundary of the property as described herein above.

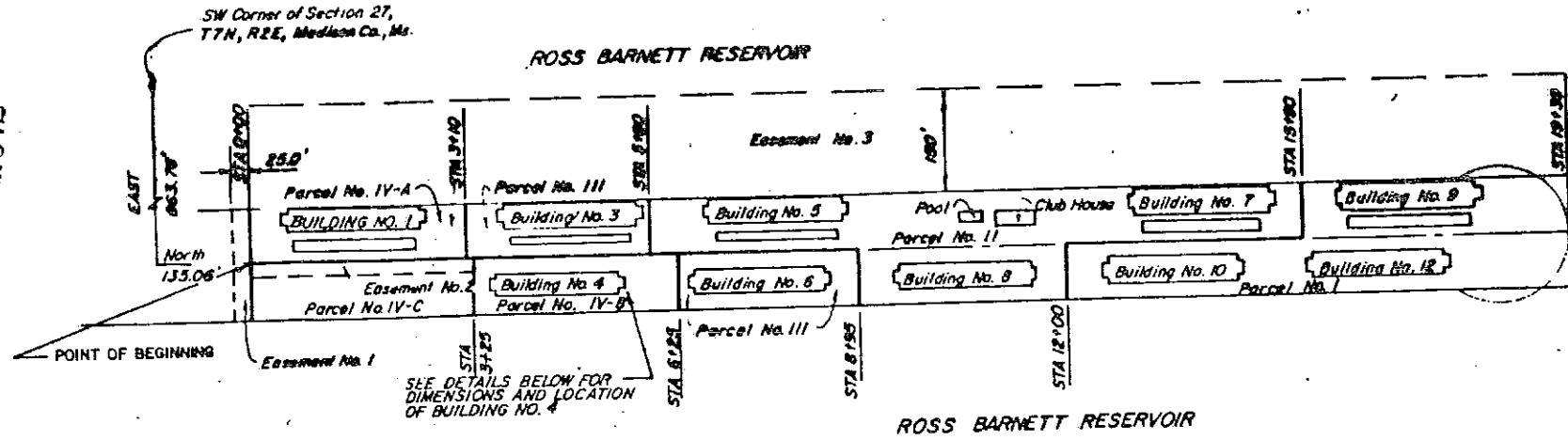
EASEMENT NO. 2

A 20' wide access easement located East of and contiguous with the centerline beginning at Station 0+00 and running North to the South boundary line of Parcel No. IV-B as described herein above.

EASEMENT NO. 3

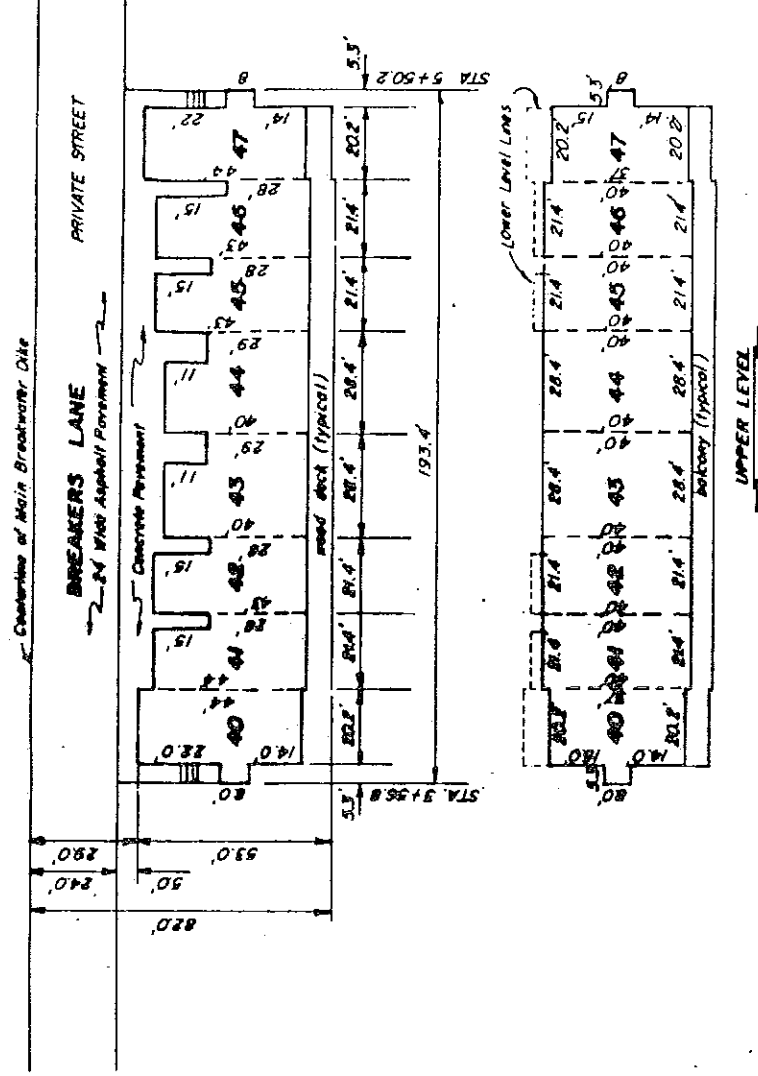
A 150 foot wide easement extending westerly from the westernmost boundary of the herein above described tract of land.

BOOK 513 PAGE 572



SITE PLAN
 Scale 1" = 200'

EXHIBIT "B"



BUILDING NO. 4
Scale 1"=40'

EXHIBIT "C"

STATE OF MISSISSIPPI, County of Madison:

I, Billy V. Cooper, Clerk of the Chancery Court of said County, certify that the within instrument was filed for record in my office this 4th day of May, 1983, at 9:00 o'clock P.M., and was duly recorded on the 4th day of MAY, 1983, Book No. 513 on Page 573, in my office.

Witness my hand and seal of office, this the of 1983.

BILLY V. COOPER, Clerk
By: *B. V. Wright*, D. C.

RATIFICATION AGREEMENT

WHEREAS, the Pearl River Valley Water Supply District (the "District") as Lessor did lease unto The Breakers of Mississippi, Ltd., Lessee, certain real property in Madison County, Mississippi, said lease being filed of record in Book 448 at Page 203 in the office of the Chancery Clerk, Madison County, and having been subsequently supplemented and amended (the "Lease"); and

WHEREAS, The Breakers of Mississippi, Ltd. has developed the real property into a condominium project and in that regard has filed of record a Declaration and Plan of Condominium in Book 446 at Page 200 in the aforesaid Chancery Clerk's office (the "Declaration"); and

WHEREAS, in addition to the above referenced Declaration and Plan of Condominium, The Breakers of Mississippi, Ltd. has filed of record a subdivision plat of the real property, said plat being recorded in Cabinet B at Slide 39 in the aforesaid Chancery Clerk's office (the "Plat"); and

WHEREAS, the District is the fee owner of the real property described in the aforesaid Declaration and Plat, subject to the Lease, and The Breakers of Mississippi, Ltd. has requested the District as fee owner to ratify and approve the Declaration and Plat without assuming any responsibility or liability thereunder for the sole purpose of complying with applicable statutes and ordinances for the filing of maps and plans.

NOW, THEREFORE, in consideration of the premises the undersigned Pearl River Valley Water Supply District does hereby ratify and approve the Declaration and Plan of Condominium filed in Book 466 at Page 200 and the subdivision plat filed in Cabinet B at Slide 39 in the aforesaid Chancery Clerk's office, and joins therein for the purpose of consenting to the filings thereof without assuming any responsibility or liability thereunder or otherwise and without affecting or amending the Lease.

WITNESS OUR SIGNATURE, this the 4th day of March,

PEARL RIVER VALLEY WATER SUPPLY DISTRICT

BY: Joe D. Brown

ATTEST:

[Signature]

STATE OF MISSISSIPPI
COUNTY OF HINDS

Personally came and appeared before me, the undersigned authority in and for the jurisdiction aforesaid, John D. Brown and P. L. Hughes, who acknowledged to me that they are Chair President and Secretary, respectively, of Pearl River Valley Water Supply District, an agency of the State of Mississippi, and for and on behalf of said District and as its act and deed, they signed, sealed and delivered the above and foregoing instrument on the date therein mentioned for the limited purpose therein expressed, they being duly authorized so to do.

GIVEN under my hand and seal, this the 14th day of March, 1980.

Muriel A. Furd
NOTARY PUBLIC

My Commission Expires:
May 21, 1982

STATE OF MISSISSIPPI, County of Madison:

I, Billy V. Cooper, Clerk of the Chancery Court of said County, certify that the within instrument was filed for record in my office this 25 day of March, 1980, at 7:00 o'clock AM, and was duly recorded on the 19 day of MAR 26, 1980, Book No 46 on Page 467 in my office.

MAR 26 1980

Witness my hand and seal of office, this the of 19.....

Billy V. Cooper
Wks Sec 27-28-80

BILLY V. COOPER, Clerk
By B. V. Wright....., D. C.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THE BREAKERS
A CONDOMINIUM

This Declaration of Covenants, Conditions and Restrictions is made and entered into by THE BREAKERS OF MISSISSIPPI, LTD., a Mississippi Corporation, ("Developer"), for itself, its successors, grantees and assigns.

WHEREIN, the Developer makes the following declarations:

I.

PURPOSE

The purpose of this Declaration is to submit the land herein described, all the improvements described herein and to be constructed thereon, and all easements and rights appurtenant thereto to the Condominium form of ownership pursuant to the Mississippi Condominium Law, §§89-9-1 through 89-9-38, Miss. Code (1972).

II.

NAME AND ADDRESS

The name by which this Condominium is to be identified is THE BREAKERS and is sometimes referred to herein as the Development.

III.

LEGAL DESCRIPTION

The leasehold interest in the land located in Madison County, Mississippi is more described in a Lease Agreement and an Option executed by the Developer and The Pearl River Valley Water Supply District recorded in Volume 448 at Page 203 and Volume 158 at Page 646 in the office of the Chancery Clerk of Madison County, Mississippi, respectively, and as more particularly described in Exhibit A attached hereto. Initially Developer is submitting only Parcel I and II to this Condominium. The Developer may add Parcels III and IV to this condominium by filing an election to do so with said Chancery Clerk, provided said addition shall not create any extra expenses nor charges to the owners of units in the existing condominium. For changes in ownership of the common areas as additional parcels are added see Article XVII hereof.

IV.

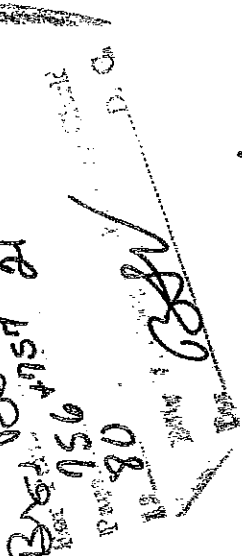
DEFINITIONS AND INTERPRETATIONS

This Declaration and the words used herein shall be interpreted in accordance with the following rules:

- 1. Unit or condominium unit means an enclosed space consisting of one or more rooms occupying all or part of one or more floors in buildings of one or more floors or stories provided, always, that any such unit has direct exit to a thoroughfare or to a common area leading to a thoroughfare.

For Affidavit & Surveyors Certificate See Book 527 Page 740 Billy U. Cooper, Jr. BPN Cooper, PC 2-10-84 Bldg 12

3-25-80 Ratification Agree See Book 467 Page 467 BPN Cooper, PC 471 See Book 500 h 513 Page 567 Billy U. Cooper, Jr. BPN Cooper, PC 471 See Book 500 h 513 Page 567 Billy U. Cooper, Jr. BPN Cooper, PC 471



The boundaries of each Unit shall be defined as follows, to wit: The lower vertical boundary of these condominium units is a horizontal plane or planes, the elevation of which coincides with the elevation of the upper surface of the unfinished concrete slab thereof extended to intersect the lateral or perimetrical boundaries thereof. The upper vertical boundary of any such condominium unit is a horizontal plane or planes, the elevation of which coincides with the unexposed lower surface of the roof thereof to include the attic areas, extended to intersect the lateral or perimetrical boundaries thereof. The lateral or perimetrical boundaries of these condominium units are the vertical planes which coincide with the unexposed surfaces of the perimeter walls of the unit, to include the perimeter drywall, fireplaces, plenums, windows and doors thereof, extended to intersect the upper and lower vertical boundaries thereof and to intersect the other lateral or perimetrical boundaries of the condominium unit.

Mechanical equipment and appurtenances located within any unit and designated to serve only that unit, such as furnaces, appliances, water heaters, air-conditioners, exhaust fans, cabinets, range hoods, outlets, electrical receptacles and outlets, fixtures, and other like or similar items, shall be considered a part of the condominium unit. Air-conditioner compressors, ducts, pipes, hoses, tubing and the concrete slab upon which the compressor is situated which may be located outside of the actual boundaries of the unit as defined above and which are designated and designed to serve one particular unit shall be part of said unit, and shall not be part of the common area.

Patios, garages, storage areas and walkways (covered and uncovered) designed to serve one particular unit shall be part of said unit and shall not be part of the common areas. This provision, however, shall not be construed to include walkways, side-walks or paths providing access to and from each unit and used or designated for use by the public and/or other unit owners.

In the event all or any unit hereinabove referred to shall be constructed with windows which protrude beyond the confines of the lateral or perimetrical boundaries of said unit, commonly known as "bay windows," said lateral or perimetrical boundaries of said unit shall be deemed to extend to include the area contained within said protruding or bay window as a part thereof, and shall not be a part of the common areas.

2. "Condominium project" or "the project" means the property subject to the Declaration.
3. "Condominium" means the ownership of single units in the condominium project with common areas.
4. "Owner" or "co-owner" means any person, group of persons, corporation, trust or other legal entity, or any combination thereof, which owns a

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 J. Cole

condominium unit within the condominium project, provided, however, that any person, group of persons, corporation, trust or other legal entity, or any combination thereof, which holds such interest solely as security for the performance of an obligation shall not be an owner.

5. "Common areas" or "common area" means the entire project not contained within the boundaries of any unit and owned in common by the unit owners.
6. "Limited Common Elements" means those common elements which are reserved for the use of a certain unit or units, to the exclusion of all other units.
7. "Association" means The Breakers Association, Inc., and its successors, a nonprofit corporation which is to maintain the common areas and operate the development.
8. Common expenses include:
 - (a) Expenses of administration and management of the Development;
 - (b) Expenses of maintenance, operation, repair or replacement of the common elements, and of the portions of units to be maintained by the Association;
 - (c) Expenses declared common expenses by provisions of this Declaration or by the By-Laws; and
 - (d) Any valid charge against the condominium development as a whole.
9. Development means all of the condominium property as a whole known as THE BREAKERS.
10. Developer means The Breakers of Mississippi, Ltd., a Mississippi Corporation.

V.

The Developer will develop and build a condominium of 88 units of townhouse type residential dwellings and appropriate common elements including a swimming pool and clubhouse.

A. EASEMENTS: The following easements are covenants running with the land.

1. Utility Easements: Utility easements are reserved through the Development as may be required for utility services in order to adequately serve the Development.
2. Easements for Ingress and Egress: Easements for ingress and egress to units and common elements are reserved for pedestrian traffic across all sidewalks, paths, walks, lanes, stairways, and exterior building walkways as the same from time to time may exist upon the common elements.

3. Easements in Driveways and Parking Areas: Easements are reserved for pedestrian and vehicular traffic across such roads, driveways and parking areas as are shown in Exhibit D attached hereto.
4. Easement of Unintentional and Non-Negligent Encroachments: If any portion of a unit or common element shall encroach upon any unit, common element, or upon any other part of the Development, including easements belonging to the Development by reason of its original constructions or authorized reconstruction, by the moving, shifting or settling of the unit building, or by the non-purposeful or non-negligent act of the Owner, then an easement appurtenant to such encroaching unit, to the extent of such encroachment, shall exist so long as such encroachment shall exist.
5. Easements Reserved in Common Elements for Use in Connection with additional Parcels: The Developer hereby reserves unto itself the right to grant easements over any of the common elements to be used for, by or in connection with any other condominium development to the same extent as if said common elements were common elements of such development.

B. COMMON ELEMENTS:

1. Description: The common elements include all portions of the Development not located within the individual units as shown upon Exhibit D attached hereto, together with all tangible personal property required for the maintenance and operation of the Development, even though owned by the Association.
2. Availability: All common elements shall be available for use by all Owners without discrimination. Such use shall be without charge except where specifically authorized by this Declaration.
3. Restraint Upon Separation:
 - (a) The undivided share in the common elements, including boat slips, which is appurtenant to a unit shall not be separated therefrom and shall pass with the title to the unit whether or not separately described.
 - (b) A share in the common elements, including boat slips, appurtenant to a unit cannot be conveyed or encumbered except together with the unit.

- (c) The shares in the common elements appurtenant to units shall remain undivided and no action for partition of the common elements shall lie.

C. SALES PERIOD: Until Developer has completed all of the contemplated improvements and closed the sales of all units in the Development and the Owners, contract purchasers, nor the Association, nor their use of the Development property, shall interfere with the completion of the contemplated improvements or the sale of the units. Developer may make such use of any unsold units and common areas as may facilitate such completion and sale, including, but not limited to, maintenance of a sales office, showing of the property, display of signs, and storage of materials.

VI.

THE UNITS

A. PARCELS: The Development is to contain 88 units, each of which, together with its appurtenances, constitutes a Parcel. Each Parcel is a separate parcel of real property, the ownership of which may be in an assignment of a leasehold interest, or any other estate in real property recognized by law. Each parcel shall be comprised of a unit together with the following appurtenances:

1. The undivided share in the common surplus and common elements as shown in Exhibit D attached hereto and made a part hereof. There is no right of partition of the common elements or surplus.
2. Membership in the Association and an undivided share in the common surplus of the Association.
3. The right to use, occupy and enjoy all easements reserved herein, the common elements and common facilities subject to the provisions of this Declaration, the By-Laws and the Rules and Regulations enacted pursuant thereto.

B. LIABILITY FOR COMMON EXPENSES: Each Owner shall be liable for a proportionate share of the common expenses, such share being the same as the undivided share in the common elements which is appurtenant to his apartment.

C. UTILITY SERVICES: The electric power and telephone services, if any, supplied to each unit shall be separately metered or charged and billed to each unit. Each Owner shall be responsible for the cost of electric power and telephone services to be supplied to his unit, apart from and in addition to his proportionate share of common expenses.

D. REAL ESTATE TAXES: Each Owner shall pay the real estate taxes and special assessments levied or assessed against his unit directly to the governmental body entitled to collect such real estate taxes or special assessments.

MAINTENANCE, ALTERATION AND IMPROVEMENTS

Responsibility for the maintenance of the Development and the restrictions upon the alteration and improvement thereof, shall be as follows:

A. UNITS.

1. By the Association: The Association shall maintain, repair and replace:
 - (a) All portions of a unit contributing to the support of the buildings, except windows and interior surfaces, which portions shall include but shall not be limited to the outside walls of the buildings and all fixtures on the exterior thereof, boundary walls of units, floors and ceiling joists and slabs, load-bearing columns and load-bearing walls.
 - (b) Balconies and the painting thereof.
 - (c) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which are contained in the portions of a unit maintained by the Association and all facilities within which such are contained.

The cost and expense of all such work shall be a common expense. All incidental damage caused to a unit by such work shall be promptly repaired, and the cost and expense of such repair shall be a common expense.

2. By the Owner: The responsibility of the Owner shall be as follows:

- (a) To maintain, repair and replace at his expense all portions of his unit except the portions to be maintained, repaired and replaced by the Association. Such shall be done without disturbing the rights of other Owners.
- (b) To maintain, repair and replace at his expense the air conditioning and heating equipment serving his unit and all appliances and fixtures located in his unit.
- (c) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the buildings.
- (d) To promptly report to the Association any defect or need for repairs the responsibility for the remedying of which is that of the Association.

3. Alteration and Improvements: Except as the power is elsewhere herein reserved to Developer, neither an Owner nor the Association shall make any alterations in the portions of a unit or buildings which are to be maintained by the Association, or remove any portion thereof, or make any additions thereto, or do anything which would jeopardize the safety or soundness of a building, or impair any easement, without first obtaining the approval in writing of the owners of all units in which such work is to be done or whose units are directly affected by it and the approval of the Board of Directors of the Association. A copy of plans for all of such work, prepared by an architect licensed to practice in the State of Mississippi, shall be filed with the Association prior to the commencement of the work.

B. COMMON ELEMENTS AND LIMITED COMMON ELEMENTS:

1. The maintenance and operation of the common elements, including limited common elements, shall be the responsibility of the Association. The expense of such maintenance and operation shall be a common expense.
2. Alteration and Improvement: After the completion of the improvements included in the common elements or after the Developer elects to terminate its control of the planned unit development, whichever shall first occur, there shall be no alteration or further improvement of common elements without prior approval by vote at an annual or special meeting of the Association by the record Owners of not less than seventy-five percent (75%) of the common elements or by a writing signed by a like percentage of Owners. The cost thereof shall be assessed against all Owners as a common expense. There shall be no change in the shares and rights of an Owner in the common elements which are thus altered or further improved.

C. EASEMENT FOR MAINTENANCE AND REPAIR: The Association or its authorized representative shall have the right to enter any unit at reasonable hours, and upon at least one (1) hour's advance notice, for the purpose of the performance of its routine maintenance and repair duties as outlined above, and may enter any unit at any time to make emergency repairs in the performance of its obligations as recited above or to prevent damage to common elements and/or other units, if the nature of the repairs makes the giving of notice or delay impossible or impractical.

D. LIMITED COMMON ELEMENTS: Those areas reserved for the use of certain unit owners or a certain unit owner, to the exclusion of other unit owners, are designated as "limited common elements." Any expense for the maintenance, repair or replacement relating to limited common elements shall be treated as and paid for as part of the common expenses of the

Association unless otherwise specifically provided in this Declaration and Exhibits attached hereto. Should said maintenance, repair or replacement be caused by the negligence or misuse by a unit owner, his family, guests, servants and invitees, he shall be responsible therefor, and the Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Association, shall have the right to levy an assessment against the Owner of said unit, which assessment shall have the same force and effect as all other special assessments. Where the limited common element consists of a terrace, balcony or porch, the unit Owner who has the right to the exclusive use of said terrace, balcony or porch shall be responsible for the maintenance, care and preservation of the paint and surface of the interior walls and windows or screening thereon, where applicable, including floor and ceiling, within said exterior terrace, balcony, or porch, and the fixed and/or sliding glass door(s) in the entrance way(s) to said terrace, balcony or porch, and the wiring, electrical outlet and fixtures thereon, if any, and the replacement of light bulbs, if any, and the door to the ground area on the terrace, balcony or porch of each first floor unit.

VIII

ASSOCIATION

The operation of the condominium development shall be by The Breakers Association, Inc., a corporation not for profit under the laws of Mississippi, which shall fulfill its functions pursuant to the following provisions:

A. ARTICLES OF INCORPORATION: A copy of the Articles of Incorporation of the Association is attached hereto and made a part hereof.

B. BY-LAWS: The By-Laws of the Association shall be the By-Laws of the Development, a copy of which is attached hereto, and made a part hereof by reference.

C. VOTING RIGHTS OF EACH OWNER: The Owner of each unit shall be a member of the Association. A member of the Association shall be entitled to cast one vote for each unit owned by him, as provided in the Articles of Incorporation and By-Laws.

D. LIMITATION UPON LIABILITY OF ASSOCIATION: Notwithstanding the duty of the Association to maintain and repair parts of the Property, the Association shall not be liable to Owners for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or by other Owners or persons.

E. APPROVAL OR DISAPPROVAL OF MATTERS: Whenever the decision of an Owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the vote of such Owner if in an Association meeting, unless the joinder of record Owners is specifically required by this Declaration.

F. INDEMNIFICATION: Every director and every officer of the Association shall be indemnified by the Association against

all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a part, or in which he may become involved, by reason of his being or having been a director or officer of the Association or any settlement thereof, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such directors or officers may be entitled.

IX

ASSESSMENTS

Assessments against Owners for common expenses shall be made and collected pursuant to the By-Laws, subject to the following provisions.

A. **SHARE OF COMMON EXPENSE:** Each Owner shall be liable for a share of the common expenses in proportion to the undivided share in the common elements appurtenant to the unit owned by him. Failure of the Board to include any item in the annual budget shall not preclude the Board from levying an additional assessment in any calendar year for which the budget has been projected.

B. **INTEREST; APPLICATION OF PAYMENTS:** Assessments and installments of such assessments paid on or before ten days after the date when payable shall not bear interest, but all sums not paid on or before ten days after the date when payable shall bear interest at the rate of ten percent (10%) per annum from the date when payable until paid. All payments upon account shall be first applied to interest and then to unpaid assessments in the inverse order of the date when payable.

C. **LIEN FOR ASSESSMENTS:** Each assessment, annual or special, made pursuant hereto and to the By-Laws shall be secured by a lien against the Development parcel and all interests therein owned by the Owners against which the assessment is made, and such lien shall arise in favor of the Association and shall be effective from and after the time of recording in the public records of Madison County, Mississippi, of a claim of lien stating the description of the parcel, the name of the record owner, the amount due and the date when due, and the lien shall continue in effect until all sums secured by the lien shall have been fully paid.

D. **COLLECTION:** The Board of Directors of the Association may take such action as they deem necessary or expedient to collect assessments by personal action or by enforcing and/or foreclosing the lien and may settle and compromise any such action, if such settlement is deemed to be in the best interests of the Association. The Association shall be entitled to bid at any sale held pursuant to a foreclosure of an assessment lien and to apply against such bid all sums due to the Association from the Owner for assessments, interest and the costs of collection and enforcement.

E. COSTS OF COLLECTION: The delinquent Owner shall be liable for and the lien for unpaid assessments shall also secure all costs incident to the collection of such assessments and the enforcement of such lien, including reasonable attorneys' fees.

F. RENTAL PENDING FORECLOSURE: If any such lien for assessments is foreclosed, the Owner of the unit subject to the lien shall be required to pay a reasonable rental for the unit after the commencement of the foreclosure and the Association shall be entitled to the appointment of a receiver to collect the same.

G. MINIMUM DEPOSIT: The Association may at any time require Owners to maintain a minimum balance on deposit with the Association to cover future assessments. Said deposits shall be uniform and shall in no event exceed six months' assessment.

X

USE RESTRICTIONS

The use of the Property shall be in accordance with the following provisions as long as the Condominium exists, and these restrictions shall be covenants running with the land and shall be binding upon the Association and the Owners and their successors in interest, but said restrictions shall not be binding upon the Developer.

A. UNITS: Each of the units shall be occupied only by one family, its servants and guests, or by no more than three unrelated persons of the same sex, as a residence, and for no other purpose. Except as the right is reserved to Developer, no unit may be otherwise divided or subdivided into a smaller unit nor may any portion thereof be sold or otherwise transferred without first recording an amendment to this Declaration showing the changes in the units to be affected.

B. COMMON ELEMENTS: The common elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the units.

C. PETS: No animals, livestock or poultry of any kind shall be raised, bred or kept in any unit or in or on the Common Elements, except dogs, cats and other household pets which may be kept in units, subject to the Rules and Regulations adopted from time to time by the Association.

D. NUISANCES: No nuisances nor any use or practice that is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the Property by its residents shall be allowed upon the Property. All parts of the Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor any fire hazard allowed to exist. No Owner shall permit any use of his unit or make any use of the common elements that will increase the cost of insurance upon the property.

E. **LAWFUL USE:** No immoral, improper, offensive or unlawful use shall be made of the Property nor any part of it; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification or repair of any of the Property shall be the same as the responsibility for the maintenance and repair of that type of property as set out herein.

The Owner shall not cause anything to be affixed or attached to, hung, displayed or placed, on the exterior walls, doors or windows of the units, building(s) nor the limited common elements; nor shall they place any furniture or equipment outside their unit nor shall they cause awnings and/or storm shutters, screens and enclosures and the like to be affixed or attached to any units, limited common elements or common elements, except with the prior written consent of the Management Firm (if any), or the Board of Directors, if no Management Firm has been designated, and further, when approved, subject to the Rules and Regulations adopted by the Management Firm or Board of Directors. No clothes line or similar device shall be allowed on any portion of the property, nor shall clothes be hung anywhere except where designated by the Management Firm (if any) or, by the Board of Directors of the Association if no Management Firm has been designated. The unit owner may not enclose the balcony or porch which abuts a unit without the prior written consent of the Management Firm and thereafter, the Association; however, the Developer shall have the absolute right to enclose or screen in said balcony or porch, and said Developer shall have the absolute right to determine what type and style of enclosures shall be permitted as to the balcony or porch, notwithstanding the fact that the prior written consent of the Management Firm, and thereafter, the Association, is required. The Developer shall have the right to design and build a boat house and offer the same for sale as an optional part of a unit and to designate which boat slips are common areas applicable to specific units.

F. **LEASING:** An Owner may lease his entire apartment for a period of not more than three years without the prior approval of the Association; provided, that if the lessee thereof violates any provision of this Declaration, the By-Laws or the Rules and Regulations adopted pursuant thereto, the Association may, upon 24 hours written notice delivered to said lessee, terminate said lease, and the Owner may not again lease any unit in the development to said lessee without the prior approval of the Association; and provided further that notwithstanding said lease, the Owner shall continue to be liable for all of his duties and obligations hereunder.

G. **RULES AND REGULATIONS:** Reasonable rules and regulations concerning the use of Property, specifically including but not limited to parking and boat slip usage regulations, may be made and amended from time to time by the Association in the manner provided by its Articles of Incorporation and By-Laws.

H. **PROVISO:** Provided, that until Developer has closed the sales of all of the units in the development project, or until the Developer shall elect to terminate its control over the Development, whichever occurs first, neither the Owners nor the Association nor their use of the Property shall interfere with the completion of the contemplated improvements and the sale of the units. Developer may make

such use of the unsold units and common areas as may facilitate such completion and sale, including but not limited to maintenance of a sales office, the showing of the property and the display of signs.

XI

MAINTENANCE OF COMMUNITY INTEREST

In order to maintain a community of congenial residents who are financially responsible and thus protect the value of the units, the transfer of units by any Owner other than the Developer shall be subject to the following provisions, so long as the Development exists, which provisions each Owner covenants to observe:

A. TRANSFERS SUBJECT TO APPROVAL:

1. Sale or Lease: No Owner may dispose of a unit or any interest in a unit by sale or lease without approval of the Association, except to another Owner.
2. Gift, Devise, Inheritance, Etc.: If any Owner shall acquire his title by gift, devise, inheritance or any manner not herein specifically considered, the continuance of his ownership of the unit shall be subject to the approval of the Association.

B. APPROVAL BY ASSOCIATION: The approval of the Association that is required for the transfer of ownership or the leasing of units shall be obtained in the following manner:

1. Notice to Association:
 - (a) Sale or Lease: An Owner intending to make a bona fide sale of his unit or any interest in it shall give to the Association notice of such intention, together with the name and address of the intended purchaser and such other information concerning the intended purchaser as the Association may reasonably require. Such notice, at the Owner's option may include a demand by the Owner that the Association furnish a purchaser for the unit, if the proposed purchaser is not approved, and if such demand is made, the notice shall be accompanied by an executed copy of the proposed contract to sell.
 - (b) Gift, devise or inheritance; other transfers: An owner who has obtained his title by gift, devise or inheritance, or in any manner not previously considered, shall give to the Association notice of the acquiring of his title, together with such information concerning the Owner as the Association may reasonably require and a certified copy of the instrument

evidencing the Owner's title, within thirty (30) days after he acquires his title.

- (c) Failure to give notice: If the above required notice to the Association is not given, then at any time after receiving knowledge of a transaction or event transferring ownership or possession of a unit, the Association, at its election and without notice, may approve or disapprove the transfer of ownership or possession. If the Association disproves the transfer of ownership or possession, the Association shall proceed as if it had received the required notice on the date of such disapproval.

2. Certificate of approval:

- (a) Sale or lease: Within thirty (30) days after receipt of such notice and information the Association must either approve or disapprove the proposed transaction. If approved, or if the sale or lease is to another Owner, the approval of said fact shall be stated in a certificate executed by the President or Vice President and Secretary or Assistant Secretary of the Association which shall be recorded in the public records of Madison County, Mississippi, at the expense of the purchaser.

- (b) Gift, devise or inheritance; other transfer: If the Owner giving notice has acquired his title by gift, devise or inheritance or in any manner not previously considered, then within thirty (30) days after receipt of such notice and information the Association must either approve or disapprove the continuance of the Owner's ownership of his unit. If approved, the approval shall be stated in a certificate executed by the President or Vice President and Secretary or Assistant Secretary of the Association, which shall be recorded in the public records of Madison County, Mississippi, at the expense of the Owner.

C. DISAPPROVAL BY ASSOCIATION: If the Association shall disapprove a transfer of ownership or lease of a unit, the matter shall be disposed of in the following manner:

- 1. Sale or lease: If the proposed transaction is a sale or lease and if the notice of sale or lease given by the Owner shall so demand, then within thirty (30) days after receipt of such notice and information the Association shall deliver or mail by registered mail to the Owner an agreement to purchase or lease the unit executed by a purchaser or lessee approved by the Association who will purchase or lease and to whom the Owner must sell or lease the unit upon the terms and

conditions stated in the disapproved contract to sell. The sale shall be closed within sixty (60) days after the delivery or mailing of said agreement.

- (a) Certificate: A certificate of the Association executed by its President or Vice President and Secretary or Assistant Secretary and approving the purchaser or lessee shall be recorded in the public records of Madison County, Mississippi, at the expense of the purchaser or lessee.
 - (b) Association's Failure to Purchase or Lease: If the Association shall fail to provide a purchaser or lessee upon the demand of the Owner in the manner provided, then, notwithstanding the disapproval of the Association, the proposed transaction shall be deemed to have been approved and the Association shall furnish a certificate of approval as herein provided, which shall be recorded in the public records of Madison County, Mississippi, at the expense of the purchaser or lessee.
2. Gifts, devise or inheritance; other transfers: If the Owner giving notice has acquired his title by gift, devise or inheritance, or in any other manner not hereinbefore covered, then within thirty (30) days after receipt from the Owner of the notice and information required to be furnished, the Association shall deliver or mail by registered mail to the Owner an agreement to purchase the unit executed by a purchaser approved by the Association who will purchase and to whom the Owner must sell the unit upon the following terms:
- (a) Price: The sale price shall be the fair market value determined by agreement between the seller and purchaser within thirty (30) days from the delivery or mailing of such agreement. In the absence of agreement as to price, the price shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association.
 - (b) Payment: The purchase price shall be paid in cash.
 - (c) Closing: The sale shall be closed within sixty (60) days following the determination of the sale price.
 - (d) Certificate: A certificate of the Association executed by its President or Vice President and Secretary or Assistant Secretary and approving the purchaser shall be recorded in the public records of Madison County, Mississippi, at the expense of the purchaser.

(e) Association's Failure to Purchase: If the Association shall fail to provide a purchaser as required by this instrument, such ownership shall be deemed to have been approved, and the Association shall furnish a certificate of approval as elsewhere herein provided, which shall be recorded in the public records of Madison County, Mississippi, at the expense of the Owner.

D. MORTGAGE: No Owner may mortgage his unit or any interest in it without the approval of the Association except to a bank, life insurance company, Mortgage Broker, a savings and loan association or other institutional lender or to a vendor to secure a portion or all of the purchase price of said unit. The approval of any other mortgagee may be upon conditions determined by the Association or may be arbitrarily withheld.

E. TITLE TRANSFER BY FORECLOSURE OF LIEN: Where the mortgagee of the first mortgage of record, or the purchaser or purchasers of a unit, obtains title to the unit as a result of foreclosure of the first mortgage, or by voluntary conveyance in lieu of such foreclosure, said mortgagee shall not be liable for the shares of common expenses or assessments by the Association pertaining to such unit or chargeable to any former owner of such unit which became due prior to acquisition of title by said mortgagee or purchaser as a result of the foreclosure or a voluntary conveyance in lieu of said foreclosure. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the owners of units, including a successor or assign of the mortgagee. The waiver of liability granted herein for the payment of past due assessments shall not apply to an Owner who has taken back a purchase money mortgage in the sale of his unit.

F. EXCEPTIONS: The foregoing provisions of this section entitled "Maintenance of Community Interests" shall not apply to a transfer to or a purchase by a bank, life insurance company or savings and loan association that acquires its title as the result of owning a mortgage upon the unit concerned, and this shall be so whether the title is acquired by deed from the mortgagor, his successors or assigns, or through foreclosure proceedings; nor shall such provisions apply to a transfer, sale or lease by a bank, life insurance company or savings and loan association that so acquires its title. Neither shall such provisions require the approval of a purchaser who acquired the title to a unit at a duly advertised public sale with open bidding provided by law, such as but not limited to an execution sale, foreclosure sale, judicial sale or tax sale.

G. UNAUTHORIZED TRANSACTIONS: Any sale, mortgage or lease not authorized pursuant to the terms of this Declaration shall be void unless subsequently approved by the Association.

H. ADDRESS OF OWNER: Before the Association shall be required to deliver the certificate of approval of a transfer hereinabove described, the purchaser or other new Owner shall deliver to the Association a signed statement designating an address to which all notices required to be given to Owners shall be sent. Any Owner may change such address by giving written notice to the Association ten (10) days before the effective date of such a change.

COMPLIANCE AND DEFAULT

Each Owner shall be governed by and shall comply with the terms of the Declaration, Articles of Incorporation and By-Laws of the Association and the Rules and Regulations adopted pursuant to those documents, and all of such as they may be amended from time to time. Failure of an Owner to comply with such documents and Rules and Regulations shall entitle the Association or other Owners to relief at law or in equity.

A. COSTS AND ATTORNEYS' FEES: In any proceeding arising because of an alleged failure of an Owner or the Association to comply with the terms of the Declaration, Articles of Incorporation, the By-Laws, or the Rules and Regulations adopted pursuant to them, and the said documents and Rules and Regulations as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be awarded by the court.

B. NO WAIVER OF RIGHTS: The failure of the Association or any Owner to enforce any covenant, restriction or other provision of this Declaration, the Articles of Incorporation of the Association, the By-Laws or the Rules and Regulations shall not constitute a waiver of the right to do so thereafter.

C. NEGLIGENCE AND INCREASED INSURANCE PREMIUMS: An Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. An Owner shall pay the Association the amount of any increase in its insurance premiums occasioned by use, misuse, occupancy or abandonment of a unit or its appurtenances, or of the common elements, by the Owner, the occupants of the unit or their employees, lessees or invitees.

XIII

AMENDMENTS

Except as elsewhere herein provided otherwise, this Declaration may only be amended in the following manner:

A. NOTICE: Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

B. ADOPTION: A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors of the Association or in a writing signed by members of the Association entitled to cast at least ten percent (10%) of the votes of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approval must be either by:

1. not less than sixty-six and two-thirds percent (66 2/3%) of the entire membership of the Board of Directors and by not less than sixty-six and two-thirds percent (66 2/3%) of the votes of the entire membership of the Association; or
2. not less than seventy-five percent (75%) of the votes of the entire membership of the Association; or
3. until the first members' meeting, by all of the directors, provided that the amendment does not increase the number of units or materially alter the boundaries of the common elements.

C. **PROVISO:** Provided, however, that no amendment shall discriminate against any Owner nor against any unit or class or group of units, unless the Owners so affected shall consent in writing; and no amendment shall change any unit not owned by Developer nor the share in the common elements appurtenant to it, nor increase the Owner's share of the common expenses and common surplus, unless the record Owner of the units concerned and all record Owners of mortgages for such units shall join in the execution of the amendment, except that an amendment reflecting a decision by the Developer to develop further Phases of the project may change said shares in the common elements and of the common expenses in the manner hereinabove provided. Neither shall an amendment change in any way the rights of the Developer conferred under the provisions of this Declaration or any of the other development documents of THE BREAKERS.

D. **EXECUTION AND RECORDING:** A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted, which certificate shall be executed by the President or Vice President and the Secretary of the Association with the formalities of a deed. The amendment shall be effective when such certificate and copy of the amendment are recorded in the public records of Madison County, Mississippi.

XIV

SEVERABILITY

The invalidity in whole or in part of any covenant or restriction, or any section, subsection, provision, sentence, clause, phrase or word or other provision of this Declaration and the Articles of Incorporation, By-Laws and Rules and Regulations of the Association shall not affect the validity of the remaining portions thereof.

XV

MANAGEMENT AGREEMENT

The Association has, or may, enter into a Management Agreement. The Association has or may delegate to the Management Firm the power of the Association, through its Board of Directors, to determine the Budget, make assessments for common expenses and collect assessments. Each unit owner, his heirs, successors and assigns, shall be bound by said Management Agreement for the purposes therein expressed.

XVI.

ASSUMPTION OF LEASE BY ASSOCIATION

The Developer is the Lessee under the lease described in lease recorded in Book 448 at Page 203 of the Office of the Chancery Clerk of Madison County, Mississippi. The Association agrees that upon completion of this condominium project, including any additions made hereto in accordance with paragraph II hereof and the conveyance of all of the units to Owners by the Developer, the Developer will delegate all of its authority and powers under said lease to the Association, and the Association will assume all of the duties and responsibilities of the Lessee including but not limited to the payment of \$13,200.00 per year rent as provided in said lease. The Association and Developer will use their best efforts to obtain a substitution of the Association as the Lessee under said lease in the place and stead of the Developer. If for any reason the Association shall fail to perform any of its obligations under said lease then the rights and authorities of the Lessee at the option of the Developer will revert to said Developer.

XVII.

UNDIVIDED INTEREST IN COMMON AREAS, ETC.

Each condominium unit shall have the same incidents as real property and the owners of any condominium unit shall hold the same in fee simple and shall have a common right to share, with the other co-owners, as an undivided 1/24 interest in the common areas in equal shares pursuant to the provisions of Section 89-0-13 (2) Mississippi Code [1972] as amended. The undivided interest in the common areas shall not be separated from the condominium unit to which it appertains and shall be deemed conveyed or encumbered with the unit even though such interest is not expressly mentioned or described in the conveyance or other instrument. As each share is added to the common areas pertaining to said phase shall be added to the existing common areas and the denominator of the above fraction (1/24) shall be increased to the number of units in all phases, to the end that when all 88 units are completed and sold each unit owner will own an undivided 1/88 interest in all the common areas. Provided, however, no change in the percentage interest in the common areas provided for herein may be affected more than seven years from the date of this Declaration.

Signed this the 20th day of December, 1979.

THE BREAKERS OF MISSISSIPPI, LTD.,
A Mississippi Corporation

By: Joe B. Agee
Joe B. Agee, President

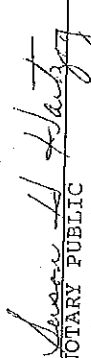
Paul Garner
Paul Garner, Chairman of the Board

STATE OF MISSISSIPPI
COUNTY OF HINDS

466 MAR 218

Personally appeared before me, the undersigned authority in and for the jurisdiction aforesaid, the within named JOE B. AGEE, who acknowledged that he is the President of The Breakers of Mississippi, Ltd., and PAUL GARNER, who acknowledged that he is Chairman of the Board of The Breakers of Mississippi, Ltd., a Mississippi Corporation, and that they signed and delivered the above and foregoing instrument of writing for and on behalf of said corporation, they being first duly authorized so to do.

GIVEN under my hand and official seal, this the 20th day of December, 1979.


NOTARY PUBLIC

My Commission Expires:

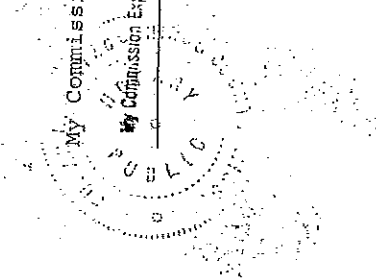

My Commission Expires June 11, 1980

EXHIBIT "A"

LEGAL DESCRIPTION FOR THE BREAKERS

That certain tract of land lying in the W 1/2 of the Section 27, Township 7 North, Range 2 East, Madison County, Mississippi, known as the Main Breakwater Dike, and being all that land 84 feet either side of a line beginning at a point 663.78 feet East and 135.06 feet North of the SW corner, said Section 27 running North 1939 feet from said point of beginning to the northern extremity of the Dike; as shown hereon in aid of and as part of this legal description.

Said Dike is further described in four parcels, as shown hereon and as follows, to-wit:

PARCEL I

All that portion of said Dike lying North of a line running due East from the West side of the Dike to its centerline at Station 15+50 thereof; thence running South along said centerline to Station 12+00 thereof; thence running due East to the East side of the Dike, and containing 3.22 acres, more or less.

PARCEL II

All that portion of said Dike lying South of Parcel I as described hereinabove; and lying North of a line running due West from the East side of the Dike to its centerline at Station 8+95 thereof; thence running South along said centerline to Station 5+90 thereof; thence running due West to the West side of the Dike; containing 2.18 acres, more or less.

PARCEL III

All that portion of said Dike lying South of Parcel II as described hereinabove; and North of a line running due East from the West side of the Dike to its centerline at Station 3+10 thereof; thence running along said centerline South to Station 2+85 thereof; thence running due East to the East side of the Dike; and containing 1.53 acres, more or less.

PARCEL IV

All that portion of said Dike lying South of Parcel III as described hereinabove and lying North of a line running due East from the West side of the Dike through its centerline at Station 0+00 thereof; and thence continuing due East to the East side of the Dike; and containing 1.02 acres, more or less.

EASEMENTS

EASEMENT NO. 1.

A 25 foot wide easement oriented East and West across the Dike South of and contiguous with the South boundary of Parcel IV as described hereinabove; and containing 0.096 acres, more or less.

EASEMENT NO 2.

A 40 foot wide access easement described as being 20 feet either side of aforesaid centerline, beginning at Station 0+00 thereof and running North to the South boundary of Parcel I as set forth hereinabove.

EASEMENT NO 3.

A 150 foot wide easement extending westerly from the westernmost boundaries of Parcels I, II, III, IV as set forth hereinabove.

466 JAN 220
THE CHARTER OF INCORPORATION
OF
THE BREAKERS ASSOCIATION, INC.

1. The corporate title of the corporation is:
THE BREAKERS ASSOCIATION, INC.
2. The names and post office addresses of the incorporators are:
 - (a) Joe B. Agee 1078 Cedar Hill Drive
Jackson, Mississippi
 - (b) Paul Garner 175 Olympia Fields Drive
Jackson, Mississippi
 - (c) Thomas W. Crockett, Jr. 5125 Old Canton Road
Jackson, Mississippi

All of the above incorporators are adult citizens and residents of the State of Mississippi.

3. The domicile of the corporation is:

Jackson, Mississippi

4. The corporation is a non-profit corporation and no shares of capital stock shall be issued. The corporation is an association of condominium unit owners (apartment owners) in THE BREAKERS created pursuant to a Declaration recorded among the records of the Chancery Clerk of Madison County, Mississippi, as authorized by Chapter 11, Section 79-11-1, et seq. Mississippi Code of 1972.
5. The period of existence of the corporation shall be perpetual.
6. The corporation is formed for the purpose of managing and administration of the affairs of the owners of the condominium units in THE BREAKERS, a condominium project created and established pursuant to the provisions of a Declaration recorded among the records of the Chancery Clerk of Madison County, Mississippi. The Corporation shall have all of the powers reasonably necessary to implement and accomplish the purpose of the Corporation, including, but not limited to, the following:
 - (a) To make and collect assessments against members to defray the costs of the condominium.
 - (b) To use the proceeds of assessments in the exercise of its powers and duties.
 - (c) To maintain, repair, replace and operate the condominium property.
 - (d) The reconstruction of improvements after casualty and the further improvement of the property.
 - (e) To make and amend regulations respecting the use of the property in the condominium.
 - (f) To borrow money and deliver evidence of indebtedness in furtherance of any or all of the objects of its business.

EXHIBIT B

- (g) To enforce by legal means the provisions of the condominium documents, these Articles, the By-Laws of the Association, and the regulations for the use of the property in the condominium.
- (h) To enter contracts of all kinds, specifically including but not limited to enter contracts for the management of the condominium and to delegate to such contractor all powers and duties of the Association except such as are specifically required by the condominium documents to have approval of the Board of Governors or the membership of the Association.
- (i) To sue and be sued, complain and defend in its corporate name.
- (j) To have and use a corporate seal.
- (k) To elect or appoint officials and agents of the corporation, not contrary to law and the provisions of this charter, and define their duties and fix their compensation, if any, for services actually rendered to the corporation.
- (l) To make and alter by-laws by vote of the members as therein provided, not inconsistent with the charter of incorporation or with the laws of the State of Mississippi for the administration and regulation of the affairs of the corporation.
- (m) To own, operate, maintain, sell, transfer, pledge, mortgage or otherwise encumber real and/or personal property in the course of its affairs.
7. This corporation shall not be required to make publication of its charter, shall issue no shares of stock, shall divide no dividends or profits among its members, shall make expulsion the only remedy for non-payment of dues, shall vest in each member the right to one vote in the election of all officers, shall make the loss of membership, by death or otherwise, the termination of all interest of such members in the corporate assets, and there shall be no individual liabilities against the members for corporate debts, but the entire corporate property shall be liable for the claims of creditors.

/s/
JOE B. AGEE

/s/
PAUL GARNER

/s/
THOMAS W. CROCKETT, JR.

STATE OF MISSISSIPPI
COUNTY OF HINDS

466 MAR 222

BE IT REMEMBERED, that on this _____ day of _____, 19____, personally appeared before me, a Notary Public in and for the State and County aforesaid, JOE B. AGEE, party to the foregoing Charter of Incorporation of The Breakers Association, Inc., known personally to me as such, and I have first made known to him the contents of said Charter of Incorporation, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed, and he acknowledged the facts stated to be true as set forth.

GIVEN under my hand the year and day first above written.

LS/ _____
Notary Public

My Commission expires: _____

STATE OF MISSISSIPPI
COUNTY OF HINDS

BE IT REMEMBERED, that on this _____ day of _____, 19____, personally appeared before me, a Notary Public in and for the State and County aforesaid, PAUL GARNER, party to the foregoing Charter of Incorporation of The Breakers Association, Inc., known personally to me as such, and I have first made known to him the contents of said Charter of Incorporation, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed, and he acknowledged the facts stated to be true as set forth.

GIVEN under my hand the year and day first above written.

LS/ _____
Notary Public

My Commission expires: _____

STATE OF MISSISSIPPI
COUNTY OF HINDS

BE IT REMEMBERED, that on this _____ day of _____, 19____, personally appeared before me, a Notary Public in and for the State and County aforesaid, THOMAS W. CROCKETT, JR., party to the foregoing Charter of Incorporation of The Breakers Association, Inc., known personally to me as such, and I have first made known to him the contents of said Charter of Incorporation, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed, and he acknowledged the facts stated to be true as set forth.

GIVEN under my hand the year and day first above written.

LS/ _____
Notary Public

My Commission expires: _____

RESOLUTION OF THE BREAKERS ASSOCIATION,
AN UNINCORPORATED ASSOCIATION, TO INCORPORATE,
DESIGNATING THE INCORPORATORS, THE NAME OF THE
PROPOSED CORPORATION AND AUTHORIZING THE EXPENDI-
TURE OF THE FUNDS OF THE SAID SOCIETY NECESSARY
SO TO DO.

BE IT RESOLVED that a meeting of The Breakers Associ-
ation, an unincorporated association, was held in Jackson,
Mississippi, on Dec 19, 1979.

Upon motion duly made, seconded and carried, it was
determined that the best interest of the association would be
promoted if it were incorporated as a non-profit corporation
under the laws of the State of Mississippi and that Joe B. Agee,
Paul Garner and Thomas W. Crockett, Jr., be, and hereby are
appointed, designated and authorized to act as incorporators
in applying for a charter for this association.

BE IT FURTHER RESOLVED, that the said Joe B. Agee, Paul
Garner and Thomas W. Crockett, Jr., be, and they hereby are
authorized and empowered to do and perform all other acts
necessary to secure said charter and to authorize expenditure
of such funds as may be necessary to accomplish this purpose.

CERTIFICATE

I, Joe B. Agee, do hereby certify that the above and
foregoing is a true and correct copy of the resolution adopted
at a meeting of The Breakers Association held on Dec 19,
1979, at which a majority of the members were present, and
that said meeting was duly and properly called and held.

WITNESS my signature, on this the 20th day of Dec
 , 1979.

51
SECRETARY

400 MAR 22 1924

I have examined this application for a charter of incorporation and am of the opinion that it is not violative of the Constitution and laws of the State, or of the United States.

Attorney General

By: _____
Assistant Attorney General

BY-LAWS

THE BREAKERS ASSOCIATION, INC.

ARTICLE I

Name and Location

Section 1. Name and Location. The name of this Association is The Breakers Association, Inc.

ARTICLE II

Definitions

Section 1. Declaration. "Declaration", as used herein, means that certain Declaration of covenants, conditions and restrictions filed by The Breakers of Mississippi, Ltd., a Mississippi General Partnership, or to be filed in the office of the Chancery Clerk of Madison County, Mississippi, and creating a Condominium Development.

Section 2. Association. "Association" as used herein shall mean The Breakers Association, Inc., a non-stock, non-profit Mississippi corporation.

Section 3. Other Definitions. Unless it is plainly evident from the context that a different meaning is intended, all other terms used herein shall have the same meaning as they are defined to have in the Declaration.

ARTICLE III

Membership

Section 1. Members. Every person, group of persons, corporation, trust or other legal entity, or any combination thereof, which owns a unit within The Breakers shall be a member of the Association, provided, however, that any person, group of persons, corporation, trust or other legal entity, or any combination thereof, which holds such interest solely as security for the performance of an obligation shall not be a member by reason only of such interest.

Section 2. Membership Certificates. In the event the Board of Governors considers it necessary or appropriate to issue membership certificates or the like, then each such membership certificate shall state that the Association is a non-profit, non-stock Association, the name of the registered holder or holders of the membership represented thereby, and shall be in such form as shall be approved by the Board of Governors. Membership certificates shall be consecutively numbered, bound in one or more books, and shall be issued therefrom upon certification as to the transfer of title to the unit to which such membership is appurtenant. Membership is not otherwise transferable. Every membership certificate shall be signed by the President or a Vice President and the Secretary or Assistant Secretary of the Association.

Section 3. Lost Certificates. The Board of Governors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the Association and alleged to have been destroyed or lost, upon the making of

an affidavit of that fact by the person claiming the membership certificate to be lost or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Governors may, in its discretion and as a condition precedent to the issuance thereof, require the registered holder or holders of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as the Board of Governors shall require and to give the Association a bond in such sum as the Board of Governors may require as indemnity against any claim that may be made against the Association.

Section 4. Liquidation Rights. In the event of any voluntary or involuntary dissolution of the Association, each member of the Association shall be entitled to receive out of the assets of the Association available for distribution to the members, an equal share thereof.

ARTICLE IV

Meeting of Members

Section 1. Place of Meetings. Meetings of the membership shall be held at the principal office or place of business of the Association or at such other suitable place convenient to the membership as may be designated by the Board of Governors.

Section 2. Annual Meetings. The first annual meeting of the members of the Association shall be held within one hundred twenty (120) days after eighty percent (80%) of the condominium units in the project have been sold and title to the same has been conveyed, or on the 10th day of January, 1981, whichever shall first occur. Thereafter, the annual meetings of the members of the Association shall be held on the 3rd Wednesday of April each succeeding year. At such meeting there shall be elected by ballot of the members a Board of Governors in accordance with the requirements of Section 5 of Article V of these By-Laws. The members may also transact such other business of the Association as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Governors or upon a petition signed by members representing at least twenty percent (20%) of the owners of the project having been presented to the Secretary; provided, however, that no special meeting shall be called prior to the first annual meeting of members as hereinabove provided for. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail, or otherwise cause the delivery of a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each member of record, at his address as it appears on the membership book of the Association, or if no address appears, at his last known place of address, at least ten (10) but not more than ninety (90) days prior to such meeting. Service may also be accomplished by the delivery of any such notice to the member at his unit or last known address. Notice by either such method shall be considered as notice served, and proof of such notice shall be made by the affidavit of the person giving such notice. Attendance by a member at any meeting of the members shall be a waiver of notice by him of the time, place and purpose thereof.

Section 5. Quorum. The presence, either in person or by proxy, of members representing at least fiftyone percent (51%) of the members of the Association shall be requisite for, and shall constitute a quorum for the transaction of business at all meeting of members. If the number of members at a meeting drops below the quorum and the question of a lack of a quorum is raised, no business may thereafter be transacted.

Section 6. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 7. Voting. Each member shall be entitled to one vote for each membership which he owns on each question. The vote of the members representing fifty-one percent (51%) of the total membership of the Association, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the Declaration or of these By-laws, a different vote is required, in which case such express provision shall govern and control. The vote for any membership which is owned by more than one person may be exercised by any one of them present at any meeting unless any objection or protest by any other owner of such membership is noted at such meeting. In the event all of the co-owners of any membership who are present at any meeting of the members are unable to agree on the manner in which the vote for such membership shall be cast on any particular question, then such vote shall not be counted for purposes of deciding the question. In the event any unit is owned by a corporation, then the vote for the membership appurtenant to such unit shall be cast by a person designated in a certificate signed by the President or Vice President and attested by the Secretary or an Assistance Secretary of such corporation and filed with the Secretary of the Association prior to the meeting. No member shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Governors, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association.

Section 8. Proxies. A member may appoint any other member or the Declarant or the Management Agent as his proxy. In no case may any member (except the Declarant or the Management Agent) cast more than one vote by proxy in addition to his own vote. Any proxy must be in writing and must be filed with the Secretary in form approved by the Board of Governors before the appointed time of each meeting. Unless limited by its terms, any proxy shall continue until revoked by a written notice of revocation filed with the Secretary or by the death of the member.

Section 9. Order of Business. The order of business at all regularly scheduled meetings of the regular members shall be as follows:

- (a) Roll call and certificate of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and disposal of minutes of preceding meeting.
- (d) Reports of officers, if any.
- (e) Reports of committees, if any
- (f) Unfinished business, if any.

- (g) New business.
- (h) Election or appointment of inspectors of election.
- (i) Election of Governors.
- (j) Adjournment.

In the case of special meetings, items (a) through (d) shall be applicable and thereafter the agenda shall consist of the items specified in the notice of meeting.

ARTICLE V

Governors

Section 1. Number and Qualification. The affairs of the Association shall be governed by the Board of Governors composed of three (3) natural persons, a majority of whom (after the first annual meeting of members) shall be members of the Association.

Section 2. Initial Governors. The initial Governors shall be selected by the Declarant and need not be members of the Association. The names of the Governors who shall act as such from the date upon which the Declaration is recorded among the Land Records for Madison County, Mississippi, until the first annual meeting of the members or until such time as their successors are duly chosen and qualified are as follows: Joe B. Agee, Paul Garner and Thomas W. Crockett, Jr.

Section 3. Powers and Duties. The Board of Governors shall have all the powers and duties necessary for the administration of the affairs of the Association and the project and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the members. The powers and duties of the Board of Governors shall include, but not be limited to, the following:

To provide for the

(a) care, upkeep and surveillance of the project and its common areas and services in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(b) establishment, collection, use and expenditure of assessments and/or carrying charges from the members and for the assessment and/or enforcement of liens therefor in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(c) designation, hiring and/or dismissal of the personnel necessary for the good working order of the project and for the proper care of the common areas and to provide services for the project in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(d) promulgation and enforcement of such rules and regulations and such restrictions on or requirements as may be deemed proper respecting the use, occupancy and maintenance of the project and the use of the common areas as are designated to prevent unreasonable interference with the use and occupancy of the project and of the common areas by the members all of which shall be consistent with law and the provisions of these By-Laws and the Declaration.

(e) authorization, in their discretion, of the payment to the members of patronage refunds from residual receipts when and as reflected in the annual report.

(f) to lease, grant licenses, easements, right-of-way and other rights of use in all or any part of the common areas of the Development project.

(g) to purchase units in the project and to lease, mortgage or convey the same, subject to the provisions of these By-Laws and the Declaration.

Section 4. Management Agent. The Board of Governors may employ for the Association a management agent (the "Management Agent") at a rate of compensation established by the Board of Governors to perform such duties and services as the Board of Governors shall from time to time authorize in writing. The Association shall not employ any new Management Agent without thirty (30) days' prior written notice to the institutional holders of all first mortgages on the units and the Association shall not undertake "self-management" or otherwise fail to employ a professional management agent without the prior written approval of all of the institutional holders of such first mortgages.

Section 5. Election and Term of Office. The term of the Governors named herein shall expire when their successors have been elected at the first annual meeting of members and are duly qualified. The election of Governors shall be by ballot, unless balloting is dispensed with by the unanimous consent of the members present at any meeting, in person or by proxy. There shall be no cumulative voting. At the first annual meeting of the members, the term of office of the Governor receiving the greatest number of votes shall be fixed for three (3) years. The term of office of the Governor receiving the second greatest number of votes shall be fixed at two (2) years and the term of office of the other Governor or Governors shall be fixed at one (1) year. In the alternative, the membership may, by resolution duly made and adopted at such first annual meeting, or at any subsequent annual meeting, elect to fix the term of each Governor elected at such meeting at one (1) year. At the expiration of the initial term of office of each respective Governor, his successor shall be elected to serve a term of three (3) years. Each Governor shall hold office until their successors have been elected and hold their first meeting.

Section 6. Vacancies. Vacancies in the Board of Governors caused by any reason other than the removal of a Governor by a vote of the membership shall be filled by vote of the majority of the remaining Governors, even though they may constitute less than a quorum; and each person so elected shall be a Governor until a successor is elected by the members at the next annual meeting to serve out the unexpired portion of the term.

Section 7. Removal of Governors. At a regular meeting, or special meeting duly called for such purpose, (but only at or after the first annual meeting of members, as hereinabove provided for) any Governor may be removed with or without cause by the affirmative vote of the majority of the entire regular membership of record and a successor may then and there be elected to fill the vacancy thus created. Any Governor whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting. The term of any Governor who becomes more than sixty (60) days delinquent in payment of any assessments and/or carrying charges due the Association shall be automatically terminated and the remaining Governors shall appoint his successor as provided in Section 6 of this Article.

Section 8. Compensation. No compensation shall be paid to Governors for their services as Governors. After the first annual meeting of the members, no remuneration shall be paid to any Governor who is also a member of the Association for services performed by him for the Association in any other capacity unless

a resolution authorizing such remuneration shall have been adopted by the Board of Governors before the services are undertaken.

Section 9. Organization Meeting. The first meeting of a newly elected Board of Governors shall be held within ten (10) days of election at such place as shall be fixed by the Governors at the meeting at which such Governors were elected, and no notice shall be necessary to the newly elected Governors in order legally to constitute such meeting, provided a majority of the whole Board of Governors shall be present.

Section 10. Regular Meetings. Regular meetings of the Board of Governors may be held at such time and place as shall be determined, from time to time, by a majority of the Governors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Governors shall be given to each Governor, personally or by mail, telephone or telegraph, at least six (6) days prior to the day named for such meeting.

Section 11. Special Meetings. Special meetings of the Board of Governors may be called by the President on three (3) days' notice to each Governor, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Governors shall be called by the President or Secretary in like manner and on like notice on the written request of at least one-third (1/3) of the Governors.

Section 12. Waiver of Notice. Before or at any meeting of the Board of Governors, any Governor may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Governor at any meeting of the Board of Governors shall be a waiver of notice by him of the time, place and purpose thereof. If all the Governors are present at any meeting of the Board of Governors, no notice shall be required and any business may be transacted at such meeting.

Section 13. Quorum. At all meetings of the Board of Governors, a majority of the Governors shall constitute a quorum for the transaction of business, and the acts of the majority of the Governors present at a meeting at which a quorum is present shall be the acts of the Board of Governors. If at any meeting of the Board of Governors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14. Action Without Meeting. Any action by the Board of Governors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Governors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Governors.

Section 15. Fidelity Bonds. The Board of Governors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE VI

Officers

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary and a

Treasurer, all of whom shall be elected by the Board of Governors. Prior to the first annual meeting of members, the officers of the Association need not be members of the Association. Thereafter, except for the President, the officers of the Association need not be members of the Association. The Board of Governors may appoint an assistant secretary and an assistant treasurer and such other officers as in their judgment may be necessary. The offices of Secretary and Treasurer may be filled by the same person.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board of Governors.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Governors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Governors, or at any special meeting of the Board of Governors called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the members and of the Board of Governors. He shall have all of the general powers and duties which are usually vested in the office of president of a corporation, including, but not limited to, the power to appoint committees from among the membership from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Governors shall appoint some other members of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be delegated to him by the Board of Governors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Governors and the minutes of all meetings of the members of the Association; he shall have custody of the minutes of the meetings of the Association (both members and the Board of Governors); he shall have charge of the membership transfer books and of such other books and papers as the Board of Governors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Governors.

ARTICLE VII

Liability and Indemnification of Officers and Governors

Section 1. Liability and Indemnification of Officers and Governors. The Association shall indemnify every officer and governor of the Association against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or governor in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by

the then Board of Governors of the Association) to which he may be made a party by reason of being or having been an officer or governor of the Association, whether or not such person is an officer or governor at the time such expenses are incurred. The officers and governors of the Association shall not be liable to the members of the Association for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct, or bad faith. The officers and governors of the Association shall have not personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association or the project (except to the extent that such officers or governors may also be owners of units) and the Association shall indemnify and forever hold each such officer and governor free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or governor of the Association, or former officer or governor of the Association, may be entitled.

Section 2. Common or Interested Governors. The Governors shall exercise their powers and duties in good faith and with a view to the interests of the Association and the project. No contract or other transaction between the Association and one or more of its Governors, or between the Association and any corporation, firm or association (including the Declarant) in which one or more of the Governors of this Association are directors or officers or are peculiarly or otherwise interested, is either void or voidable because such Governor or Governors are present at the meeting of the Board of Governors or any committee thereof which authorizes or approves the contract or transaction, or because his or their votes are counted for such purpose, if any of the conditions specified in any of the following subparagraphs exist.

- (a) the fact of the common directorate or interest is disclosed or known to the Board of Governors or a majority thereof or noted in the Minutes, and the Board authorizes, approves, or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or
- (b) the fact of the common directorate or interest is disclosed or known to the members, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or
- (c) the contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved or executed.

Interested Governors may be counted in determining the presence of a quorum or any meeting of the Board of Governors, or committee thereof, which authorizes, approves or ratifies any contract or transaction, and may vote as a Governor to authorize any contract or transaction with like force and effect as if he were not such director or officer of such other corporation or not so interested.

ARTICLE VIII

Management

Section 1. Management and Common Expenses. The Association, acting by and through its Board of Governors, shall manage, operate and maintain the condominium project and, for the benefit of the condominium units and the owners thereof, shall enforce the provision hereof and

shall pay out of the common expense fund hereinafter provided for, the following:

- (a) the cost of providing water, sewer, garbage and trash collection, electrical, gas and other necessary utility services for the common areas and, to the extent that the same are not separately metered or billed to unit for the units.
- (b) the cost of fire and extended liability insurance on the project and the cost of such other insurance as the Association may effect.
- (c) the cost of the services of a person or firm to manage the project to the extent deemed advisable by the Association, together with the services of such other personnel as the Board of Governors of the Association shall consider necessary for the operation of the project.
- (d) the cost of providing such legal and accounting services as may be considered necessary to the operation of the project.
- (e) the cost of painting, maintaining, replacing, repairing and landscaping the common areas and such furnishings and equipment for the common areas as the Board of Governors shall determine are necessary and proper, and the Board of Governors shall have the exclusive right and duty to require the Association to paint, repair, replace, or otherwise maintain the interior of any unit or any fixtures, appliances or equipment located therein.
- (f) the cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like, which the Association is required to secure or pay for by law, or otherwise, or which in the discretion of the Board of Governors shall be necessary or proper for the operation of the common areas; provided, however, that if any of the aforementioned are provided or paid for the benefit of a particular unit or units, the cost thereof shall be specially assessed to the owner or owners thereof in the manner provided in subsection (g) of Section 1 of this Article.
- (g) the cost of the maintenance or repair of any unit in the event such maintenance or repair is reasonably necessary in the discretion of the Board of Governors to protect the common areas or to preserve the appearance or value of the project, or is otherwise in the interest of the general welfare of all owners of the units provided, however, that no such maintenance or repair shall be undertaken without a resolution by the Board of Governors and not without reasonable written notice to the owner of the unit proposed to be maintained and provided further, that the cost thereof shall be assessed against the unit on which such maintenance or repair is performed and, when so assessed, a statement for the amount thereof shall be rendered promptly to the then owner of said unit at which time the assessment shall become due and payable and a continuing line and obligation of said owner in all respects as provided in Article IX of these By-Laws.
- (h) any amount necessary to discharge any lien or encumbrance levied against the project, or any portion thereof, which may, in the opinion of the Board of Governors, constitute a lien against any of the common areas rather than the interest of the owner of any individual unit.

Section 2. Association as Attorney-in-Fact. The Association is hereby irrevocably appointed as attorney-in-fact for the owners of all the units in the project, and for each of them, to manage, control and deal with the interests of such owners in the common areas of the project so as to permit the Association to fulfill all of its powers, functions and duties under the provisions of the Act, the Declaration and the ByLaws, and to exercise all of its rights thereunder and to deal with the project upon its destruction and/or the proceeds of any insurance indemnity as hereinafter provided. The foregoing shall be deemed to be a power of attorney coupled with an interest and the acceptance by any person or entity of any interest in any unit shall constitute an appointment of the Association as attorney-in-fact as aforesaid.

Section 3. Management Agent. The Association may by contract in writing delegate any of its ministerial duties, powers or functions to the Management Agent. The Association and the Board of Governors shall not be liable for any omission or improper exercise by the Management Agent of any such duty, power, or function so delegated.

Section 4. Duty to Maintain. Except for maintenance requirements herein imposed upon the Association, if any, the owner of any unit shall, at his own expense, maintain the interior of his unit and any and all equipment, appliances or fixtures therein situate, and its other appurtenances (including without limitation, any balcony, shed, terrace or patio appurtenant to such unit and designated or reserved for exclusive use by the owner of a particular unit), in good order, condition and repair, free and clear of ice and snow, and in a clean and sanitary condition, and shall do all redecorating, painting and the like which may at any time be necessary to maintain the good appearance of his unit and such appurtenances. In addition to the foregoing, the owner of any unit shall, at his own expense, maintain, repair, replace any plumbing and electrical fixtures, water heaters, fireplaces, plenums, heating and airconditioning equipment (including air-conditioning compressors located outside the unit, which shall be maintained at each owner's expense), lighting fixtures, refrigerators, freezers, trash compactors, dishwashers, clothes washers, clothes dryers, disposals, ranges, range hoods, and/or other equipment that may be in or appurtenant to such unit.

Section 5. Windows and Doors. The owner of condominium unit shall, at his own expense, clean and maintain both the interior and exterior surfaces of all windows and doors of the unit and shall, at his own expense, clean and maintain both the interior and exterior glass surfaces of all glass entry doors of the unit, including the interior and exterior surfaces of any door leading to any balcony, deck, terrace or patio appurtenant to such unit.

Section 6. Access at Reasonable Times. For the purpose solely of performing any of the repairs or maintenance required or authorized by these By-Laws, or in the event of a bona fide emergency involving illness or potential danger to life or property, the Association, through its duly authorized agents or employees, shall have the right, after reasonable efforts to give notice to the owner or occupant, to enter any unit at any hour considered to be reasonable under the circumstances.

Section 7. Easements for Utilities and Related Purposes. The Association is authorized and empowered to grant (and shall from time to time grant) such licenses, easements and/or rights-of-way for sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, underground conduits and/or such other purposes related to the provision of public utilities to the project as maybe considered necessary and appropriate by the Board of Governors for the orderly maintenance, preservation and enjoyment of the common areas or for the preservation of the health, safety, convenience and/or welfare of the owners of the units, the Declarant or the owners of units.

Section 8. Limitation of Liability. The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements or by the owner of any unit, or any other person, or resulting from electricity, water, snow, ice or wind which may leak or flow from any portion of the common areas or from any wire, pipe, drain, conduit, appliance or equipment. The Association shall not be liable to the owner of any unit for loss or damage, by theft or otherwise, of articles which may be stored upon any of the common areas.

ARTICLE IX

Assessments and Carrying Charges

Section 1. Annual Assessments and Carrying Charges. Each member shall pay the Association, in advance, a monthly sum (hereinafter referred to as "assessments" or "carrying charges") equal to one-twelfth (1/12) of the member's proportionate share of the sum required by the Association, as estimated by its Board of Governors, to meet its annual expense, including, but in no way limited to the following:

- (a) the cost of all operating expenses of the project and services furnished, including charges by the Association for facilities and services furnished by it; and
- (b) the cost of necessary management and administration, including fees paid to any Management Agent; and
- (c) the amount of all taxes and assessments levied against the Association or upon any property which it may own or which it is otherwise required to pay, if any; and
- (d) the cost of fire and extended liability insurance on the project and the cost of such other insurance as the Association may effect; and
- (e) the cost of furnishing water, electricity, heat, gas, garbage and trash collection and/or other utilities, to the extent furnished by the Association; and
- (f) the cost of funding all reserves established by the Association, including, when appropriate, a general operating reserve and/or a reserve for replacements; and
- (g) the estimated cost of repairs, maintenance and replacements of the project to be made by the Association.

The Board of Governors shall determine the amount of the assessment annually, but may do so at more frequent intervals should circumstance so require. Upon resolution of both the Board of Governors and of the members representing at least fifty one percent (51%) of the total members of the Association, installments of annual assessments may be levied and collected on a quarterly, semi-annual or annual basis rather than on the monthly basis hereinabove provided for.

The Board of Governors of the Association shall make reasonable efforts to fix the amount of the assessment against each unit for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the membership and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any owner upon reasonable notice to the Board. Written notice of the assessment shall thereupon be sent to the members. The omission of the Board of Governors, before the expiration of any assessment period, shall not be deemed a waiver or modification in any respect of the provisions of this Article, or a release of any member from the obligation to pay the assessment, or any installment thereof, for that or any subsequent assessment period, but the assessment fixed for the preceding period shall continue until a new assessment is fixed. No member may exempt himself from liability for assessments or carrying charges by a waiver of the use or enjoyment of any of the common areas or by abandonment of any unit belonging to him.

Section 2. Special Assessments. In addition to the regular assessments authorized by this Article, the Association may levy in any assessment year a special assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement located upon the project, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board of Governors may consider appropriate, provided that any such assessment shall have the assent of the members representing two-thirds (2/3) of the total members of the Association. A meeting of the members shall be duly called for this purpose, written notice of which shall be sent to all members at least ten (10) days but not more than thirty (30) days in advance of such meeting, which notice shall set forth the purpose of the meeting.

Section 3. Reserve for Replacements. The Association shall establish and maintain a reserve fund for replacements by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board of Governors. Such fund shall be conclusively deemed to be a common expense. Such fund shall be deposited in a special account with a lending institution the accounts of which are insured by an agency of the United State of America or may, in the discretion of the Board of Governors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America. The reserve for replacements may be expended only for the purpose of effecting the replacement of the common areas and equipment of the project and for operating contingencies of a non-recurring nature. The amounts required to be allocated to the reserve for replacements may be reduced, by appropriate resolution of the Board of Governors, upon the accumulation in such reserve for replacements of a sum equal to twenty percent (20%) of the full replacement value of the project as such full replacement value is annually determined by the Board of Governors for casualty insurance purposes. The proportionate interest of any owner in any reserve for replacements shall be considered an appurtenance of his unit and shall not be separately withdrawn,

assigned or transferred or otherwise separated from the unit to which it appertains and shall be deemed to be transferred with such unit.

Section 4. Non-Payment Of Assessment. Any assessment levied pursuant to these By-Laws, or any installment thereof, which is not paid on the date when due shall be delinquent and shall, together with interest thereon and the cost of collection thereof, as hereinafter provided, thereupon become a continuing lien upon the unit or units belonging to the member against whom such assessments is levied and shall bind such unit or units in the hands of the then owner, his heirs, devisees, personal representatives and assigns. The personal obligations of the member to pay such assessment shall, however, remain his personal obligation for the statutory period and a suit to recover a money judgment for nonpayment of any assessment levied pursuant to these By-Laws, or any installment thereof, may be maintained without foreclosing or waiving the lien herein and by the aforesaid statute created to secure the same. Payment of monthly assessments by each member shall not be construed as dues but rather a debt for services and goods rendered by the Association.

Any assessment levied pursuant to the Declaration of these By-Laws, or any installment thereof, which is not paid within ten (10) days after it is due, may, upon resolution of the Board of Governors, bear interest at a rate not to exceed eight percent (8%) per annum, and may, by resolution of the Board of Governors, subject the member obligated to pay the same to the payment of such penalty or "late charge" as the Board may fix, and the Association may bring an action at law against the member personally obligated to pay the same, or foreclose the lien against the unit or units then belonging to said member in the manner now or hereafter provided for the foreclosure of mortgages, deeds of trust, or other liens on real property in the State of Mississippi, and subject to the same requirements, both substantive and procedural, or as may otherwise from time to time be provided by law, in either of which events interest, costs and reasonable attorneys' fees of not less than twenty percent (20%) of the sum claimed shall be added to the amount of each assessment. The Association shall notify the holder of the first mortgage on any unit for which any assessment levied pursuant to these By-Laws becomes delinquent for a period in excess of sixty (60) days and in any other case where the owner of such unit is in default with respect to the performance of any other obligation hereunder for a period in excess of sixty (60) days, but any failure to give such notice shall not affect the validity of the lien for any assessment levied pursuant to these By-Laws.

In the event any proceeding to foreclose the lien for any assessment due the Association pursuant to this Article is commenced with respect to any unit or units in the project, then the owner of such unit or units, upon resolution of the Board of Governors may be required to pay a reasonable rental for such unit or units, and the Association shall be entitled to the appointment of a receiver to collect the same.

The Board of Governors may post a list of members who are delinquent in the payment of any assessment or other fees which may be due the Association, including any installment thereof which becomes delinquent, in any prominent location within the project.

Section 5. Assessment Certificates. The Association shall, upon demand at any time, furnish to any member liable for any assessment levied pursuant to these By-Laws (or any other party legitimately interested in the same) a certificate in writing signed by an officer or agent of the Association, setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid. A charge not to exceed Thirty Dollars (\$30.00) may be levied in advance by the Association for each certificate so delivered.

Section 6. Acceleration of Installments. Upon default in the payment of any one or more monthly installments of any assessment levied pursuant to the Declaration and/or these By-Laws, or any other installment thereof, the entire balance of said assessment may be accelerated at the option of the Board of Governors and be declared due and payable in full.

Section 7. Priority of Lien. The lien established by this Article shall have preference over any other assessments, liens, judgments or charges of whatever nature, except the following:

- (a) general and special assessments for real estate taxes on the unit; and
- (b) the liens of any deeds of trust, mortgage instruments or encumbrances duly recorded on the unit prior to the assessment of the lien thereon or duly recorded on said unit after receipt of a written statement from the Board of Governors reflecting that payments on said lien were current as of the date of recordation of said deed of trust, mortgage instrument or encumbrance.

Notwithstanding any other provisions hereof to the contrary, the lien of any assessment levied pursuant to these By-Laws upon any unit in the project shall be subordinate to, and shall in no way affect the rights of the holder of any indebtedness secured by any recorded first mortgage (meaning a mortgage with priority over other mortgages) upon such interest made in good faith and for value received, provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such unit pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser at such sale of the unit from liability for any assessments thereafter becoming due, nor from the lien or any such subsequent assessment, which said lien, if any, claimed shall have the same effect and may be enforced in the same manner as provided herein.

No amendment to this Section shall affect the rights of the holder or any such mortgage (or the indebtedness secured thereby) recorded prior to recordation of such amendment unless the holder thereof (or of the indebtedness secured thereby) shall join in the execution of such amendment.

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

Section 8. Supplemental Enforcement of Lien. In addition to proceedings at law or in equity for the enforcement of the lien established by the Declaration, these By-Laws, all of the owners of

units in the project may be required by the Declarant or the Board of Governors, to execute bonds conditioned upon the faithful performance and payment of the installments of the lien established thereby and may likewise be required to secure the payment of such obligations by a Declaration in Trust recorded among the Land Records for Madison County, Mississippi granting upon a Trustee or Trustees appropriate powers to the end that, upon default in the performance of such bond said Declaration in Trust may be foreclosed by said Trustee or Trustees, acting at the direction of the Management Agent or the Board of Governors. In the event any such bonds have been executed and such Declaration in Trust is recorded, then any subsequent purchaser of a unit in the project shall take title subject thereto and shall assume the obligations therein provided for.

Section 9. Additional Default. Any recorded first mortgage secured on a unit in the project shall provide that any default by the mortgagor in the payment of any assessment levied pursuant to these By-Laws, or any installment thereof, shall likewise be a default in such mortgage (or the indebtedness secured thereby) but failure to include such a provision in any such mortgage shall not affect the validity or priority thereof and the protection extended to the holder of such mortgage (or the indebtedness secured thereby) by reason of Section 7 of this Article, shall not be altered, modified, or diminished by reason of such failure.

Section 10. Definition. As used in these By-Laws, the term "mortgage" shall include deed of trust and the term "holder" or "mortgage" shall include the party secured by an deed of trust or any beneficiary thereof.

ARTICLE X

Architectural Control

Section 1. Architectural Control Committee. Except for the original construction of the units situate within the project by the Declarant and any improvements to any condominium unit or to the common areas accomplished concurrently with said original construction, and except for purposes of proper maintenance and repair or as otherwise in these By-Laws provided, it shall be prohibited to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, plant, remove or construct any lighting, shades, screens, awnings, patio covers, decorations, fences, gedges, landscaping features, walls, aerials, antennas, radio or television broadcasting or receiving devices, slabs, sidewalks, curbs gutters, patios, balconies, porches, driveways, walls or to make any change or otherwise alter (including any alteration in color) in any manner whatsoever the exterior of any unit or upon any of the common elements within the project or to combine or otherwise join two or more units, or to partition the same after combination, or to remove or alter any windows or exterior doors of any unit, or to make any change or alteration within any unit which will alter the structural integrity of the building or otherwise affect the property, interest or welfare of any other unit owner, materially increase the cost of operating or insuring the project, impair any easement, until the complete plans and specifications, showing the location, nature, shape, height, material, color, type of construction and/or any other proposed form of change (including, without limitation, any other information specified by the Board of Governors or its designated committee) shall have been submitted to and approved in writing as to safety, the effect of any such alterations on the costs of maintaining and insuring the project and harmony of design, color and location in relation to surrounding structures and topography, by the Board of Governors of the Association, or by an architectural control committee designed by it.

Section 2. Architectural Control Committee - Operation. The Architectural Control Committee shall be composed of three (3) or more natural persons designated from time to time by the Board of Governors of the Association and such persons shall serve at the pleasure of the Board of Governors. In the event the Board of Governors fails to appoint an Architectural Control Committee, then the Board of Governors shall constitute the Committee. The affirmative vote of a majority of the members of the Architectural Control Committee shall be required in order to adopt or promulgate any rule or regulation, or to make any finding, determination, ruling or order, or to issue any permit, consent, authorization, approval or the like pursuant to the authority contained in this Article.

Section 3. Approvals, etc. Upon approval by the Architectural Control Committee of any plans and specifications submitted pursuant to the provisions of this Article, a copy of such plans and specifications, as approved, shall be deposited among the permanent records of such Committee and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. In the event the Architectural Control Committee fails to approve or disapprove any plans and specifications which may be submitted to it pursuant to the provisions of this Article within sixty (60) days after formation required by the Architectural Control Committee and information required by the Architectural Control Committee) have been submitted to it in writing, then approval will not be required and this Article will be deemed to have been fully complied with.

Section 4. Limitations. Construction or alterations in accordance with plans and specifications approved by the Architectural Control Committee pursuant to the provisions of this Article shall be commenced within six (6) months following the date upon which the same are approved by the Architectural Control Committee (whether by affirmative action or by forbearance from action, as in Section 3 of this Article provided), and shall be substantially completed within twelve (12) months following the date of commencement, or within such longer period as the Architectural Control Committee shall specify in its approval. In the event construction is not commenced within the period aforesaid, then approval of the plans and specifications by the Architectural Control Committee shall be conclusively deemed to have lapsed and compliance with the provisions of this Article shall again be required. There shall be no deviations from plans and specifications approved by the Architectural Control Committee without the prior consent in writing of the Architectural Control Committee. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Architectural Control Committee to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance.

Section 5. Certificate of Compliance. Upon the completion of any construction or alterations or other improvements or structure in accordance with plans and specifications approved by the Architectural Control Committee in accordance with the provisions of this Article, the Architectural Control Committee shall, at the request of the owner thereof, issue a certificate of compliance which shall be prima facie evidence that such construction, alteration or other improvements referenced in such certificate

have been approved by the Architectural Control Committee and constructed or installed in full compliance with the provisions of this Article and with such other provisions and requirements of these By-Laws as may be applicable.

Section 6. Rules and Regulations, etc. The Architectural Control Committee may from time to time adopt and promulgate such rules and regulations regarding the form and content of plans and specifications to be submitted for approval and may publish such statements of policy, standards, guidelines and/or establish such criteria relative to architectural styles or details, or other matters, as it may consider necessary or appropriate. No such rules, regulations, statements criteria or the like shall be construed as a waiver of the provisions of this Article or any other provision or requirement of these By-Laws: The Architectural Control Committee may charge and collect a reasonable fee for the examination of any plans and specifications submitted for approval pursuant to the provisions of this Article. The decisions of the Architectural Control Committee shall be final except that any member who is aggrieved by any action or forbearance from action by the Architectural Control Committee may appeal the decision of the Architectural Control Committee to the Board of Governors of the Association and, upon the request of such member, shall be entitled to a hearing before the Board of Governors. Upon hearing and decision by the Board of Governors, the decision of the Board of Governors shall be final.

ARTICLE XI

Insurance

Section 1. Insurance. The Board of Governors shall obtain and maintain, to the extent available, at least the following:

(a) casualty or physical damage insurance in an amount equal to the full replacement value (i.e., 100% of "replacement cost" exclusive of land, foundation and excavation) of the project (including all building service equipment and the like) with an "agreed amount" endorsement and a "replacement cost" endorsement, if available, without deduction or allowance for depreciation (as determined annually by the Board of Governors with the assistance of the insurance company affording such coverage), such coverage to afford protection against at least the following:

- (i) loss or damage by fire or other hazards covered by the standard extended coverage endorsement together with coverage for common expenses with respect to condominium units during any period of repair or reconstruction;
- (ii) such other risks as shall customarily be covered with respect to projects similar in construction, location and use, including, but not limited to, vandalism, malicious mischief, wind-storm, water damage, machinery explosion or damage, and such other insurance as the Board of Governors may from time to time determine; and
- (b) public liability insurance in such amounts and in such forms as may be considered appropriate by the Board of Governors, including, but not limited to, water damage, legal

liability, hired automobile, non-owned automobile, liability for property of others, and any and all other liability incident to the ownership and/or use of the condominium project or any portion thereof; and

(c) workmen's compensation insurance to the extent necessary to comply with any applicable law; and

(d) a "Legal Expense Indemnity Endorsement", or its equivalent, affording protection for the officers and directors of the Association for expenses and fees incurred by any of them in defending any suit or settling any claim, judgment or cause of action to which any such officer or Governor shall have been made a party by reason of his or her services as such; and

(e) such other policies of insurance, including insurance for other risks of a similar or dissimilar nature and fidelity coverage as required by Section 15 of Article V of these By-Laws, as are or shall hereafter be considered appropriate by the Board of Governors.

Section 2. Limitations. Any insurance obtained pursuant to the requirements of this Article shall be subject to the following provisions:

(a) all policies shall be written with a company or companies licensed to do business in the State of Mississippi holding a rating of "A + AAAA" or better in Best's Insurance Guide.

(b) exclusive authority to negotiate losses under said policies shall be vested in the Board of Governors, as a trustee for the owners of the units or its authorized representative, including any trustee with which the Association may enter into any Insurance Trust Agreement, or any successor trustee, each of which shall be hereinafter referred to as the "Insurance Trustee".

(c) in no event shall the insurance coverage obtained and maintained pursuant to the requirements of this Article be brought into contribution with insurance purchased by the owners of the units or their mortgages, as herein permitted, and "no other insurance" or similar clause in any policy obtained by the Association pursuant to the requirements of this Article shall exclude such policies from consideration.

(d) such policies shall contain no provision relieving the insurer from liability because of loss occurring while the hazard is increased in the building, whether or not within the control or knowledge of the Board of Governors, and shall contain no provision relieving the insurer from liability by reason of any breach of warranty or condition caused by the Board of Governors or any owner of any unit, and/or their respective agents, employees, tenants, mortgagees or invitees or by reason of any act of neglect or negligence on the part of any of them.

(e) all policies shall provide that such policies may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to any and all insureds named thereof, including any and all mortgagees of the units.

(f) all policies of casualty insurance shall provide that, notwithstanding any provisions thereof which give the

carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Board of Governors (or any Insurance Trustee) or when in conflict with the provisions of any Insurance Trust Agreement to which the Association may be a party, these By-Laws.

(g) all policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Association, the Board of Governors, the owner of any unit and/or their respective agents, employees, tenants, mortgagees, or invitees, and of any defenses based upon co-insurance or invalidity arising from the acts of the insured. All policies shall also contain a "severability endorsement".

Section 3. Individual Policies - Recommendation of Declarant. The owner of any unit (including the holder of any mortgage thereon) may obtain additional insurance (including a unit-owner's endorsement" for improvements and betterments to the unit made or acquired at the expense of the owner) at his own expense. Such insurance shall be written by the same carrier as that purchased by the Board of Governors pursuant to this Article or shall provide that it shall be without contribution as against the same. Such insurance shall contain the same waiver of subrogation provision as that set forth in Section 2(g) of this Article. The Declarant recommends that each owner of a unit in the project obtain, in addition to the insurance hereinabove provided to be obtained by the Board of Governors, a "Tenant's Homeowners Policy", or equivalent, to insure against loss or damage to personal property used or incidental to the occupancy of the unit, additional living expense, plateglass damage, vandalism or malicious mischief, theft, personal liability and like. Such policy should include a unit-owner's endorsement" covering losses to the improvements and betterments to the unit made or acquired at the expense of the owner.

Section 4. Endorsements, etc. The Board of Governors, at the request of any owner of any unit in the project or at the request of the mortgagee of any such unit, shall promptly obtain and forward to such owner or mortgagee (a) an endorsement to any of the policies aforementioned in this Article XI showing the interest of such owner or mortgagee as it may appear; and (b) certificates of insurance relating to any of such policies; and (c) copies of any such policies, duly certified by the insurer or its duly authorized agent.

ARTICLE XII

Casualty Damage Reconstruction or Repair

Section 1. Use of Insurance Proceeds. In the event of damage or destruction by fire or other casualty the same shall be promptly repaired or reconstructed in substantial conformity with the original plans and specifications with the proceeds of insurance available for that purpose, if any.

Section 2. Proceeds Insufficient. In the event that the proceeds of insurance are not sufficient to repair damage of destruction by fire or other casualty, or in the event such damage or destruction is caused by any casualty not herein required to be insured against, then the repair or reconstruction of the damaged common areas shall be accomplished promptly by the Association at its common expense

and the repair or reconstruction of any unit shall be accomplished promptly by the Association at the expense of the owner of the affected unit. The ratable share of the expense of such repairs or reconstruction may be assessed and the lien for the same shall have all the priorities provided for in Article IX of these By-Laws.

Section 3. Restoration Not Required. In the event more than three-fourths (3/4) of the entire project is substantially damaged or destroyed by fire or other casualty and more than fifty percent (50%) of the members are opposed to the repair or restoration of the project then the insurance proceeds may be distributed in accordance with the provisions of §89-9-35, Miss. Code, 1972.

Section 4. Insurance Trustee. Except for losses involving the substantial damage or destruction of more than three-fourths (3/4) of the project where the members do not resolve to proceed with repair or reconstruction, as in Section 3 of this Article provided for, in the event the cost of reconstruction or repair (as estimated by the Board of Governors) shall exceed an amount equal to ten percent (10%) of the full replacement value of the project, as estimated by the Board of Governors and the insurer pursuant to the requirements of Section 1(a) of Article XI of these By-Laws for the period during which such loss was sustained, and the Institutional holder of any mortgage or other obligation secured by any unit or units, the aggregate principal sum of more than \$300,000.00 (hereinafter in this Section 4 called the "Mortgagee") shall so require, all proceeds of insurance shall be paid over to a trust company or bank having trust powers and authorized to engage in trust business in the State of Mississippi, selected by the Board of Governors with the approval of the mortgagee, and shall be paid out from time to time as the reconstruction or repair progresses in accordance with the provisions of an Insurance Trust Agreement satisfactory in form and substance to the mortgagee and which shall contain inter alia, the following provisions:

(a) the reconstruction or repair shall be in charge of an architect or engineer, who may be an employee of the Association, satisfactory to the mortgagee, and hereinafter in this Section 4 called the "architect".

(b) prior to the commencement of the reconstruction or repair, other than such work as may be necessary to protect the project from further damage, the mortgagee shall have approved the plans and specifications for such reconstruction or repair, which approval shall not be unreasonably withheld or delayed.

(c) unless otherwise required by the mortgagee, each request for an advance of the proceeds of insurance shall be made to the mortgagee at least ten (10) days prior to delivery to the Insurance Trustee and shall be accompanied by a certificate from the architect to the effect that (1) all work then completed has been performed in accordance with the plans and specifications and

all building codes or other similar governmental requirements; and (ii) the amount requested to be advanced is required to reimburse the Association for payments previously made by the Board of Governors or is due to the contractor responsible for the restoration or repair, or to subcontractors, materialmen, laborers, engineers, architects or to other persons responsible for services or materials in connection with such restoration or repair, or for fees or the like necessarily incurred in connection with the same; and (iii) when added to amounts previously advanced by the Insurance Trustee, the amount requested to be advanced does not unreasonably exceed the value of the work done and materials delivered to the date of such request.

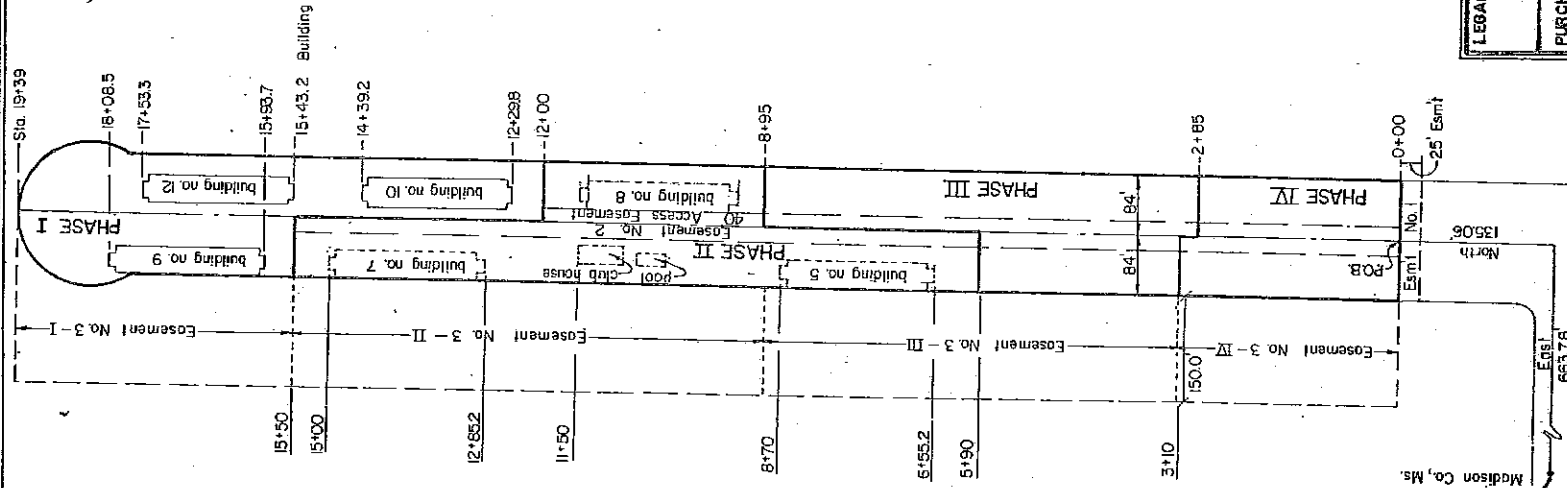
(d) each request for an advance of the proceeds of insurance, if required by the mortgagee shall, if required by the mortgagee, be accompanied by satisfactory waivers of liens covering that portion of the repair or reconstruction for which payment or reimbursement is being requested, together with appropriate evidence from a title insurance company or the like to the effect that there has not been filed with respect to the project and mechanic's or other lien, or notice of intention to file the same, which has not been dismissed or satisfied of record.

(e) the fees and expenses of the Insurance Trustee, as agreed upon by the Board of Governors and the Insurance Trustee, shall be paid by the Association as a common expense, and such fees and expenses may be deducted from any insurance proceeds in the hands of the Insurance Trustee, pro rata as the reconstruction or repair progresses.

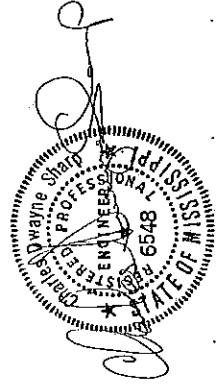
(f) such other provisions not inconsistent with the provisions hereof as the Board of Governors, the Insurance Trustee or the mortgagee may reasonably require.

Upon completion of the reconstruction or repair and payment in full of all amounts due on account thereof, any proceeds of insurance then in the hands of the Insurance Trustee shall be paid to the Board of Governors and shall be considered as one fund and shall be divided among the owners of all of the units in equal shares, after first paying out of the share of the owner of any unit, to the extent such payment is required by any lienor and to the extent the same is sufficient for the purpose, all liens upon said unit.

100 11 24E



THE BREAKERS
 Site Plan
 scale 1"=200'



LEGAL DESCRIPTION:
PURCHASER:
TITLE INSURANCE:
MORTGAGEE:
ATTORNEY:
DWAYNE SHARP AND ASSOCIATES JACKSON, MISSISSIPPI

DRAWN BY: CDS	CHECKED BY: KMK	JOB NO.
SCALE: 1"=200'	DATE: 12/22/79	

Note:
 The Property Delineated on This Plat is Not
 in a F.I.A. Special Flood Hazard Area.

Exhibit "D"

SW Cor., Sec. 27
 T7N - R2E
 Madison Co., Ms.

Easmt. No. 1
 663.78'

ROB
 135.06'

0+00
 25' Esmt

2+85

1500'

3+10

Easement No. 3-IV

PHASE III

Easement No. 3-III

5+90

5+55.2

8+70

8+95

Easement No. 3-II

11+50

Easement No. 3-I

12+85.2

15+00

club house

pool

building no. 7

Access Easement

building no. 8

building no. 10

building no. 12

15+43.2 Building

15+80.7

17+53.3

16+08.5

Sta. 19+39

PHASE I

building no. 9

480 PARCEL 247

LEGAL DESCRIPTIONS

OVERALL PROPERTY

THAT CERTAIN TRACT OF LAND LYING IN THE W 1/2 of Section 27, Township 7 North, Range 2 East, Madison County, Mississippi, known as the Main Breakwater Dike, and being all that land 84 feet either side of a line beginning at a point 663.78 feet East and 135.06 feet North of the SW corner, said Section 27 and running North 1939 feet from said point of beginning to the northern extremity of the Dike; as shown hereon in aid of and as part of this legal description.

Said Dike is further described in four parcels, as shown hereon and as follows, to wit:

PARCEL I

All that portion of said Dike lying North of a line running due East from the West side of the Dike to its centerline at Station 15+50 thereof; thence running South along said centerline to Station 12+00 thereof; thence running due East to the East side of the Dike; and containing 3.22 acres, more or less.

PARCEL II

All that Portion of said Dike lying South of Parcel I as described hereinabove; and lying North of a line running due West from the East side of the Dike to its centerline at Station 8+95 thereof; thence running South along said centerline to Station 5+90 thereof; thence running due West to the West side of the Dike; containing 2.18 acres, more or less.

PARCEL III

All that portion of said Dike lying South of Parcel II as described herein above; and lying North of a line running due East from the West side of the Dike to its centerline at Station 3+10 thereof; thence running along said centerline South to Station 2+85 thereof; thence running due East to the East side of the Dike; and containing 1.53 acres, more or less.

PARCEL IV

All that portion of said Dike lying South of Parcel III as described hereinabove and lying North of a line running due East from the West side of the Dike through its centerline at Station 0+00 thereof; and thence continuing due East to the East side of the Dike; and containing 1.02 acres, more or less.

100 PA. 246

EASEMENTS

EASEMENT NO. 1

A 25 foot wide easement oriented East and West across the Dike South of and contiguous with the South boundary of Parcel IV as described hereinabove; and containing 0.096 acres, more or less.

EASEMENT NO. 2

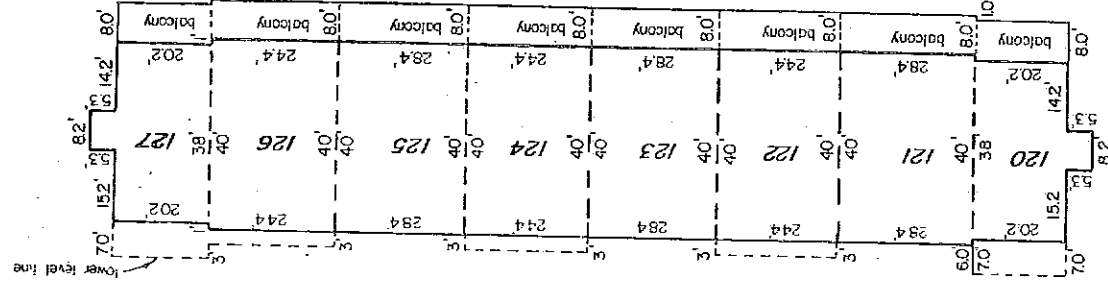
A 40 foot wide access easement described as being 20 feet either side of aforesaid centerline, beginning at Station 0+00 thereof and running North to the South boundary of Parcel I as set forth hereinabove.

EASEMENT NO. 3

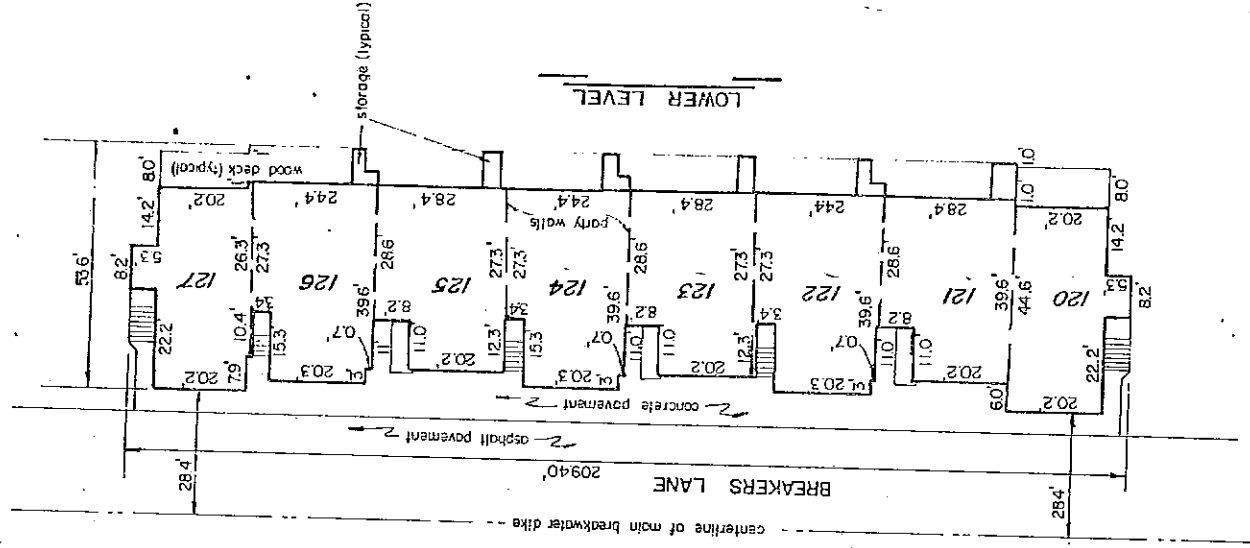
A 150 foot wide easement extending westerly from the westernmost boundaries of Parcels I, II, III, and IV as set forth hereinabove.

BUILDING NO. 12

100 MAT 240



UPPER LEVEL



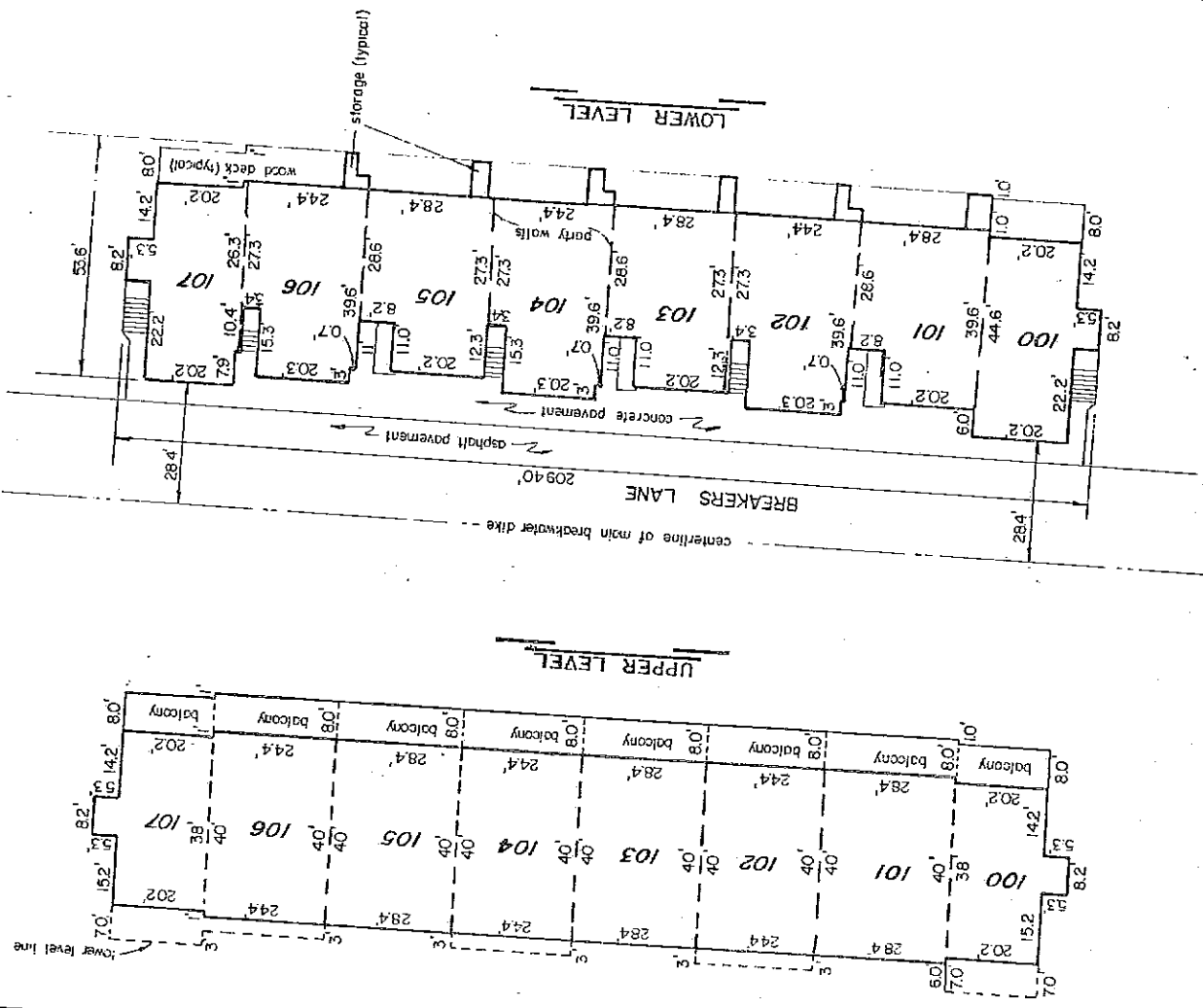
LOWER LEVEL

Note:
The Property Delineated on This Plat is Not
in a F.I.A. Special Flood Hazard Area.

LEGAL DESCRIPTION:		
PURCHASER:		
TITLE INSURANCE:		
MORTGAGEE:		
ATTORNEY:		
DWAYNE SHARP AND ASSOCIATES JACKSON, MISSISSIPPI		
DRAWN BY: CDS	CHECKED BY: KMK	JOB NO.
SCALE: 1" = 30'	DATE: 12/21/79	

BUILDING NO. 10

400 PAL. 250



LEGAL DESCRIPTION:

PURCHASER:

TITLE INSURANCE:

MORTGAGEE:

ATTORNEY:

DWAYNE SHARP AND ASSOCIATES
JACKSON, MISSISSIPPI

DRAWN BY: CDS

CHECKED BY: KWK

SCALE: 1/8" = 1'-0"

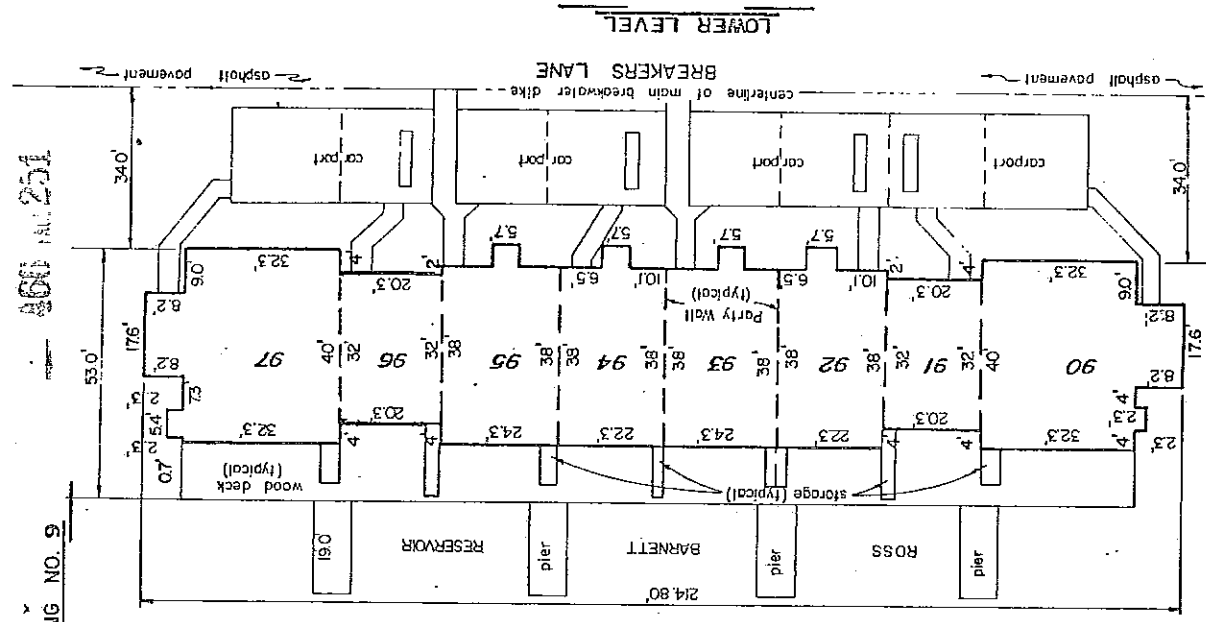
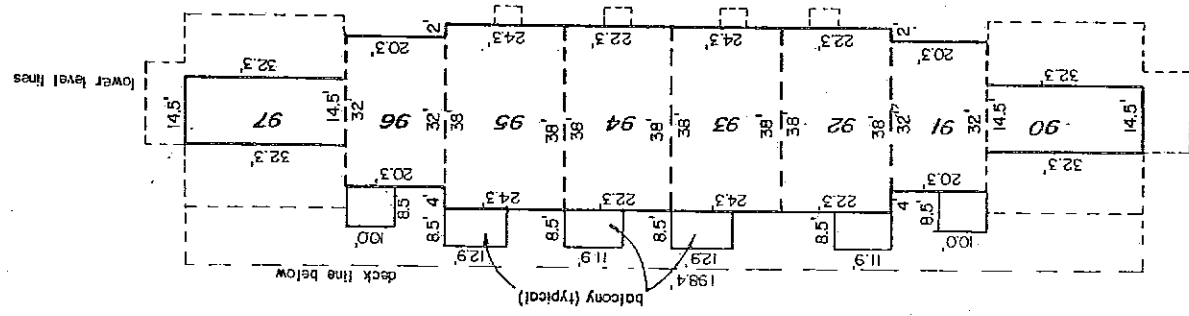
DATE: 10/21/99

JOB NO.

Note:
The Property Delineated on This Plot is Not
in a F.I.A. Special Flood Hazard Area.

BUILDING NO. 9

ADD. 251



Note:
The Property Delineated on This Plat is Not
in a F.I.A. Special Flood Hazard Area.

LEGAL DESCRIPTION:

PURCHASER:

TITLE INSURANCE:

MORTGAGEE:

ATTORNEY:

DWAYNE SHARP AND ASSOCIATES
JACKSON, MISSISSIPPI

DRAWN BY: *CDS*

CHECKED BY: *KMK*

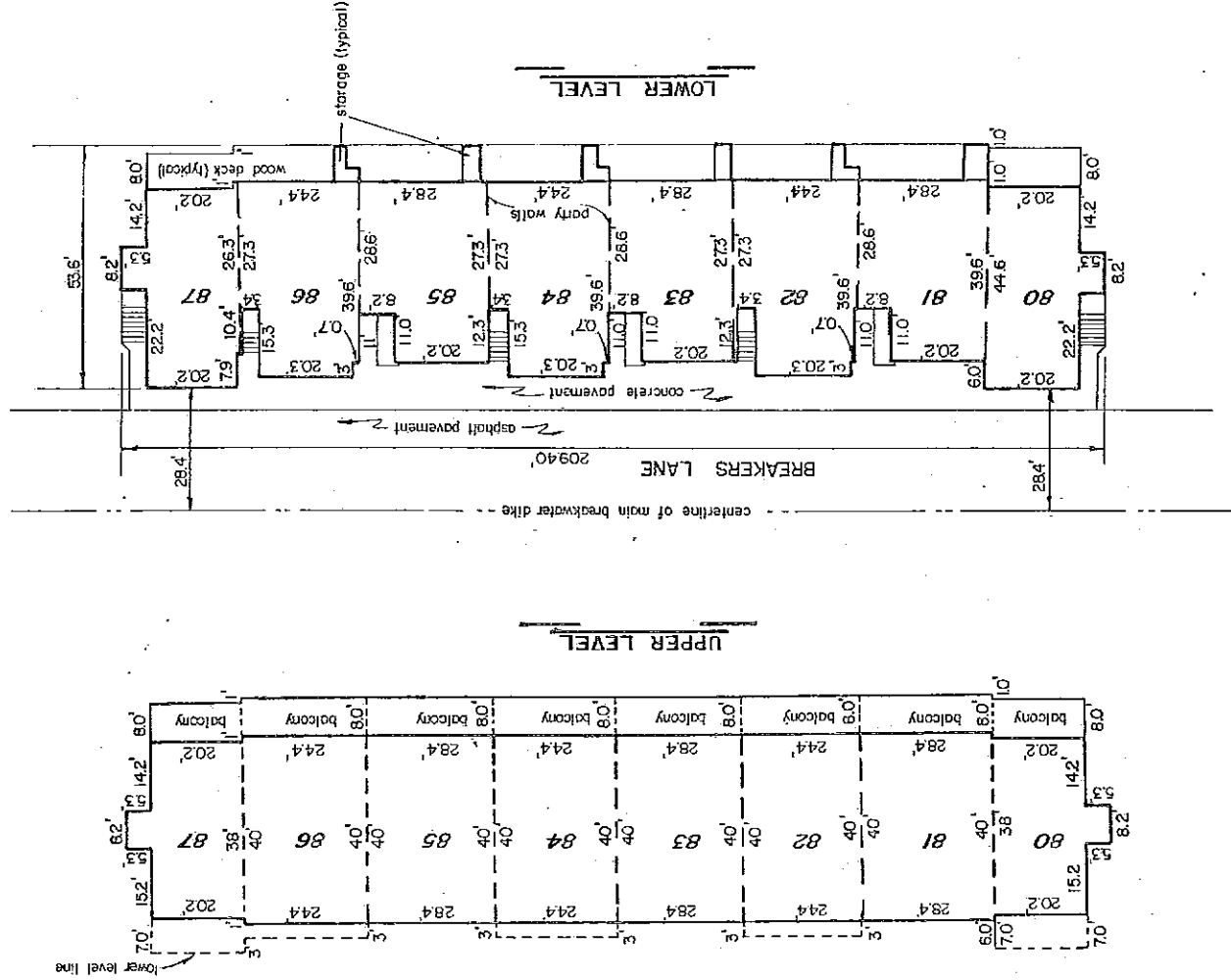
JOB NO.

SCALE: 1" = 20'

DATE: 12/21/79

BUILDING NO. 8

400 BAL 252



Note:
The Property Delimited on This Plat is Not
in a F.I.A. Special Flood Hazard Area.

LEGAL DESCRIPTION:

PURCHASER:

TITLE INSURANCE:

MORTGAGEE:

ATTORNEY:

DWAYNE SHARP AND ASSOCIATES
JACKSON, MISSISSIPPI

DRAWN BY: JCS

CHECKED BY: KMM

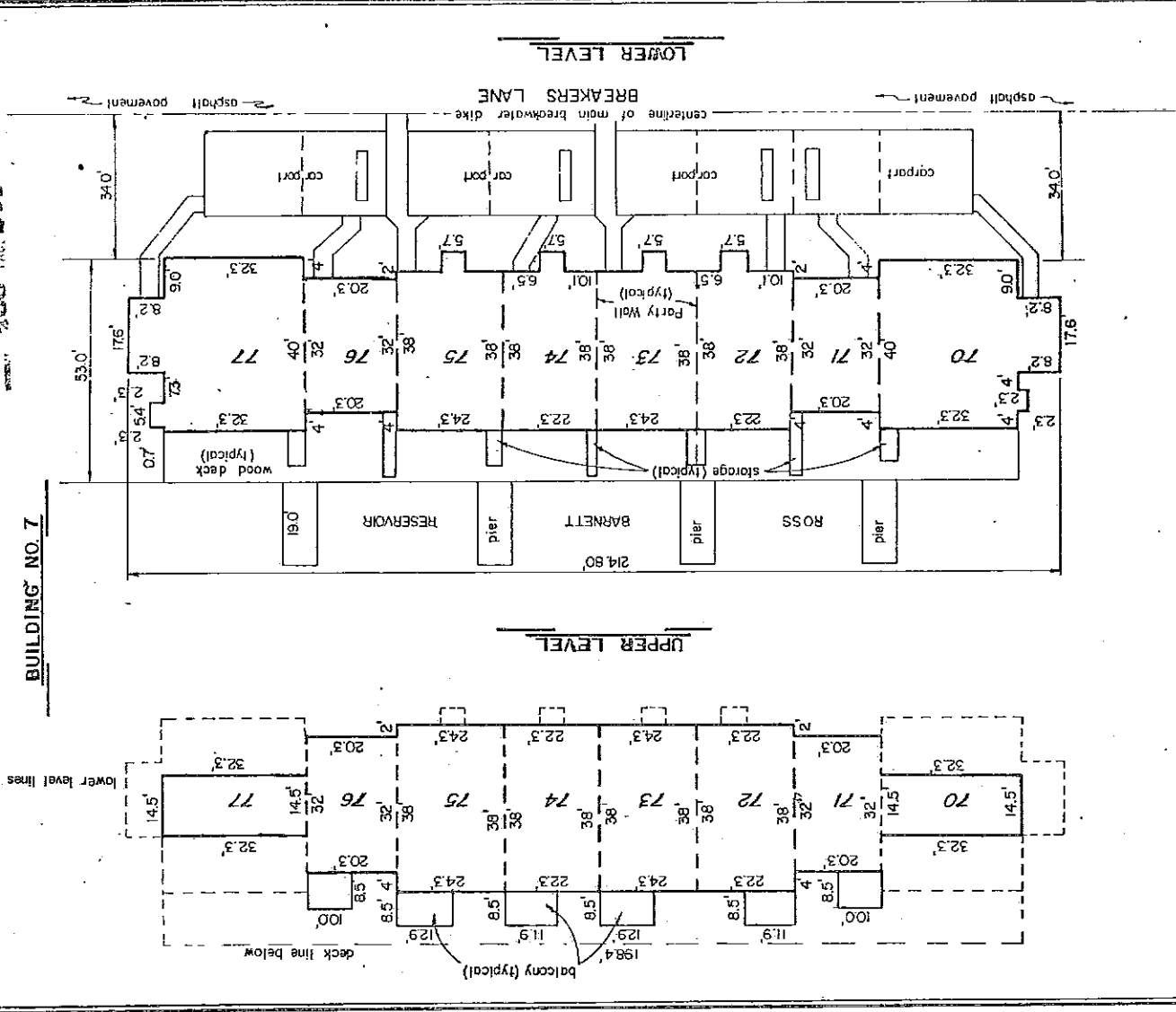
JOB NO.

SCALE: 1" = 30'

DATE: 12/21/79

100 PLAN 200

BUILDING NO. 7



LEGAL DESCRIPTION:

PURCHASER:

TITLE INSURANCE:

MORTGAGEE:

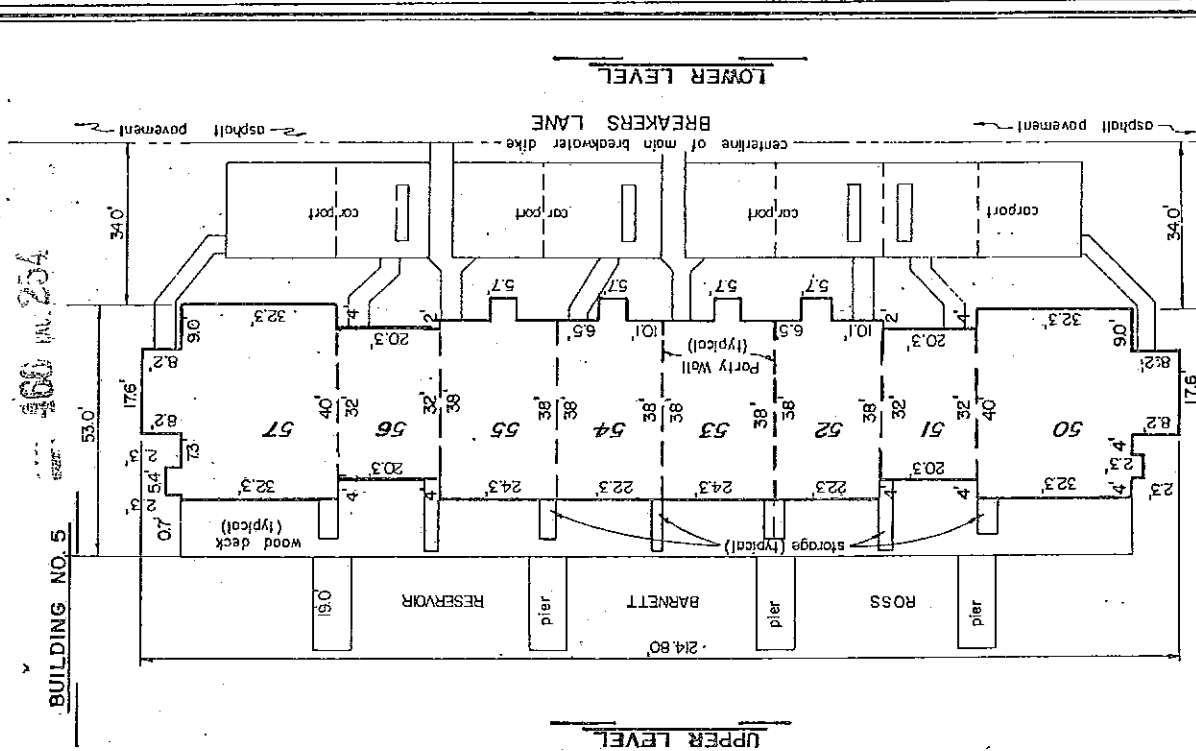
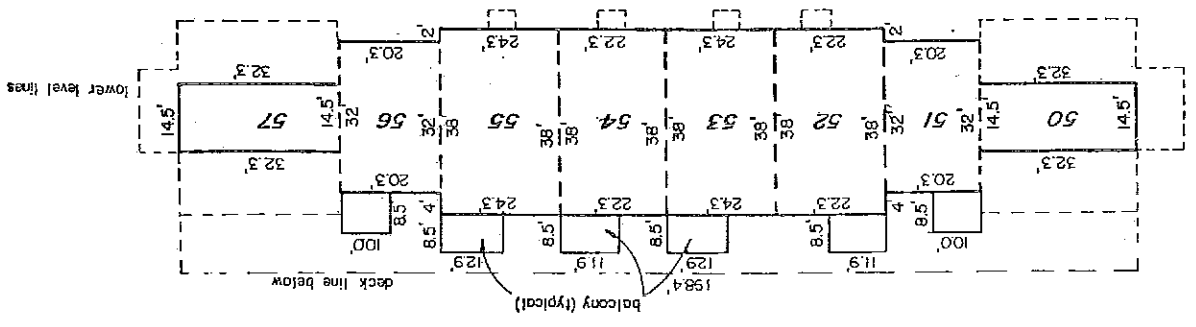
ATTORNEY:

DWAYNE SHARP AND ASSOCIATES
JACKSON, MISSISSIPPI

DRAWN BY: *cos* CHECKED BY: *KW/K* JOB NO.

SCALE: 1" = 30' DATE: 12/21/70

BUILDING NO. 5
 50 PL. 254



Note:
 The Property Delineated on This Plat is Not
 in a F.I.A. Special Flood Hazard Area.

LEGAL DESCRIPTION:	
PURCHASER:	
TITLE INSURANCE:	
MORTGAGEE:	
ATTORNEY:	
DWAYNE SHARP AND ASSOCIATES JACKSON, MISSISSIPPI	
DRAWN BY: <i>CDG</i>	CHECKED BY: <i>KMK</i>
SCALE: 1" = 30'	DATE: 12/21/79
	JOB NO.

466-295
CERTIFICATE

Pursuant to Section 89-9-9, Mississippi Code, 1972, the undersigned being the record owner and all holders of security interest in the real property described in the foregoing Declaration do hereby consent to the recordation of the foregoing plan pursuant to the Mississippi Condominium Law.

WITNESS OUR SIGNATURES, this the 20th day of

September, 1979.

THE BREAKERS OF MISSISSIPPI, LTD.
A MISSISSIPPI CORPORATION
RECORD OWNER

By: Joe B. Acee
JOE B. ACEE, President

By: Paul Garner
PAUL GARNER, Chairman of the
Board

UNIFIRST FEDERAL SAVINGS AND LOAN ASSOCIATION
RECORD LIENHOLDER

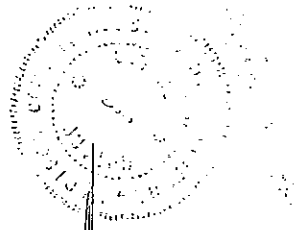
By: _____

STATE OF MISSISSIPPI
COUNTY OF Madison

466 256

Personally appeared before me, the undersigned authority in and for the jurisdiction aforesaid, the within named JOE B. AGEE, who acknowledged that he is the President of The Breakers of Mississippi, Ltd., and PAUL GARNER, who acknowledged that he is Chairman of the Board of The Breakers of Mississippi, Ltd., a Mississippi Corporation, and that they signed and delivered the above and foregoing instrument of writing for and on behalf of said corporation, they being first duly authorized so to do.

GIVEN under my hand and official seal, this the 20th day of December, 1979.



[Signature]
NOTARY PUBLIC

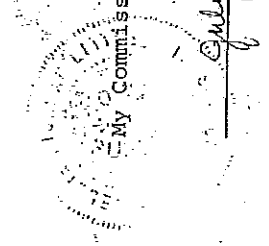
My Commission Expires:

June 4 1980
June 11 1980

STATE OF MISSISSIPPI
COUNTY OF HINDS

Personally appeared before me, the undersigned authority in and for the jurisdiction aforesaid, the within named Bill M. Huddeleston, who acknowledged that he is the Executive Vice President of Unifirst Federal Savings and Loan Association, and that he signed and delivered the above and foregoing instrument of writing for and on behalf of said corporation, he being first duly authorized so to do.

GIVEN under my hand and official seal, this the 27 day of December, 1979.



[Signature]
NOTARY PUBLIC

My Commission Expires:

July 12 1982

STATE OF MISSISSIPPI, County of Madison:

I, Billy V. Cooper, Clerk of the Chancery Court of said County, certify that the within instrument was filed for record in my office this 27 day of December, 1979, at 3:00 o'clock P..M., and was duly recorded on the DEC 31 1979 day of December, 1979, Book No. 44 on Page 200 in my office.

Witness my hand and seal of office, this the DEC 31 1979 day of December, 1979.

[Signature]
BILLY V. COOPER, Clerk
By N. A. Wright, D. C.