

STATE OF MISSISSIPPI
COUNTY OF HARRISON

BOOK 908 OF 1

AMENDED DECLARATION OF CONDOMINIUM AND MASTER DEED
FOR WELLINGTON PLACE CONDOMINIUM

This Declaration of Condominium and Master Deed amends and supercedes and completely eliminates the prior Declaration of Condominium on the same real property recorded in Book 900 at Page 192-212. No recitals in the prior Declaration survive this Amendment. The original plat of said Wellington Place Condominium is recorded in Plat Book 32 at Page 33 and the Amended Plat of Wellington Place Condominium is recorded in Plat Book 33 at Page 30. Wellington Place Condominium Homeowner's Association, Inc. which is the homeowners association for Wellington Place Condominium was incorporated on August 23, 1983 as a non-profit corporation. The former Articles of Incorporation which were referred to in the prior Declaration of Condominium, recorded in Book 900 at Page 192-212 have never been filed with the Secretary of State and are not in force.

SOUTHERN MORTGAGE SERVICES CORP., a Mississippi corporation, does hereby declare that the property situated and being in Harrison County, State of Mississippi, described as follows:

That certain parcel of land being all of Lots 6, 7 and 8, Block 1 of BAYOU VISTA SUBDIVISION, City of Gulfport, Harrison County, Mississippi as per map or plat thereof on file and of record in Plat Book 20, Page 5 in the office of the Chancery Clerk of Harrison County, Mississippi and a part of Section 25, Township 7 South, Range 11 West, in said County as recorded in Deed Book 635, page 177-178, Deed Records of Harrison County, Mississippi, the entire parcel of land being more particularly described as follows: Beginning at the northeast corner of Lot 6, Block 1 of BAYOU VISTA SUBDIVISION; thence South 0 degrees West along the east line of Lot 6 a distance of 247.7 feet to the southeast corner of said lot; thence South 89 degrees 30 minutes 13 seconds West along the south line of Block 1 a distance of 240.01 feet to the southwest corner of Lot 8 of said Block; thence North 0 degrees East along the west line of said lot a distance of 89.5 feet to a point; thence South 89 degrees 56 minutes West a distance of 70.0 feet to a point; thence North 0 degrees East a distance of 160.0 feet to a point on the south margin of the right-of-way of Kahler Street; thence North 89 degrees 56 minutes East along the south margin of the right-of-way of Kahler Street a distance of 310.0 feet to the Point of Beginning.

is hereby affected by the following declaration and recitals.

STATE OF MISSISSIPPI

COUNTY OF HARRISON

RULES AND REGULATIONS

WHEREAS, the Wellington Place Condominium Homeowner's Association, Inc. Board of Directors, duly constituted and elected by the members of said Association, have received numerous complaints from Association members regarding the welfare and safety of Association members; and,

WHEREAS, the Board of Directors have those certain powers and duties set forth in the Bylaws of Wellington Place Condominium Association recorded in Book 968 Pages 42 et seq. of the Land Deed Records in the Office of the Chancery Clerk of the First Judicial District of Harrison County, Mississippi; and,

WHEREAS, the Board of Directors having met on the 9th day of July, 1990, and having considered the complaints and safety of its members and having duly discussed the rules and regulations in effect for said Condominium Association find that it is necessary to add the following rules and regulations pursuant to its powers provided in paragraph 4 (5) of said Bylaws set forth at page 53 of the Bylaws of this Association as follows:

W I T N E S S E T H:

The rules and regulations for Wellington Place Condominiums is hereby amended to add the following rules and regulations:

10. There shall be no bicycle riding in the common use areas including but not limited to the parking lot, swimming pool area and sidewalks.

11. No dogs or cats shall be allowed outside any dwelling in the common use area unless the dog or cat is under the personal control of its owner or designated agent. The City of Gulfport requires all dogs to be on a lease when outside the owners premises. No dwelling owner shall allow a cat outside the dwelling except under the direct control of the dwelling owner. It is the intent of this rule and regulation that no pet shall be allowed loose on the premises outside a dwelling unit except

under the direct control of the dwelling unit owner or its designated agent.

IN WITNESS WHEREOF, the President and Secretary of the Wellington Place Condominium Homeowners Association, Inc. have executed this document as the additional rules and regulations made by the Board of Directors respecting the use of the common property at Wellington Place Condominiums.

THIS the 13 day of July, 1990.

WELLINGTON PLACE CONDOMINIUM
HOMEOWNERS ASSOCIATION, INC.

BY: William Armstrong
William Armstrong
President

BY: Claire R. Wood
Claire R. Wood
Secretary

STATE OF MISSISSIPPI

COUNTY OF HARRISON

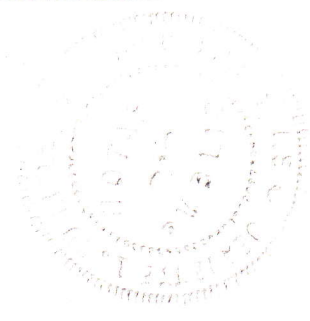
Personally appeared before me, the undersigned authority, in and for the above-mentioned County and State, the within named William Armstrong, President, and Claire R. Wood, Secretary, of Wellington Place Condominium Homeowners Association, Inc., who acknowledged that they signed and delivered the above and foregoing instrument for and on behalf of said Corporation on the day and year therein mentioned, after being duly authorized to do so.

GIVEN UNDER MY HAND AND OFFICIAL SEAL OF OFFICE, this the 13 day of July, 1990.

Jeannette L. Samrall
NOTARY PUBLIC

My Commission Expires:

MY COMMISSION EXPIRES MARCH 21, 1993



RECITALS, INTENT AND PURPOSES

WHEREAS, SOUTHERN MORTGAGE SERVICES CORP., a corporation, hereinafter referred to as the "Developer", is owner in fee simple of the property, which has constructed thereon a multi-family dwelling containing, among other things, thirty-two (32) dwelling units, Units 29 through 32 having been purchased by Superb Construction Company, Inc. and Superb Construction Company, Inc. joins with Southern Mortgage Services Corp. in this Amended Declaration of Condominium and Master Deed for Wellington Place Condominium.

WHEREAS, by this Declaration, the said property is hereby subdivided into thirty two (32) parcels of real property which, in accordance with the provisions herein contained, shall nevertheless be subjected to the benefits and burdens of a condominium; and

WHEREAS, a condominium is a method of ownership which, when applied to a multi-family dwelling, provides for a separate title to each residential unit, which title shall consist of a dwelling unit and an undivided interest in and to all of the property that remains other than dwelling units; and

WHEREAS, notwithstanding such separation of title, however, the owners by placing the condominium plan into effect will own with others the common area property, including, without intending to limit the same to such elements thereof as the parking lots, landscaped areas, swimming pool, laundry house, office and related facilities used and controlled in a manner consistent both with the needs and desires of the residents and the community in which the property is located; and

WHEREAS, it is desirable, therefore, that this Declaration provide the basic requirements for such needs and provide for proper use of the Property, and that within these basic requirements, the Association hereinafter referred to, and its Board of Directors shall have the right and duty to effect the purposes of the condominium; NOW THEREFORE,

DECLARATION: Developer, Southern Mortgage Services Corp. hereby declares on behalf of itself, its successors, grantees and assigns to its grantees and their respective heirs, successors and assigns as well as any and all persons having, acquiring or seeking to have or acquire any interest of any nature whatsoever in and to any part of the Property, as follows:

The Property from and after the date of the recording of this Declaration in the office of the Chancery Clerk in and for Harrison County, First Judicial District, shall be and continue subject to each and all of the terms hereof until this Declaration is terminated or abandoned in accordance with provisions herein elsewhere contained.

I. DEFINITIONS: As used herein or elsewhere in the Condominium Documents, unless otherwise provided, or unless the context requires otherwise, the following terms shall be defined as in this Article provided.

1. Dwelling Unit: Any one of those parts of the Building which is separately described on the survey and plat as "Unit", followed by a number. The plat of said Condominium is attached hereto as Exhibit "A".

2. Dwelling Unit Owner: The person or persons holding title in fee simple to a dwelling unit.

3. Assessment: That portion of the cost of maintaining, repairing and managing the Property which is to be paid by each dwelling unit owner, in equal portions, except as herein specifically otherwise provided.

4. Association: "The Wellington Place Condominium Homeowner's Association, Inc." and its successors, the Articles of Incorporation and the Bylaws of which are annexed hereto and made a part hereof as Exhibit "B".

5. Building: Building means the structure in which the units are located as set forth in the plans or map or plat thereof.

6. Common Elements: All that part of the property which is not within the thirty two (32) dwelling units as such dwelling units are shown on the Plans or which exists within dwelling units by virtue of an easement herein created.

7. Common Expenses: The actual and estimated costs of:

- a) Ad Valorem taxes and taxes of all kind which might be lawfully assessed against the project, utilities not otherwise paid by the individual owners, insurance, maintenance, operation, repair and replacement of the Common Elements and those parts of the dwelling units as to which, pursuant to other provisions hereof, it is the responsibility of the Association to maintain, repair and replace;
- b) Management and administration of the Association, including, without limiting the same to compensation paid by the Association to a managing agent, accountants, attorneys and other employees;
- c) Any other items held by or in accordance with other Documents to be Common Expense.

8. Common Surplus: The excess of all receipts of the Association, including but not limited to assessments, rents, profits, and revenues on account of the common elements, over the amount of common expenses.

9. Condominium Documents: This Amended Declaration and The Exhibits annexed hereto as the same from time to time may be amended. Said exhibits are as follows:

Exhibit A - The plans of said Condominium - Phase I

Exhibit B - Articles of Incorporation and By-Laws of Wellington Place Condominium Homeowner's Association, Inc.

Exhibit C - Rules and Regulations of the Association

Exhibit D - Deed Form

10. Developer: Southern Mortgage Services Corp., its assigns and/or successors.

11. Person: Developer and any individual, firm, corporation, trustee or other entity capable of holding title to real property.

12. Plans and Specifications: The Plans and Specifications attached as Exhibit "A".

13. Property: As defined and described in the Declaration of Condominium.

14. Share: The percentages attributed to each dwelling unit. Each dwelling unit owner owns a 1/32 undivided ownership interest in the common areas and in the Association.

II. COMMON ELEMENTS USE: The common elements shall be used in accordance with and subject to the following provisions:

1. Covenant against Partition. In order to effectuate the intent hereof and to preserve the Condominium and the Condominium method of ownership, the Property shall remain undivided and no person, irrespective of the nature of his interest in the Property, shall bring any action or proceedings for partition or division of the Property or any part thereof until the termination of the Declaration in accordance with provisions herein elsewhere contained.

2. Rules and Regulations Promulgated by Association. No person shall use the Common Elements or any part thereof in any manner contrary or not in accordance with such rules and regulations pertaining thereof as from time to time may be promulgated by the Association. Without in any manner intending to limit the generality of the foregoing, the Association shall have the right but not the obligation to promulgate rules and regulations limiting the use of the Common Elements to members of the Association and their respective families, guests, invitees and servants, as well as to provide for the exclusive use by a dwelling unit owner and his guests, for specific occasions, of the swimming pool or other similar facilities. Such use may be conditioned upon, among other things, the payment by the dwelling unit owner of each assessment as may be established for the purpose of defraying costs thereof.

3. Maintenance, repair, management, and operation of the Common Elements shall be the responsibility of the Association, but nothing herein contained, however, shall be construed so as

to preclude the Association from delegating to persons, firms or corporations of its choice, such duties as may be imposed upon the Association by the terms of this sub-article II (3) and as are approved by the Board of Directors of the Association.

4. Expenses incurred or to be incurred for the maintenance repair, management and operation of the Common Elements shall be collected from dwelling unit owners as assessed in accordance with provisions contained elsewhere herein.

5. Subject to the rules and regulations from time to time pertaining thereto, all dwelling unit owners may use the Common Elements, in such manner as will not restrict, interfere with, or impede the use thereof by other dwelling unit owners.

6. Alterations and Improvements. The Association shall have the right to make or cause to be made such alterations and improvements to the Common Elements, provided the making of such alterations and improvements are first approved by the Board of Directors of the Association and all first mortgagees of individual units. The costs of such alterations and improvements shall be assessed as Common Expenses, unless in the judgment of not less than 80% of the Board of Directors, the same are exclusively or substantially exclusively for the benefit of the dwelling unit owner or owners requesting the same, in which case such requesting dwelling unit owners shall be assessed therefor in such proportions as they approve jointly and failing such approval, in such proportions as may be determined by the Board of Directors of the Association.

7. Shares of Dwelling Unit Owners. Each Dwelling Unit Owner shall have an undivided 1/32 share and the shares may be altered only by amendments hereof executed in form for recording by all of the Dwelling Unit Owners and First Mortgagees of such

Owners. No such alterations shall affect the lien of prior recorded mortgages unless written consent of the holder of such mortgage is obtained and recorded.)

8. The Share of a Dwelling Unit Owner in the Common Elements is appurtenant to the Dwelling Unit owned by him and inseparable from Dwelling Unit ownership.

III. MAINTENANCE AND REPAIR OF DWELLING UNITS:

1. The association, at its expenses, shall be responsible for the maintenance, repair and replacement of:

- a) All portions of the Dwelling Unit which contribute to the support of the Building, excluding, however, interior walls, ceiling and floor surface, and including, without intending to limit the same to, outside walls of the Building, structural slabs, roof, interior boundary walls of Dwelling Units and loadbearing columns;
- b) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which may be contained in the Dwelling Unit but excluding therefrom, appliances and plumbing fixtures;
- c) All incidental damage caused to a Dwelling Unit by such work as may be done or caused to be done by the Association in accordance herewith.

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

- a) To maintain, repair, replace at his expense, all portions of the Dwelling Unit except the portions of each to be maintained, repaired and replaced by the Association.
- b) To perform his responsibilities in such manner so as not unreasonably to disturb other persons within the Building.
- c) Not to paint or otherwise decorate or change the appearance of any portion of the Building not within the

walls of the Dwelling Unit, unless the written consent of the Association is obtained.

d) To promptly report to the Association or its agent any defect or need for repairs, the responsibility for the remedying of which is with the Association.

e) Not to make any alterations in the portions of the Dwelling Unit or the Building which are to be maintained by the Association or remove any portion thereof or make any additions thereto or do anything which would or might jeopardize or impair the safety or soundness of the Building without first obtaining the written consent of the Board of Directors of the Association and all First Mortgagees of individual units, nor shall any Dwelling Unit Owner impair any easement without first obtaining written consent of the Association and of the Dwelling Unit Owner or Owners, for whose benefit such easement exists.

3. Nothing herein contained, however, shall be construed so as to impose a contractual liability upon the Association for maintenance, repair and replacement, but the Association's liability shall be limited to damages resulting from negligence.

IV. DWELLING UNITS SHALL BE CONSTITUTED AS FOLLOWS:

1. Real Property. Each Dwelling Unit, together with the space within it as shown on the Plans and together with all appurtenances thereto, shall, for all purposes, constitute a separate parcel of real property, which may be owned in fee simple and which may be conveyed, transferred and encumbered in the same manner as any other parcel of real property, independently of all other parcel of Property, subject only to the provisions of this Declaration.

2. Boundaries. Each Dwelling Unit shall be bounded as to both horizontal and vertical boundaries as shown on the Plans, subject to such encroachments as are contained in the Building,

whether the same exist now or are created by construction, settlement or movement of the Building, or permissible repairs, reconstruction or alterations. Said boundaries are intended to be as follows:

a) The boundaries of the unit are the interior surfaces of the perimeter walls, floors, ceilings, windows and doors thereof, and the unit includes both the portions of the Building so described and the airspace so encompassed. The following are not part of the unit: bearing walls, columns, floors, roofs, foundations, reservoirs, tanks, pumps and other central services, pipes, ducts, flues, chutes, conduits, wires and other utility installations, wherever located within the unit. In interpreting deeds and plans the existing physical boundaries of the unit or of a unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in the deed or plan, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown on the plan or in the deed and those of the building.

3. Appurtenances. Each Dwelling Unit shall include and the same shall pass with each Dwelling Unit as an inseparable appurtenance thereto, whether or not separately described, conveyed or encumbered, all of the rights, title and interest of a Dwelling Unit Owner in the property, which shall include but not be limited to:

- a) Common Elements: The common areas are owned by the owners of the units as tenants in common, in shares set forth as follows: Each share represents an undivided $1/32$ interest in all of the common areas.
- b) A license to maintain a private passenger automobile at and on a parking space in accordance with the Rules and Regulations of the Association.

- c) Easements for the benefit of the Dwelling Unit.
- d) Association membership and funds and assets held by the Association for the benefit of the Dwelling Unit Owner.
- e) All such appurtenances however, shall be and continue to be subject to the easements for the benefit of other Dwelling Units.
- f) In addition to and not in derogation of the ownership of the space described on the Surveyors' Plans, an exclusive easement for the use of the space not owned by the Dwelling Unit Owner and which is occupied by the Dwelling Unit, which easement shall exist until the earlier of such time as this Declaration is terminated in accordance with provisions herein elsewhere contained, or the building is no longer tenantable.
- g) The following easements from each Dwelling Unit Owner to each other Dwelling Unit Owner and to the Association:
 - i) Ingress and Egress. Easements through the Common Elements for ingress and egress for all persons making use of such Common Elements in accordance with the terms of the Condominium Documents.
 - ii) Maintenance, repair and replacement. Easements through the Dwelling Unit and Common Elements for maintenance, repair and replacement of the Dwelling Units and Common Elements. Use of these easements, however, for access to the Dwelling Units shall be limited to reasonable hours, except that access to the Dwelling Units may be had at any time in case of emergency.
 - iii) Structural Support. Every portion of a Dwelling Unit which contributed to the structural support of the Building shall be burdened with an easement of structural support for the benefit of the common elements.

iv) Utilities. Easements through the Dwelling Unit and Common Elements for all facilities for the furnishing of utility service within the Building, which facilities shall include but not be limited to conduits, ducts, plumbing and wiring; provided, however, that the easements for such facilities through a Dwelling Unit shall be only substantially in accordance with the Plans of the Building.

v) Emergency easements of Ingress and Egress. Easements over all balconies, if any, whenever reasonably required for emergency ingress and egress.

V. USE RESTRICTIONS:

In order to provide for a congenial occupation of the Building and to provide for the protection of the value of the Dwelling Units, the use of the Property shall be restricted to and be in accordance with the following provisions:

1. The Dwelling Units shall be used for single-family residences only.

2. The Common Elements shall be used for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of the Dwelling Units.

3. Nuisances. No nuisances shall be allowed upon the Property nor shall any use or practice be allowed which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the Property by its residents.

4. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Property, nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The respective responsibilities of Dwelling Unit Owners and the Association of complying with the requirements of governmental bodies which require maintenance, modification or repair of the Property shall be the same as hereinabove provided for the main-

tenance and repair of that portion of the Property subjected to such requirements.

5. Interpretation. In interpreting deeds, mortgages and plans the existing physical boundaries of the unit or of a unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in the deed, mortgage or plan, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown on the plan or in the deed and those of the building.

6. Regulations. Regulations concerning use of the Property may be promulgated by the Association as hereinabove set forth; provided, however, that copies of such regulations are furnished to each Dwelling Unit Owner prior to the time that the same become effective. The initial regulations, which shall be deemed effective until amended by the Association are annexed hereto and made a part hereof as Exhibit "C". Any amendments thereto shall be recorded in the Official Records of Harrison County, as amendments to said Exhibit. Such regulations shall not impair or limit the rights of mortgagees, as elsewhere recited.

* 7. Leasing. No Dwelling Unit within the project shall be rented for transient or hotel purposes. No Dwelling Unit within the project shall be rented for any period less than six (6) months. Any such lease shall contain a provision to the effect that the rights of the tenant to use and occupy the Dwelling Unit shall be subject and subordinate in all respects to the provisions of the Declaration and the Articles of Incorporation and By-Laws and to such other reasonable rules and regulations relating to the use of the common elements, or other "house rules", as the Board of Directors may from time to time promulgate. No portion of any Dwelling Unit (other than the entire unit) shall be leased for any period. Any owner of any Dwelling Unit who shall lease such unit shall promptly following the execution of any such lease, forward a conformed copy there-

of to the Board of Directors. The provisions of this subsection shall not apply to any institutional mortgagee of any Dwelling Unit who comes into possession of the unit by reason of any remedies provided by law or in such mortgage or as a result of a foreclosure sale or other judicial sale or as a result of any proceeding, arrangement, or deed in lieu of foreclosure.

VI. ADMINISTRATION:

The Administration of the Property, including but not limited to the acts required by the Association, shall be governed by the following provisions:

1. The Association shall be a non-profit corporation where members shall be the Owners of the Units with a Board of Directors elected by said Owners.

2. The By-Laws of the Corporation shall be in the form attached as Exhibit "B" until such are amended in the manner therein provided.

3. The duties and powers of the Association shall be those set forth in this Declaration and the Articles of Incorporation and By-Laws, together with those reasonably implied to effect the purposes of the Association and this Declaration; provided, however, that if there are conflicts or inconsistencies between this Declaration and the By-Laws and the Articles of Incorporation, the terms and provisions of this Declaration shall prevail and the Dwelling Unit Owners covenant to vote in favor of such amendments in the By-Laws and Articles of Incorporation as will remove such conflicts or inconsistencies. The powers and duties of the Association shall be exercised in the manner provided by the By-Laws and any duties or rights of the Association which are granted by or to be exercised in accordance with the provisions of this Declaration, shall be so exercised except that wherever this Declaration required the act or approval of the Board of Directors of the Association, such act or approval must be that of the Board done or given in accordance with the By-Laws.

4. Notices or demands, for any purpose, shall be given by the Association to Dwelling Unit Owners and by Dwelling Unit

manner provided for notices to members of the Association by the

By-laws of the Association.

5. All funds and titles of all properties acquired by the

manner provided for notices to members of the Association by the By-Laws of the Association.

5. All funds and titles of all properties acquired by the Association and the proceeds thereon after deduction therefrom the costs incurred by the Association in acquiring the same shall be held for the benefit of the Dwelling Unit Owners for the purposes herein stated.

6. All income received by the Association from the rental or licensing of any part of the Common Elements (as well as such income anticipated) shall be used for the purpose of reducing prospective Common Expenses prior to establishing the annual assessment for Common Expenses.

VII. INSURANCE:

Insurance. The Association shall obtain and continue in effect master or blanket policies (including, without limitations, fire and other hazards and liability insurance) to insure the project and the owners thereof against risks of whatever character, without prejudice to the right of each Owner to additionally insure his own family unit on his own account and for his own benefit. Amount of coverage for liability insurance for all common areas and public ways shall not be less than \$1,000,000 for bodily injury and property damage per occurrence. The fire and other hazard insurance shall not be less than 100% of the replacement cost of the project. Fidelity Bond coverage shall also be obtained for all individuals responsible for Homeowners Association funds equal to at least three months assessments on all units plus the reserve funds. Any insurance shall be written in the name of the Association or any person designated by the By-Laws or this Declaration as a Trustee for each family unit owner and each family unit Owner's mortgagee, if any. Each Owner and his mortgagee, if any, shall be a beneficiary, even though not expressly named, in the percentages or fractions established in this Declaration. In the event of loss the Association is

irrevocably designated as trustee for each of the Owners for purposes of adjusting losses with the carrier on the master policy, and shall have full control of the proceeds for purposes of reconstruction.

The Association shall be required to make every effort to secure insurance policies providing:

- a) Waiver of subrogation by insurer as to any claims against the Association, Manager and Owners, their respective families, servants, agents and guests;
- b) That the master policy not be cancellable, invalidated or suspended on account of the conduct of one or more of the individual Owners, or their respective families, servants, agents and guests;
- c) That the master policy not be cancellable, invalidated or suspended on account of the conduct of the Association or manager without prior demand that the Association or Manager cure the defect; and,
- d) That the no "other insurance" clause in the master policy exclude Owner's policies from consideration.

The insurance cost and premiums for any such blanket or master insurance coverage shall be a common expense to be paid by monthly or by other periodic assessments as determined by the Association, and all such payments collected for insurance shall be used solely for the payment of such insurance cost or premiums as the same become due.

In the event a unit owner may carry property or liability insurance individually upon his interest in the project, which, in case of loss, results in proration of insurance proceeds between the master policy carried by the Association and the Owner's insurer, the proceeds available under the Owner's policy shall be payable to the Association, who is irrevocably designated as trustee of each insuring Owner for the purpose of reconstruction. Any proceeds remaining upon completion of reconstruction

directly affecting any such Owner shall thereupon be paid by the Association to Owner.

Each Owner acquiring additional separate insurance coverage will furnish Association with a copy of each such policy within ten (10) days following acquisition. Insofar as may be permitted by law, each such policy acquired by Owner shall contain Waivers of subrogation and of any defense based on co-insurance and shall further provide that any such policy shall not be cancellable, invalidated or suspended on account of the conduct of one or more of the Owners, or his respective family, servants, agents and guests.

VIII. RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE.

A. If any part of the Common Elements shall be damaged by casualty, the determination of whether or not to reconstruct or repair the same shall be made as follows:

1. Partial destruction shall be deemed to mean destruction which does not render 70% or more of the project, which includes the common area and Dwelling Units, untenable. Partial destruction shall be reconstructed or repaired unless at a meeting of the members of the Association which shall be called prior to commencement of such reconstruction or repair, this Declaration is terminated as provided in this agreement.

2. Total destruction, shall be deemed to mean destruction which renders 70% or more of the project, which includes the Common Area and Dwelling Units, untenable. Total destruction shall not be reconstructed or repaired and the Condominium will be terminated as set forth in Section XIII, unless at a meeting which shall be called within ninety (90) days after the occurrence of the casualty or if by such date, the insurance loss has not been finally adjusted, then within thirty (30) days thereafter, 80% of the Dwelling Unit Owners vote in favor of such reconstruction, restoration, or repair.

3. Any such reconstruction or repair shall be substantially in accordance with the Plans and Specifications and the plan for reconstruction must have the approval and consent of one hundred percent (100%) of the First Mortgagees.

4. Encroachments upon, or in favor of Dwelling Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis of a proceeding or action by the Dwelling Unit Owner upon whose property such encroachment exists provided that such reconstruction was either substantially in accordance with the Plans and Specifications or as the Building was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the Building stands.

B. Responsibility: If the damage is only to those parts of one unit for which the responsibility of maintenance and repair is that of the Dwelling Unit Owner, then the Dwelling Unit Owner shall be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Association.

1. Estimate of Costs. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such Bonds as the Board of Directors desires.

2. Assessments: If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction (including the aforesaid fees and premiums, if any) assessments shall be made against the Dwelling Unit Owners who own the damaged property in sufficient amounts to provide funds to pay the estimated costs. If at any time during reconstruction and repair, or upon completion of reconstruction and repair, the

funds for the payment of the costs thereof are insufficient, assessments shall be made against the Dwelling Unit Owners who own the damaged property in sufficient amounts to provide for the payment of such costs.

3. Insurance Adjustments: Each Dwelling Unit Owner shall be deemed to have delegated to the Board of Directors his right to adjust with insurance companies all losses under policies purchased by the Association except in any case where the damage is restricted to one Dwelling Unit, subject to the rights of mortgagees of such Dwelling Unit Owners.

IX. TAXES AND SPECIAL ASSESSMENTS:

1. The assessment of each of the Dwelling Unit for taxes and special assessments by governmental bodies shall be done in the following manner:

a) Determination of value: The total value for the tax or assessment roll for the Property shall be determined without regard to the Dwelling Units against which taxes and assessments ultimately are to be levied.

b) Allocation of Assessments to Dwelling Units: The assessments for each Dwelling Unit shall be the Dwelling Unit's respective Share of the Assessment of Units.

c) Certificate: Any Tax Assessor may rely upon a Certificate of the Association as to the Share of each Dwelling Unit and upon request or whenever appropriate, the Association shall issue such Certificate.

2. During the period of time the taxes and special assessments upon the Property or any portion thereof are not assessed to Dwelling Units as aforesaid, the taxes and assessments not separately assessed to Dwelling Units shall be included in the budget of the Association and shall be paid by

the Association. The Association shall assess each Dwelling Owner in accordance with the manner hereinabove set forth for allocation of taxes and special assessments by Tax Assessors.

X. ASSESSMENTS:

Assessments against the Dwelling Unit Owners shall be made or approved by the Board of Directors of the Association and paid by the Dwelling Unit Owners to the Association in accordance with the following provisions:

1. Shares of Expenses: Common Expenses - Each Dwelling Unit Owner shall be liable for his share of the Common Expenses, and any Common Surplus shall be owned by each Dwelling Unit Owner in a like share.

2. Assessments other than Common Expenses: Any assessments, the authority to levy which is granted to the Association or its Board of Directors by the Condominium Documents, shall be paid by the Dwelling Unit Owners to the Association in the proportions set forth in the provision of the Condominium Documents authorizing the assessment.

3. Reserve Fund for Capital Improvements, Replacements and Repair: All sums collected by the Association from assessments may be co-mingled in a single fund, but they shall be held for the Dwelling Unit Owners in the respective shares in which they are paid and may be credited to separate accounts from which shall be paid common expenses, alterations and improvements, reconstruction and repairs, replacement of the common elements, and emergency needs. Such a fund will be established and maintained to meet the estimated expenditures for a minimum of two months operation of the Condominium. The Association shall establish adequate reserve funds for replacement of Common Elements components and fund same by regular monthly payments rather than by extraordinary assessments. The reserve fund must be initially funded by the Developer, and then maintained from regular assessments. The proportionate interest of any Dwelling Unit Owner in any reserve fund shall be con-

sidered an appurtenance of his Dwelling Unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Dwelling Unit from which it is appurtenant and shall be deemed to be transferred with the conveyance of such Dwelling Unit.

4. Working Capital Fund: In addition, there shall be established a working capital fund segregated from all other funds for the initial operation of the Condominium Project equal to a least two (2) months' estimated Common Assessments charge for each Unit, said deposit to be collected at closing of Unit sale. Developer shall pay all assessments on any unsold units and a working capital contribution to the Homeowners Association within sixty (60) days after the first unit is sold. Said funds are to be used for unforeseen expenditures.

5. Assessments for Common Expenses: Assessments for Common Expenses shall be made for the calendar year annually in advance on or before the second Monday in December of the year preceding for which the assessments are made and at such other and additional times as in the judgment of the Board of Directors, additional Common Expenses assessments are required for the proper management, maintenance and operation of the Common Elements. Such annual assessments shall be due and payable in twelve (12) equal consecutive monthly payments, on the first day of each month, beginning with January of the year for which the assessments are made. The total of the assessments shall be in the amount of the estimated Common Expenses for the year including a reasonable allowance for contingencies and reserves less the amounts of unneeded Common Expense Account balances and less the estimated payments to the association for defraying the costs of the use of Common Elements. If any annual assessment is not made as required, a payment in the amount required by the last prior assessment shall be due upon each assessment payment date until changed by a new assessment.

6. Other assessments shall be made in accordance with the provisions of the Condominium Documents and if the time of

payment is not set forth in the Condominium Documents, the same shall be determined by the Board of Directors of the Association.

7. Assessments for Emergencies: Assessments for Common Expenses of emergencies which cannot be paid from the Common Expenses Account shall be made only by the Board of Directors of the Association. As long as the Developer controls the majority of the Board of Directors, any assessments for emergencies must be approved by 51% of the members of the Homeowner's Association before going into effect.

8. Assessments for Liens: All liens of any nature including taxes and special assessments levied by governmental authority which are a lien upon more than one Dwelling Unit or upon any portion of the Common Elements, shall be paid by the Association as a Common Expense and shall be assessed against the Dwelling Units in accordance with the Shares of the Dwelling Units concerned or charged to the Common Expense Account, whichever in the judgment of the Board of Directors is appropriate.

9. Assessment Roll: The assessments against all Dwelling Unit Owners shall be set forth upon a roll of the Dwelling Units which shall be available in the office of the Association for inspection at all reasonable times by the Dwelling Unit Owners or their duly authorized representatives, such authorization to be presented in writing signed by the Owner. Such roll shall indicate for each Dwelling Unit the name and address of the Owner or Owners, the assessments for all purposes and the amounts of all assessments paid and unpaid. The Association shall issue such certificates to such persons as a Dwelling Unit Owner may request in writing.

10. Liability for Assessments: Subject to the provisions of Section 89-9-21, Mississippi Code (1972), as Amended, the owner of a Dwelling Unit and his grantee shall be jointly and severally liable for all unpaid assessments due and payable at the time of a conveyance but without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee

therefor. Such liability may not be avoided by a waiver of the use or enjoyment of any Common Element or by abandonment of the Dwelling Unit for which the assessments are made. A purchaser of a Dwelling Unit at a judicial or foreclosure sale or a first mortgagee who accepts a deed in lieu of foreclosure or who obtains title to a Dwelling Unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage shall be liable only for assessments coming due after such sale or acquisition of title and for that portion of due assessments prorated to the period after the date of such sale. Said first mortgagee will not be liable for such Dwelling Unit's unpaid dues which accrue prior to acquisition of title to such unit by first mortgagee. Such a purchaser as aforesaid shall be entitled to the benefit of all pre-paid assessments paid beyond the date such purchaser acquires title.

11. Lien for Assessments: The unpaid portion of an assessment which is due shall be secured by a lien.

a) The Dwelling Unit and all appurtenances thereto when a notice claiming the lien has been recorded by the Association in the public records of Harrison County. The Association shall not, however, record such claim of lien until the assessment is unpaid for not less than twenty (20) days after it is due. Such a claim of lien shall also secure all assessments which come due thereafter until the claim of lien is satisfied, except that such lien shall be subordinate to prior bona fide liens of record.

b) All tangible personal property located in the Dwelling Unit except that such lien shall be subordinate to prior bona fide liens of record.

12. Application:

a) Interest: Application of Payments: Assessments and installments thereof paid on or before ten (10) days after the date when due shall not bear interest, but all sums not paid on or before twenty (20) days

after the date when due shall bear interest at the rate of 8% per annum from the date when due until paid. All payment upon account shall be applied first to interest and then to the assessment payment first due. All interest collected shall be credited to the Common Expense Account.

b) Suit: The Association at its option may enforce collection of delinquent assessments by suit at law or by foreclosure of the liens securing the assessments or by any other competent proceeding and in either event, the Association shall be entitled to recover in the same action, suit or proceeding the payments which are delinquent at the time of the judgment or decree together with interest thereon at the rate of 8% per annum, and all costs incident to the collection and the action, suit or proceedings, including, without limiting the same, to reasonable attorneys' fees.

XI. COMPLIANCE AND DEFAULT:

Each Dwelling Unit Owner shall be governed by and shall comply with the terms of the Condominium Documents and Regulations adopted pursuant thereto and said Documents and Regulations as they may be amended from time to time. A default shall entitle the Association or other Dwelling Unit Owners to the following relief:

a) Legal Proceeding: Failure to comply with any of terms of the Condominium Documents and Regulations adopted pursuant thereto, shall be grounds for relief which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien or any combination thereof, and which relief may be sought by the Association or if appropriate, by an aggrieved Dwelling Unit Owner.

- b) A Dwelling Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or by that of any member of his family 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. Such liability shall include any increase in the fire insurance rates occasioned by use, misuse, occupancy or abandonment of any Dwelling Unit or its appurtenances. Nothing herein contained however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.
- c) Costs and Attorneys' Fees: In any proceeding arising because of an alleged default by a Dwelling Unit Owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the Court.
- d) No Waiver of Rights: The failure of the Association or of a Dwelling Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or Dwelling Unit Owner to enforce such right, provision, covenant or condition in the future.
- e) All rights, remedies and privileges granted to the Association or a Dwelling Unit Owner pursuant to any terms, provisions, covenants or conditions of the Condominium Documents shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies or privileges as may be granted to such party by the Condominium Documents or at law or in equity.

- f. A first mortgagee, upon request, will be entitled to written notification from the homeowners association of any default in the performance by the individual unit Borrower of any obligation under the Declaration of Condominium, the by-laws and regulations and such other documents that pertain to the condominium project which is not cured within sixty (60) days.

XII. AMENDMENT:

Except for alterations in the Shares which cannot be done except with the consent of all Dwelling Unit Owners whose Shares are being affected, and their mortgagees, the Condominium Documents may be amended in the following manner:

1. Declaration: Amendments to the Declaration shall be proposed and adopted as follows:
 - a) Notice: Notice of the subject matter of the proposed amendment in reasonably detailed form shall be included in the Notice of any meeting at which a proposed amendment is considered.
 - b) Resolution: A Resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the Dwelling Unit Owners' meeting as members of the Association and after being proposed and approved by the others. Directors and Dwelling Unit Owners not present at the meeting considering such amendment may express their approval in writing or by proxy. Such approvals must be by not less than seventy-five percent (75%) of the Directors and seventy-five percent (75%) of the Dwelling Unit Owners and their mortgagees.
 - c) Veterans Administration: This Declaration may not be amended or merged without prior approval of the Veterans Administration.
 - d) Recording: A copy of each amendment shall be certified by at least two (2) officers of the Association as having been duly adopted and shall

be effective when recorded in the office of the Chancery Clerk of the First Judicial District of Harrison County, Mississippi. Copies of same shall be sent to each Dwelling Unit Owner and his mortgagee in the manner elsewhere provided for the giving of notices but the same shall not constitute a condition precedent to the effectiveness of such amendment.

2. Association By-Laws: The By-Laws or Articles of Incorporation of the Association shall be amended in the manner provided by such documents.

XIII. TERMINATION:

The Condominium shall be terminated, if at all, in the following manner:

1. Unless all 100% of the first mortgages (based upon one vote for each first mortgage owned), and owners (other than the sponsor, developer or builder) of the individual condominium units have given their prior written approval, the condominium homeowners association shall not be entitled to:

- a) by act or omission seek to abandon or terminate the condominium project;
- b) change the pro rata interest or obligations of any individual condominium unit for the purpose of: (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each condominium unit in the common elements;
- c) partition or subdivide any condominium unit;
- d) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the common elements. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium project shall not be deemed a transfer within the meaning of this clause);

e) use hazard insurance proceeds for losses to any condominium property (whether to units or to common elements) for other than the repair, replacement or reconstruction of such condominium property, except as provided by statute in case of substantial loss to the units and/or common elements of the condominium project.

1. The termination of the Condominium may be effected by the agreement of 100% of all Dwelling Unit Owners and First Mortgagees, which agreement shall be evidenced by an instrument or instruments executed in the manner required for conveyances of land. The termination shall become effective when such agreement has been recorded in the public records of the First Judicial District of Harrison County, Mississippi.

2. Destruction. If it is determined in the manner elsewhere provided, that the property shall not be reconstructed after casualty, the Condominium Plan of Ownership will be terminated and the Condominium Documents revoked. The determination not to reconstruct after casualty shall be evidenced by a Certificate of the Association certifying as to the facts effecting the termination which certificates shall become effective upon being recorded in the public records of the First Judicial District of Harrison County, Mississippi.

3. Shares of Dwelling Unit Owners after Termination. After termination of the Condominium, the Dwelling Unit Owners shall own the property as tenants in common in undivided shares of the Dwelling Unit Owners. All funds held by the Association and insurance proceeds, if any, shall be the amount of the assessments paid by each Dwelling Unit Owner. The costs incurred by the Association in connection with the termination shall be a Common Expense.

4. Following termination, the Property may be partitioned and sold upon the application of any Dwelling Unit

Owner. If the Board of Directors following termination, by not less than a three-fourths vote, determines to accept an offer for the sale of the Property, each Dwelling Unit Owner shall be bound to execute such deeds and other document reasonably required to effect such sale at such times and in such forms as the Board of Directors directs. In such event, any action for partition or other division of the Property shall be held in abeyance pending such sale, and upon the consummation thereof shall be discounted by all parties thereto.

5. The members of the Board of Directors acting collectively as agents for Dwelling Unit Owners, shall continue to have such powers as in this Article are granted, notwithstanding the fact that the Association itself may be dissolved upon a termination.

6. Nothing contained herein will give a Dwelling Unit Owner or any other party, priority over any rights of the first mortgagee of the Dwelling Unit Owner pursuant to its mortgage in the case of distribution to such Dwelling Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of Dwelling Units and/or the common element.

XIV. COVENANTS RUNNING WITH THE LAND:

All provisions of the Condominium Documents shall be construed to be covenants running with the land and with every part thereof and interest therein including but not limited to every Dwelling Unit and the appurtenances thereto; and every Dwelling Unit Owner and Claimant of the Property or any part thereof or interest therein, and his heirs, executors, administrators, successors and assigns shall be bound by all of the provisions of the Condominium Documents.

XV. LIENS.

1. Protection of Property: All liens against a Dwelling Unit other than for permitted mortgages, taxes or special assessments will be satisfied or otherwise removed within

thirty (30) days from the date the lien attaches. All taxes and special assessments upon a Dwelling Unit shall be paid before becoming delinquent.

2. Notice of Lien: A Dwelling Unit Owner shall give notice to the Association of every lien upon his Dwelling Unit other than for permitted mortgages, taxes and special assessments within five (5) days after the attaching of the lien.

3. Notice of Suit: A Dwelling Unit Owner shall give notice to the Association of every suit or other proceeding which will or may affect the title to his Dwelling Unit or any other part of the Property, such notice to be given within five (5) days after the Dwelling Unit Owner receives notice thereof.

4. Failure to comply with this Article concerning liens will not affect the validity of any judicial sale.

5. The Association shall maintain a register of all permitted mortgages.

XVI. JUDICIAL SALES:

1. No judicial sale of a Dwelling Unit nor any interest therein shall be valid unless the sale is a result of a public sale with open bidding in compliance with applicable law.

2. Unauthorized Transactions: Any lease which is not authorized pursuant to the terms of this Declaration or for which authorization has not been obtained pursuant to the terms of this Declaration, shall be void unless subsequently approved by the Board of Directors of the Association, in writing, duly executed by the Board of Directors or executive officer thereof.

3. In the event proceedings are instituted to foreclose any mortgage on any Dwelling Unit, the Association on behalf of one or more Dwelling Unit Owners shall have the right to purchase the mortgage for the amount of indebtedness remaining unpaid thereon provided the holder of the mortgage agrees to assign it to the Association; and/or to bid upon said unit at the

foreclosure sale in accordance with the provisions of Sections 89-1-55 and 89-9-21, Mississippi Code (1972), as amended. Nothing herein contained shall preclude a mortgage institution, bank, savings and loan association, insurance company or any other mortgagee from owning a mortgage on any Dwelling Unit, and such mortgagee shall have an unrestricted absolute right to accept a Deed to the Dwelling Unit in settlement and satisfaction of said mortgage in lieu of foreclosure, or to foreclose the mortgage in accordance with the terms thereof and the laws of the State of Mississippi and to bid upon said Dwelling Unit at the foreclosure sale. Such mortgage shall have the right to sell or lease a unit acquired by said mortgagee pursuant to any remedies provided by law or in such mortgage or as a result of foreclosure sale or other judicial sale or as a result of any proceeding, arrangement, or deed in lieu of foreclosure. If the Association or any member as aforesaid, redeems such mortgage or cures such default, it shall have a lien against the Dwelling Unit for all sums expended in connection therewith, and shall have the same rights to collect such sums as in the case of a past-due assessment.

XVII. PROTECTION OF MORTGAGEE:

1. Notice to the Association. An Owner who mortgages his Unit shall notify the Association, giving the name and address of his Mortgagee. Each Mortgagee shall be permitted to notify the Association of the fact that such Mortgagee holds a deed of trust or mortgage on a Condominium Unit. The Board shall maintain such information in a book entitled "Mortgagees of Condominium Units."

2. Notice of Default. The Association shall notify a First Mortgagee in writing, upon request of such Mortgagee, of any default by the Mortgagor in the performance of such Mortgagor's obligations, as set forth in this Declaration, which is not cured within thirty (30) days.

3. Examination of Books. The Association shall permit First Mortgagees to examine the books and records of the Association during normal working hours, upon request.

4. Annual Audits. The Association may furnish each First Mortgagee, if requested, an annual audited financial statement of the Association within ninety (90) days following the end of each fiscal year of the Association.

5. Notice of Meetings. The Association may furnish each First Mortgagee upon request of such Mortgagee, prior written notice of all meetings of the Association and permit the designation of a representative of such Mortgagee to attend such meetings. One (1) such request shall be deemed to be a request for prior written notice of all subsequent meetings of the Association.

6. Approval of Amendments to Declaration
The prior written approval of First Mortgagees holding the mortgages on one hundred percent (100%) of the mortgaged units shall be required for any material amendment to the Declaration or to the By-Laws or Articles of Incorporation of the Association, including, but not limited to, any amendment which would change the percentage or fraction of interest of Unit Owners in the Common Elements, except as otherwise provided herein.

7. Notice of Damage or Destruction. The Association shall furnish the First Mortgagees timely written notice of any substantial damage or destruction of any Unit if such loss exceeds One Thousand Dollars (\$1,000.00) and any part of the Common Elements if such loss exceeds Two Thousand Dollars (\$2,000.00).

8. Notice of Condemnation. If any unit or portion thereof or the common elements of any portion thereof is made the subject matter of any condemnation or eminent domain pro-

928 00

ceeding or is otherwise sought to be acquired by a condemning authority, then any first mortgage on a unit will be entitled to timely written notice of any such proceeding or proposed acquisition and no provision of any document establishing the Project will entitle the owner of a unit or other party to priority over such first mortgagee with respect to the distribution to such unit of the proceeds of any award or settlement.

9. Right to Partition. No Unit may be partitioned or subdivided by the Owner thereof without the prior written approval of 100% First Mortgagees.

10. Taxes, Assessments and Charges. All taxes, assessments and charges which may become liens prior to the first mortgage under local law shall relate only to the individual Condominium Units and not the Condominium Project as a whole.

11. Other Acts by Association Requiring Approval of First Mortgagees and Owners. Unless 100% of the First Mortgagees (based upon (1) vote for each first mortgage owned) and Owners of the individual Condominium Units have given their prior written approval, the Association shall not be entitled to:

a) By act or omission, seek to abandon or terminate the condominium project;

b) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer, the Common Elements, except as otherwise provided in this agreement (the granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium project shall not be deemed a transfer within the meaning of this clause);

c) Use hazard insurance proceeds for losses to any Condominium Property (whether to Units or to Common Elements), for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the Units or as otherwise provided in this Declaration. The granting of easements for public utilities or

for other public purposes consistent with the intended use of the Common Elements by the Condominium Project shall not be deemed a transfer within the meaning of this Paragraph.

d) Change the pro rata interest or obligations of any individual condominium unit for the purpose of; (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each condominium unit in the common elements.

XVIII PROVISIONS PERTAINING TO DEVELOPER:

For so long as the Developer continues to own any of the Dwelling Units, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve Developer from any obligations of a Dwelling Unit Owner to pay assessments as to each Dwelling Unit owned by it, in accordance with the Condominium Documents.

1. For so long as the Developer owns more than twenty-five (25%) percent of Dwelling Units, a majority of the Board of Directors of the Association shall be selected by the Developer and such members as may be selected by the Developer need not be residents of the Condominium; however, the control of the Board of Directors shall pass to the Dwelling Unit Owners not later than the earlier of 120 days after the date by which 75% of the Dwelling Units have been conveyed by the Developer, or three (3) years following the date of the first conveyance of a Dwelling Unit.

2. The Developer specifically disclaims any intent to have made any warranty or representation in connection with the Property or the Condominium Documents except as specifically set forth therein and no person shall rely upon any warranty or representation not so specifically made therein.

XIX. MANAGEMENT AGREEMENTS.

Any management agreements, contract or leases entered into by the Association will be cancellable by the Association

without cause or cancellation fee, upon not more than ninety (90) days written notice and the term of any management agreements will not exceed the period of three (3) years, renewable by agreement of the parties to such agreement for successive one (1) year periods. In the event of the termination of the management agreement, as provided herein the Association shall enter into a new management agreement with a new management agent prior to the effective date of the termination of old management agreement.

XX. DWELLING UNIT DEEDS:

Any transfer of a Dwelling Unit shall include the undivided interest in and to the common areas appurtenant thereto whether or not specifically described.

XXI. CAPTIONS:

Captions used in the Condominium Documents are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning or meanings of any of the text of the Condominium Documents.

XXII. GENDER, SINGULAR, PLURAL:

Whenever the context so permits, the use of the plural shall include the singular, the singular shall include the plural and any gender shall be deemed to include all genders.

XXIII. SEVERABILITY:

If any provision of this Declaration, or any section, sentence, clause, phrase or word, or the application thereof in any circumstances be judicially held in conflict with the Laws of the State of Mississippi, then the said laws shall be deemed controlling and the validity of the remainder of this Declaration and the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

XXIV. BOOKS AND RECORDS:

All unit owners and mortgagees have the right to examine the books and records of the Association during normal business hours upon request.

XXV. ADDITIONAL PROVISION:

All provisions of this Declaration are in addition to the provisions of Chapter 9, Section 89-9-1, et seq., Mississippi Code of (1972), as amended, which said statutes are made a part hereof as though copied in words and figures.

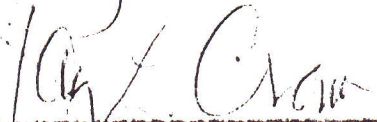
IN WITNESS WHEREOF, the Developer has executed this Declaration this the 21st day of September, 1983.

WELLINGTON PLACE CONDOMINIUM
HOMEOWNER'S ASSOCIATION, INC.

BY: 
JIMMY MEEKS, PRESIDENT

BY: 
GARNET BENNETT, SECRETARY/
TREASURER

SOUTHERN MORTGAGE SERVICES CORP.
(developer)

BY: 
RAY L. CROWELL, PRESIDENT

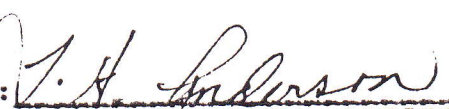
SUPERB CONSTRUCTION COMPANY, INC.
(Owners of Units 29-32)

BY: 
JACK HESTON, PRESIDENT

DEEP SOUTH CORPORATION
(prior owner and developer)

BY: 
DALLAS JONES, PRESIDENT

SOUTHERN FEDERAL SAVINGS & LOAN
(Secured Party)

BY: 
T. H. ANDERSON, PRESIDENT

STATE OF MISSISSIPPI

BOOK 858 - 33

COUNTY OF HARRISON

Personally appeared before me, the undersigned authority, in and for the above mentioned County and State, the within named JIMMY MEEKS, President and GARNET BENNETT, Secretary/Treasurer of WELLINGTON PLACE CONDOMINIUM HOMEOWNER'S ASSOCIATION, INC., who acknowledged that they signed and delivered the above and foregoing instrument for and on behalf of said corporation on the day and year therein mentioned, after being duly authorized so to do.

GIVEN UNDER MY HAND AND OFFICIAL SEAL OF OFFICE, this the 21 day of September, 1983.

Diana W. Williams
NOTARY PUBLIC

My Commission Expires: My Commission Expires Aug. 20, 1987

STATE OF MISSISSIPPI

COUNTY OF HARRISON

Personally appeared before me, the undersigned authority, in and for the above mentioned County and State, the within named RAY L. CROWELL, President of SOUTHERN MORTGAGE SERVICES CORP., who acknowledged that he signed and delivered the above and foregoing instrument for and on behalf of said corporation on the day and year therein mentioned, after being duly authorized so to do.

GIVEN UNDER MY HAND AND OFFICIAL SEAL OF OFFICE, this the 21st day of September, 1983.

Diana W. Williams
NOTARY PUBLIC

My Commission Expires: My Commission Expires Aug. 20, 1987

STATE OF MISSISSIPPI
COUNTY OF HARRISON

Personally appeared before me, the undersigned authority, in and for the above mentioned County and State, the within named JACK HESTON, President of SUPERB CONSTRUCTION COMPANY, INC., who acknowledged that he signed and delivered the above and foregoing instrument for and on behalf of said corporation on the day and year therein mentioned, after being duly authorized so to do.

GIVEN UNDER MY HAND AND OFFICIAL SEAL OF OFFICE, this the 21 day of September, 1983.

Diana W. Williams
NOTARY PUBLIC

My Commission Expires: My Commission Expires Aug. 20, 1987

STATE OF Mississippi
COUNTY OF Hinds

Personally appeared before me, the undersigned authority, in and for the above mentioned County and State, the within named DALLAS JONES, President of DEEP SOUTH CORPORATION, who acknowledged that he signed and delivered the above and foregoing instrument for and on behalf of said corporation on the day and year therein mentioned, after being duly authorized so to do.

GIVEN UNDER MY HAND AND OFFICIAL SEAL OF OFFICE, this the 29th day of September, 1983.

Barbara Lynn Westling
NOTARY PUBLIC

My Commission Expires:

My Commission Expires Sept. 18, 1984

STATE OF MISSISSIPPI

BOOK 988 - 38

COUNTY OF HARRISON

Personally appeared before me, the undersigned authority, in and for the above mentioned County and State, the within named T. H. ANDERSON, President of SOUTHERN FEDERAL SAVINGS AND LOAN ASSOCIATION, who acknowledged that he signed and delivered the above and foregoing instrument for and on behalf of said corporation on the day and year therein mentioned, after being duly authorized so to do.

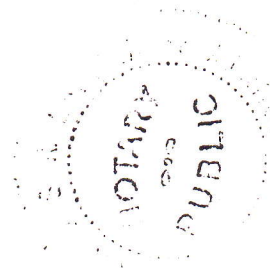
GIVEN UNDER MY HAND AND OFFICIAL SEAL OF OFFICE, this the

21 day of September, 1983.

Candis B. Gardner
NOTARY PUBLIC

My Commission Expires:

March 13, 1985



84° 16' 1" 2100'



Units 29, 30, 31, and 32 are proposed two story townhouses.

A diagram illustrating a geometric transformation. On the left, a cylinder is shown in perspective. A vertical line passes through its center. To the right of this line is a cone, also in perspective, which appears to be the result of the cylinder being cut or transformed along the vertical line.

BRAD	1' : 20'	ANNOUNCER
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Don't miss it

State of Mississippi

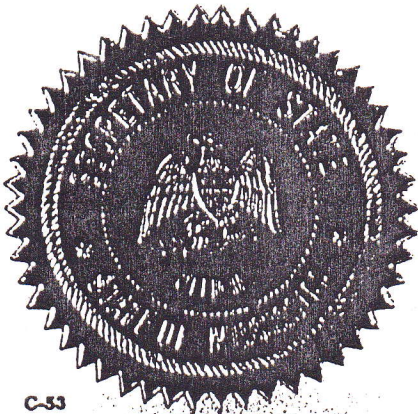


Office of Secretary of State Jackson

*I, Edwin Lloyd Pittman, Secretary of State, do certify that the
Charter of Incorporation hereto attached entitled the Charter of
Incorporation of*

WELLINGTON PLACE CONDOMINIUM HOMEOWNER'S ASSOCIATION, INC.

*was, pursuant to the provisions of Title 79, Code of Mississippi of
1972, as amended, Recorded in the Records of Incorporations in this
office, in* PHOTOSTAT BOOK 294, Pages 344 - 355.



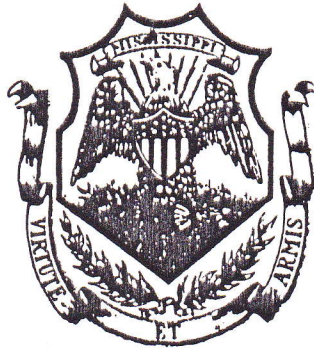
C-53

*Given under my hand and the Great Seal
of the State of Mississippi hereto
affixed this* 23rd day of August, 1983.

Edwin Lloyd Pittman
Secretary of State

BOOK 968 41

State of Mississippi



EXECUTIVE

OFFICE

JACKSON

The within and foregoing Charter of Incorporation of

WELLINGTON PLACE CONDOMINIUM
HOMEOWNER'S ASSOCIATION, INC.

is hereby approved.

In testimony whereof, I have hereunto set
my hand and caused the Great Seal of
the State of Mississippi to be affixed
this 23rd day of August, A. D., 1983.

William F. Winter
Governor

By the Governor

Edwin Lloyd Pittman
Secretary of State

