

DECLARATION OF COVENANTS AND RESTRICTIONS

** PHASE I **

This Declaration, made this 14th day of November, 1979 by J. D. Rankin, hereinafter called the "Developer" or the "Declarant".

W I T N E S S E T H:

WHEREAS, Developer is the owner of the real property described on Exhibit A attached to this Declaration (hereafter The Property) and desires to create thereon a residential community with playgrounds, open spaces, and other common facilities for the benefit of the said community, which shall be known as "Deerfield";

WHEREAS, Developer desires to provide for the preservation of the values and amenities in said community and for the maintenance of said parks, playgrounds, open spaces and other common facilities; and to this end, desires to subject The Property to these covenants, restrictions, easements, charges and liens, set forth herein, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an association to which shall be delegated and assigned the powers of maintaining, administering and enforcing these covenants and restrictions and doing all other things necessary to preserve the values and amenities of this community;

WHEREAS, Developer has incorporated under the laws of the State of Mississippi, as a non-profit corporation, The Deerfield Property Owners Association, for the purpose of exercising the function aforesaid:

NOW THEREFORE, the Developer declares that The Property is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liana (sometimes referred to as "Covenants and Restrictions") hereinafter set forth.

ARTICLE I

DEFINITIONS

SECTION 1. The following words when used in this Covenant or any Supplemental Covenant (unless the context shall indicate a contrary intention) shall have the following meanings:

(a) "Association" shall mean and refer to The Deerfield Property Owners Association, its successors and assigns.

(b) "The Property" shall mean and refer to that property described on Exhibit A hereto which is subject to these Covenants or any Supplemental Covenants under the provisions of Article II hereof.

(c) "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners. The common area shall be deeded to the Association within one year after the organization of the Association.

(d) "Site" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of common properties as heretofore defined commonly known as a "lot".

(e) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any site which is a part of the property, but excluding those having such interest merely as security for the performance of an obligation.

(f) "Member" shall mean and refer to every person or entity who holds membership in the Association.

(g) "Architectural Review Committee" shall mean the committee appointed by the Board of Directors of the Association.

(h) "Board" shall mean the Board of Directors of the Association.

(i) "Declarant" or "Developer" shall mean J. D. Rankin.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION:

SECTION 1. The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the County of Madison, State of Mississippi, and is more particularly described on Exhibit A which is attached hereto and made a part hereof, all of which property shall be referred to as "The Property".

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

SECTION 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any site shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any site which is subject to assessment by the Association. Ownership of such site shall be the sole qualification for membership.

SECTION 2. Voting Rights. The Association shall have two classes of voting memberships.

Class A. Class A members shall be all those owners as defined in Section 1 with the exception of the Developer. Class A members shall be entitled to one vote for each site in which they hold the interests required for membership by Section 1. When more than one person holds such interest or interests in any site all such persons shall be members, and the vote for such site shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such site.

Class B. The Class B member shall be the Developer. The Class B member shall be entitled to elect

three of the five members of the Board of the Association until seventy-five percent of all sites in Deerfield Subdivision are sold from the formation of the Association.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON PROPERTIES

SECTION 1. Members' Easements of Enjoyment. Subject to the provision of Section 3, every member shall have a right and easement of enjoyment in and to the common properties and such easement shall be appurtenant to and shall pass with the title to every site.

SECTION 2. Title to Common Properties. The Developer agrees to convey title to the common properties to the Association free and clear of all liens and encumbrances.

SECTION 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association, as provided in its Certificate of Incorporation and By-Laws, to suspend the voting rights and right to use of recreational facilities by a member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations and;

(b) The right of the Association to dedicate or transfer all or any part of the common properties to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members, provided that no such dedication or transfer, determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by members entitled to cast two-thirds (2/3) of the votes of each class of membership has been recorded, agreeing to such dedication, transfer, purpose or condition, and unless written notice of the proposed agreement and action thereunder is sent to every

member At least ninety (90) days in advance of any action taken.

(c) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the common area and facilities and in aid thereof to mortgage said common properties and the rights of such mortgage in said common properties shall be subordinate to the rights of the homeowners hereunder.

SECTION 4. Any Member may delegate, in accordance with the By-Laws, his right of enjoyment to the common properties to his tenants, or contract purchasers who reside on the property.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

SECTION 1. Creation of Lien and Personal Obligation of Assessments and Special Assessments. Declarant for each site owned within the properties shall be deemed to covenant and agree, and each owner of any Bite by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to pay to the Association monthly assessments or charges and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, and said amounts shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment or special assessment is made. Each such assessment and special assessment, together with such interest thereon, cost of collection and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment or special assessment fell due. The personal obligation for delinquent assessment or special assessment shall not pass to his successors in title unless expressly assumed by them.

SECTION 2. Purpose of Assessment. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of the properties and in particular for the improvement and maintenance of property, services, and facilities devoted to this purpose and related to use and enjoyment of the common properties and of the homes situated upon the properties.

SECTION 3. Basis of Annual Assessments. The Board of Directors shall fix the assessment and may raise or lower said assessment amount as they may deem necessary in their discretion. The initial semiannual assessment is established at \$5.00 for each site.

SECTION 4. Change in Assessments. Subject to the limitations of Section 3 hereof, the Association may change the assessment fixed by Section 3 hereof provided that any such change shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

SECTION 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any calendar year, a special assessment 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 upon the common area, including the necessary fixtures and personal property related thereto, provided, that, any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of member who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all

members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

SECTION 6. Rate of Assessment. Both semiannual and special assessments shall be fixed at a uniform rate for all residence sites.

SECTION 7. Quorum for any Action Authorized Under Sections 4 and 5. The quorum required for any action authorized by Sections 4 and 5 hereof shall be as follows:

At the first meeting called, as provided in Section 4 and 5 hereof, the presence at the meeting of members, or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set forth in Sections 4 and 5 and the required quorum at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 8. Date of Commencement of Monthly Assessments: Due Dates. The monthly assessments provided for herein shall commence as to all sites on the first day of the month following the organization of the Association. The Board of Directors shall fix the amount of the monthly assessment at least thirty (30) days in advance of said commencement date and any change in the monthly assessment must be fixed by the Board of Directors at least thirty (30) days in advance of said commencement date and any change in the monthly assessment must be fixed by the Board of Directors at least thirty (30) days in advance of the commencement of the changed assessment amount. Written notice of the assessment shall thereupon be sent to every owner subject thereto. The due dates shall be

established by the Board of Directors. The Association shall, upon demand,, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified site have been paid. Such certificate shall be conclusive evidence of the facts stated therein.

SECTION 9. Effect of Non-Payment of Assessment; The Personal Obligation of the Owner: The Lien of Remedies of the Association. If the assessments are not paid on the date when due (being the dates specified in Section 8 hereof), then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the delinquent date, the assessment shall bear interest from the date of delinquency at the rate of eight percent: per annum, and the Association may bring an action at law against the owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment the cost of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action.

No owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the common area or abandonment of his lot.

SECTION 10. Subordination of the Lien to Mortgages.

The lien of the assessment provided for herein shall be subordinate to the lien of any first mortgage. The lien of the assessment shall be superior to any homestead exemption now or hereafter provided by the laws of the State of Mississippi. Sale or transfer of any site shall not affect the assessment liens. However, the sale or transfer of any site pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such site from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VI

PARTY WALLS

SECTION 1. General Rules of Law to Apply. Each wall which is built as part of the original construction of the homes upon the properties and placed on the dividing line between the lots shall constitute a party wall, and to the extent not inconsistent with the provisions of this article, the general rules of law regarding party walls and of liability for property damage due to negligent or willful acts or omissions shall apply thereto.

SECTION 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

SECTION 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other

casualty any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

SECTION 4. Weatherproofing. Notwithstanding any other provision of this article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

SECTION 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such owner's successors in title.

SECTION 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE VII

ARCHITECTURAL REVIEW COMMITTEE

SECTION 1. Review by Committee. No structure, whether residence, accessory building, tennis court, swimming pool, fences, walls, exterior lighting, or other improvements, shall be constructed or maintained upon any site and no alteration or repainting to the exterior of a structure shall be made and no landscaping performed unless complete plans, specifications, and site plans therefor, showing the exterior design, height, building material and color scheme thereof, the location of the structure plotted horizontally and vertically, the location and size of driveways, the general plan of landscaping, fencing walls and windbreaks and the grading plan shall have been submitted to and approved in writing by

the Architectural Review Committee, and a copy of such plans, specifications, and plot plans as finally approved deposited with the Architectural Review Committee. No trees shall be removed without prior written approval of the Architectural Review Committee. When furnished, only those house numbers and mail boxes which are installed by the Developer shall be used and maintained in the properties. The Architectural Review Committee shall be composed of three or more representatives appointed by the Board of Directors of the Association. The guidelines and sample request for the Architectural Review Committee forms are attached hereto.

SECTION 2. The Architectural Review Committee shall exercise its best judgment to see that all improvements, construction, landscaping and alterations on lands within the properties conform to and harmonize with existing surroundings and structures.

SECTION 3. Procedures. The Architectural Review Committee shall approve or disapprove all plans and requests within thirty (30) days after submission. In the event the Architectural Review Committee fails to take any action within thirty (30) days after requests have been submitted, approval will not be required, and this Article will be deemed to have been fully complied with.

SECTION 4. A majority vote of the Architectural Review Committee is required for approval or disapproval of proposed improvements.

SECTION 5. The Architectural Review Committee shall maintain written records of all applications submitted to its and of all actions it may have taken.

SECTION 6. The Architectural Review Committee shall not be liable in damage to any person submitting requests for approval or to any owner within the properties by reason of any action, failure to act, approval, disapproval or failure to approve or disapprove with regard to such requests.

ARTICLE VIII

EXTERIOR MAINTENANCE

SECTION 1. The structures and grounds of each lot shall be maintained in a neat and attractive manner. Upon the Owner's failure to so do the Architectural Review Committee may, at its option, after giving the owner thirty (30) days written notice sent to his last known address, have the grass, weeds and vegetation cut when, and as often as, the same is necessary in its judgment and have dead trees, shrubs and plants removed from any site.

SECTION 2. Upon the Owner's failure to maintain the exterior of any structure in good repair and appearance the Architectural Review Committee may, at its option, after giving the owner six (6) months written notice, make repairs and improve the appearance in a reasonable and workmanlike manner.

SECTION 3. Assessment of Cost. The cost of such maintenance referred to in Sections 1 and 2 of this Article shall be assessed against the site upon which such maintenance is done and shall be added to and become part of the monthly maintenance assessment or charge to which such site is subject under Article VI hereof.

SECTION 4. Access at Reasonable Hours. For the purpose solely for performing the maintenance referred to in Section 1 and 2 of this Article, the Association, through its duly authorized agents or employees shall have the right, after reasonable notice to the owner, to enter upon any site at reasonable hours on any business day.

ARTICLE IX

COMMON SCHEME RESTRICTIONS

The following restrictions are imposed as a common scheme upon site and Common Properties for the benefit of each other site and Common Properties, and may be enforced by any Owner of site or the Association:

1. No garbage, refuse, rubbish, or cuttings shall be deposited on any street, road, or Common Property, nor on any site unless placed in a container suitable for garbage pickup.

2. No building material of any kind or character shall be placed upon any site except in connection with construction approved by the Architectural Review Committee. As soon as building materials are placed on any lot in such connection, construction shall be promptly commenced and diligently prosecuted.

3. No clothes lines, drying yards, service yards, wood piles or storage areas shall be so located as to be visible from a street, road or Common Property.

4. Any exterior lighting installed on any site shall either be indirect or of such controlled focus and intensity as not to disturb the residents of the adjacent property.

5. No animals, livestock or poultry of any kind shall be maintained, kept, board and/or raised, regardless of number and shall be and are hereby prohibited on any lot or within any dwelling situate upon The Property, except that this shall not prohibit the keeping of dogs, cats and/or caged birds as domestic pets provided they are not kept, bred or maintained for commercial purposes and, provided further, that such domestic pets are not a source of annoyance or nuisance to the neighborhood or other members. Pets shall be registered, licensed and inoculated as may from time to time be required by law. Any member of the Association who keeps or maintains any pet upon any portion of the common areas shall be deemed to have indemnified and agreed to hold the Association, each of its members and the Developer free and harmless from any loss, claim or liability of any kind or character whatsoever arising by reason of keeping or maintaining of such pet upon the common areas. The Board of

Directors shall have the right to order any member of the Association whose pet is a nuisance, to remove such pet from The Property and the Board of Directors shall have the sole and exclusive authority to determine, after notice to such member and affording such member an opportunity for a hearing before the Board of Directors, whether or not any pet is a nuisance.

6. Only signs advertising the sale or rental of a site and which are approved by the Architectural Review Committee shall be allowed on the Property. No sign shall be visible from the golf course and no sign shall be placed at the rear or side of any lot.

7. No used or previously erected or temporary house, structure, house trailer or non-permanent outbuilding shall ever be placed, erected or allowed to remain on any site or common property.

8. Except as herein elsewhere provided, no junk vehicle, commercial vehicle, trailer, truck, camper, camp truck, house trailer, boat or other machinery or equipment of any kind or character (except for such equipment and/or machinery as may be reasonable, customary and usual in connection with the use and maintenance of any dwelling or other improvements located upon The Property and except for such equipment and or machinery as the Association may require in connection with the maintenance and operation of the common areas and community facilities shall be kept upon The Property nor (except for bona fide emergencies) shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon; provided, however, that this restriction shall not apply to vehicles, trailers, boats, machinery, equipment or the like stored and kept within an enclosed storage room or garage. The Association may, in the discretion of its Board of Directors, provide and maintain a suitable area designated for the parking of such vehicles or the like.

9. None of the sites may be improved, used or occupied for other than private single family residential purposes, other than the Common Properties; however, the Developer or Declarant may use one or more lots for a temporary office building, and use the same as an office during the development and sale of the Lots.

10. No building shall be located on any site nearer than thirty (30) feet to the front site line and every residence shall face the street on which the site fronts. No building or any part thereof shall be located nearer than ten (10) feet to an interior site line or nearer than thirty (30) feet to a rear site line. Any exceptions to this may be approved by the Architectural Review Committee.

11. Easements for installation and maintenance of utilities and drainage of facilities are reserved in rights of way of drives and roads or on the side or rear of each site as shown on the recorded plat.

12. No site may be subdivided into two or more sites.

13. All fences, decks, storage buildings, patios, storm doors and screens, sun control devices, swimming pools, garages and carports, driveways or parking pads, additional rooms, porches, greenhouses, air conditioning units, attic ventilators, chimneys and metal flues, dog houses, antennae, flag poles, retaining walls and any other structure or addition to a present structure shall be subject to the approval of the Architectural Review Committee.

14. No garage or outbuilding on any site shall be used as a living quarters either permanent or temporary.

15. Minimum square footage of heatable area shall be determined by the developer at the time the lot 1b sold and such restriction shall be included in the deed from developer and shall be a covenant running with the land.

16. No garage shall open directly to a street and shall always open at more than a ninety degree angle to the front property line. Any exception shall be approved by the Architectural Review Committee.

17. Any residence or building or improvement that is destroyed partially or totally by fire, storm or any other means shall be repaired or demolished within a reasonable time and the property restored to an orderly and attractive condition.

18. Each lot owner, prior to constructing his driveway, shall obtain written approval from Madison County and from the Architectural Review Committee for the method of construction and size of the culvert to be used on the driveway.

ARTICLE X

GENERAL PROVISIONS

SECTION 1. Duration. The Covenants and restrictions of this Declaration shall run with and bind the land, shall inure to the benefit of and be enforceable by the Association, or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time said Covenants shall be automatically extended for successive periods of ten (10) years unless an instrument terminating these Covenants and restrictions signed by the then Owners of seventy-five percent of the Lots has been recorded prior to the commencement of any ten-year period.

SECTION 2. Amendments. These Covenants and restrictions may be amended during the first twenty years from the date of the Declaration, by an instrument signed by not less than ninety percent (90%) of the Lot Owners and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be properly recorded. However, Developer may amend these


covenants to conform to the planned unit development concept of Deerfield when a new plat is recorded in order to provide for certain special circumstances that may exist for that particular area.

SECTION 3. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

SECTION 4. Construction Easement. If any portion of an exterior wall of a residence is situated within three feet of any adjoining lot line, a valid easement shall and does exist, three feet in width along the adjoining lot and adjacent to the said lot line which easement may be used for the purpose of construction, reconstruction and maintenance of said exterior wall of a residence that is situated within three feet from the nearest point of said easement. The Owner of any lot subject to this easement shall not erect or build any structure upon or over said easement which will interfere with the purposes of said easement.

SECTION 5. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the Association or any Owner to enforce any covenant or restriction therein contained shall in no event be deemed a waiver of the right to do so thereafter,

SECTION C. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.


J. D. RANKIN