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DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
CHESTNUT HILL

Chestnut Developers, LLC

Declarant

September 24, 2007

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DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR CHESTNUT HILL

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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR CHESTNUT HILL**

THIS DECLARATION is made and executed on this the 24th day of September, 2007, by Chestnut Developers, LLC, a Mississippi limited liability company, hereinafter sometimes referred to as the "Declarant".

WHEREAS, the Declarant is the owner of certain land and real property located in the Southeast Quarter of Section 8 and East Half of Section 17, all in Township 8 North, Range 1 East, Madison County, Mississippi, which land and real property includes the 268.029 acres of land and real property comprised of the two parcels of land more particularly described in Exhibit "A," and which 268.029 acres of land is a part of and wholly within the land generally described in Exhibit "B," both of which exhibits are attached hereto and are hereby made a part hereof; and

WHEREAS, the Declarant desires to create and develop a distinctive residential Neighborhood having designated common areas and/or Neighborhood facilities reserved or dedicated for the welfare, betterment, use and benefit of the residents of said Neighborhood and the owners of lots and dwellings therein; and

WHEREAS, the Declarant desires to provide for the preservation and enhancement of the values and amenities in said Neighborhood, for the designation and maintenance of common areas and Neighborhood facilities, for the administration and enforcement of the covenants, conditions and restrictions hereinafter declared, and for purposes related thereto; and to this end, the Declarant desires to subject all of said 268.029 acre parcel of land described in said Exhibit "A," including any and all improvements existing or to be constructed thereon, to the covenants, conditions, restrictions, uses, limitations, prohibitions, requirements, obligations, easements, servitudes, charges, assessments, and liens hereinafter set forth, each of which separately is and all of which jointly are for the benefit of said Neighborhood and/or said 268.029 acre parcel of land, for the benefit of the Declarant and for the benefit of the subsequent successors of the Declarant to all or any part of said 268.029 acre parcel of land including the owners of lots and dwellings in said Neighborhood; and

WHEREAS, the Declarant desires the efficient preservation and enhancement of the values and amenities in said Neighborhood, and to this end the Declarant has created and organized a corporate entity to which can and shall be delegated and assigned the powers and duties of maintaining and administering any and all common areas and Neighborhood facilities, of administering and enforcing the covenants, conditions and restrictions hereinafter declared, and of collecting and disbursing the charges and assessments hereinafter specified; and

WHEREAS, the Declarant has caused to be formed under the laws of the State of Mississippi a non-profit and non-share corporation named "Chestnut Hill Homeowners Association, Inc.," which corporation shall have as its purpose the carrying out of the powers and duties mentioned or implied herein; and

NOW THEREFORE, Chestnut Developers, LLC, a Mississippi limited liability company and the Declarant herein, does hereby declare that all of said 268.029 acre parcel of land described in said Exhibit "A," and all other real property situated thereon or therein, or which may hereafter become situated thereon or therein, hereafter is and shall be held, conveyed, hypothecated or encumbered, sold, assigned, leased, rented, used, occupied and improved subject to the covenants, conditions, restrictions, uses, limitations, prohibitions, requirements, obligations, easements, servitudes, charges, assessments and liens set forth in this Declaration, all of which are agreed and declared to be in aid of a plan for the development of said Neighborhood and the improvement of said 268.029 acre parcel of land, all of which shall be deemed to run with and bind said 268.029 acre parcel of land, and all of which shall inure to the benefit of and be enforceable by the Declarant or its successors, by the successors and assignees of the Declarant to all or any part of the said 268.029 acre parcel of land, or by any person acquiring or owning any interest in said 268.029 acre parcel of land or an improvement thereon, including, without limitation, any person who holds such interest solely as security for the performance of an obligation or payment of a debt.

FURTHER THEREFORE, the Declarant does hereby delegate and assign to the Chestnut Hill Homeowners Association, Inc. the powers and duties created by and mentioned or implied in this Declaration which are necessary, required, convenient, incidental or advisable for the maintenance and administration of common areas and/or Neighborhood facilities, for the administration and enforcement of the covenants, conditions and restrictions hereinafter declared, and for the collection and disbursement of the charges and assessments hereinafter authorized and described.

ARTICLE I

DEFINITIONS AND PROPERTY SUBJECT TO DECLARATION

Section 1. Definitions. The words and phrases set out below, when used in this Declaration, shall have the following meanings, respectively, to wit:

(a) **Annexable Lands.** The expression "Annexable Lands" shall mean and refer to the parcels of land and real property described in Exhibit "B" of this Declaration and other adjacent properties that may hereafter be acquired by Declarant or an Associate of Declarant or may otherwise be determined by Declarant to be advantageous to and in the best interest of Chestnut Hill. "Annexable Lands" may also be referred to herein as "Lands Subject to Annexation." Any parcel of land situated in the Sections 8, 16 and 17 of Township 8 North, Range 1 East, Madison County, Mississippi, which, at the time of annexation, is owned by the Declarant or an Associate of the Declarant is hereby deemed a part of the "Annexable Lands" for the purposes of this Declaration whether or not described on Exhibit "B." The Declarant has a right but not a duty to annex all or any part of the Annexable Lands to this Declaration in the manner provided hereinafter. The designation of any parcel of land as part of the "Annexable Lands" shall not preclude or constrain in any manner the development, improvement and use of such lands for any purpose.

(b) **Architectural Review Committee.** The expression "Architectural Review Committee" shall mean and refer to the person or collective group of people who from time to time is/are

designated or appointed by the Declarant or the Board of Directors to discharge certain powers and duties described or implied herein pertaining to dwellings and improvements within the Property. See also Article IV of this Declaration.

(c) Associate of the Declarant. If the Declarant is a limited liability company, corporation or other business entity, the expression "Associate of the Declarant" shall mean and include a person, corporation or other entity who/which is a member or manager of the Declarant; a person who is a principal officer of a corporate member of the Declarant; a principal officer of another limited liability company, corporation or other business entity owned or controlled by the Declarant or owned or controlled by a member or manager of the Declarant or owned or controlled by the principal officer of a corporate member or other business entity of the Declarant; and/or any business entity in which any such person owns a substantial interest or holds a controlling interest. If the Declarant were to become by assignment an individual, the expression "Associate of the Declarant" shall mean and include the spouse, adult children and legal representative of said individual and any limited liability company, corporation or other business entity owned or controlled by said spouse, child or representative. The Declarant shall have the right but not a duty, from time to time and at any time, to identify to the Board of Directors the name(s) of the limited liability companies, corporations or other business entities and/or individuals that are Associates of the Declarant as this expression is hereby defined or that are not, or no longer are, Associates of the Declarant having the rights or privileges herein afforded such entities or individuals.

(d) Association. The word "Association" shall mean and refer to the Chestnut Hill Homeowners Association, Inc., a Mississippi non-profit, non-share corporation, and its successors and assigns.

(e) Board of Directors. The expression "Board of Directors" shall mean and refer to the Board of Directors of the Association.

(f) Bylaws. The word "Bylaws" shall mean and refer to the Bylaws of the Association and any amendments thereto which may be duly adopted from time to time.

(g) Chancery Clerk. The expression "Chancery Clerk" shall mean and refer to the public official of Madison County, Mississippi, having the responsibility of filing and maintaining the records pertaining to lands and real properties situated in Madison County, Mississippi.

(h) Charter. The word "Charter" shall mean and refer to The Articles of Incorporation of the Association, as same may be duly amended from time to time.

(i) Chestnut Hill. The expression "Chestnut Hill" shall mean and refer to the Neighborhood created and developed on said parcel of land described in Exhibit "A" of this Declaration and/or on any part of the Annexable Lands. The expression "Chestnut Hill" may also mean and refer to the parcel(s) of land, including other real property situated therein or thereon, described and subdivided as shown on the record Plat(s) of subdivisions within the Property which is/are subject the covenants, conditions and restrictions of this Declaration and any supplement or amendment thereto.

(j) City. The Property is not located within a city or municipality, but should the Property or some part thereof be subsequently incorporated, "City" shall be the City where the Property or some part thereof is incorporated.

(k) Common Area. See Section 2 of this Article.

(l) County. The word "County" shall mean and refer to the County of Madison, Mississippi.

(m) Covenants, Conditions and Restrictions. The expression "covenants, conditions and restrictions" shall mean and include all the terms, provisions, covenants, conditions, restrictions, uses, limitations, prohibitions, requirements, obligations, easements, servitudes, charges, assessments, and liens set forth in this Declaration and all supplements and amendments thereto.

(n) Declaration. The word "Declaration" shall mean and include this Declaration of Covenants, Conditions and Restrictions for Chestnut Hill and all supplements and amendments hereto.

(o) Declarant. The word "Declarant" shall mean and include Chestnut Developers, LLC, a Mississippi limited liability company. The word "Declarant" shall also mean and include a successor of said Chestnut Developers, LLC, to what constitutes substantially all or controlling interest in the lands then owned by said Chestnut Developers, LLC, within the Property and/or within the Annexable Lands and to which said Chestnut Developers, LLC, or any Associate of the Declarant expressly transfers its powers and duties as Declarant hereunder. The word "Declarant" shall also mean and include any person who is a similar successor to a Declarant who is himself a successor Declarant. All or any portion of any and all rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant hereunder may be assigned and transferred by filing for record in the office of the Chancery Clerk a duly executed instrument memorializing such assignment or transfer and its acceptance thereof by the successor Declarant.

The word "Declarant" shall also mean and include any person who, as the mortgagee in or the holder of any recorded mortgage executed by said Chestnut Developers, LLC, or as the secured party or beneficiary of any recorded deed of trust executed by said Chestnut Developers, LLC, comes into possession of all or any portion of the Property pursuant to foreclosure or execution of an assignment or other proceeding or arrangement in lieu of foreclosure. The powers and duties of the Declarant, if not theretofore duly transferred, shall transfer to such person when such person comes into such possession pursuant to foreclosure or execution of an assignment or other proceeding or arrangement in lieu of foreclosure and shall likewise transfer to such person's successor when said successor comes into possession of such property.

(p) Design Guidelines. The expression "Design Guidelines" shall mean and refer to those policies, guidelines, standards, rules or regulations regarding the construction or alteration of any dwelling, structure or improvement and the form and content of plans and specifications to be submitted to the Architectural Review Committee. Design guidelines are intended to serve as a reference tool and decision-making guide for dwelling construction, alteration and

maintenance. Design guidelines are not a part of this Declaration and should not be construed as a waiver of any covenant, condition, restriction, requirement or provision of this Declaration. See Article VI of this Declaration.

(g) **Developer.** The word "Developer" shall mean and include Chestnut Developers, LLC, a Mississippi limited liability company. The word "Developer" shall mean and include the Declarant and any Associate of the Declarant. The word "Developer" shall also mean and include a bona fide builder who, in the course of the business in which he is engaged, after taking title to a Lot, offers the Lot for sale to prospective home owners and/or is constructing or has constructed a dwelling thereon which is not yet occupied. The word "Developer" shall also mean and include any other person who is a successor in interest to said Chestnut Developers, LLC, as to any of the real property now or hereafter constituting all or a portion of the Property, and who, with the Declarant's written permission, is engaged or hereafter engages in the business of developing, improving and/or marketing all or any portion of the Property. The word "Developer" shall not mean or include the Association. The word "Developer" shall also mean and include any successor and/or assignee of the entire interest of said Chestnut Developers, LLC, who, as the mortgagee in or the holder of any recorded mortgage executed by said Chestnut Developers, LLC, or as the secured party or beneficiary of any recorded deed of trust executed by said Chestnut Developers, LLC, comes into possession of all or any portion of the Property pursuant to foreclosure or execution of an assignment or other proceeding or arrangement in lieu of foreclosure.

(r) **Dwelling.** The word "dwelling" shall mean and refer to a conventional single family home or a portion of a home or other detached habitable structure situated on a Lot within the Property which is designed and/or constructed for use and occupancy as a residence, or which is used or occupied as a residence, by an individual or family. Multi-family residences are not permitted within Chestnut Hill.

(s) **Eligible Mortgage Holder.** The expression "eligible mortgage holder" shall mean and refer to a holder of a first mortgage on a Lot who is to be given notice of certain events as identified and/or provided in this Declaration or the Bylaws, and/or who is to be among those mortgagees from whom collectively a specified percentage must give consent for the Association to take certain actions as identified and/or provided in this Declaration or the Bylaws. See also Section 1 of Article XI. The expression "eligible mortgagee" shall have the same meaning.

(t) **Governing Authority Having Jurisdiction.** The expression "governing authority having jurisdiction" shall mean and refer to the duly constituted body politic, or a department or agency thereof, exercising lawful jurisdiction over the aspect of the development, improvement, use and/or sale of property which is the subject of, or is implied by the context of, a provision of this Declaration. Governing Authority Having Jurisdiction shall mean the Board of Supervisors of Madison County. The term "governing authority having jurisdiction" shall mean and refer to Madison County, Mississippi and/or any city that may subsequently annex part or all of the Property. However, if the subject is a matter over which a department or agency of the state and/or federal governments (i.e., the Mississippi Department of Environmental Quality, the Mississippi Department of Health, or the U.S. Department of the Army Corps of Engineers),

exercises jurisdiction superseding, in conjunction with, or in lieu of the City (or County), in which case the expression shall mean and refer to, as appropriate, the City (and/or County) and each and all of such departments and agencies exercising such jurisdiction.

(u) Herein. The word "herein" shall mean in this Declaration.

(v) Lake. Unless the context clearly indicates otherwise, the word "lake" shall mean and refer to an area that is within a Common Area, a Neighborhood Facility and/or part of a Lot that is inundated when the level of the surface of the water impounded is at its normal pool elevation (or stage) which elevation should be substantially the same as the invert elevation of the spillway, outlet or discharge control structure. See also Section 8 of this Article. Any lake under the jurisdiction of the Association is subject to the restrictions, limitations, conditions, duties, prerogatives and rights of a "Lake and Lake Shore Easement" as same is set out in Section 8 of Article IX of this Declaration.

(w) Lake Shore. Unless the context clearly indicates otherwise, the expression "Lake Shore" shall mean and refer to (i) an area adjoining a lake that is within a Common Area or Neighborhood Facility and/or is a part of a Lot or Parcel which is within twenty (20) feet of the edge of the lake's surface at its normal pool elevation or that is within twenty (20) feet of the boundary of the lake common area, excluding therefrom any part of a Lot on the other (dwelling) side of the nearest required yard or setback line, unless a specific area of the Lot is subject to a Lake and Lake Shore Easement that is delineated on a Plat, is described in this Declaration or a supplement or amendment thereto and/or is designated in an instrument duly executed for such purpose and filed in the office of the Chancery Clerk prior to the conveyance of the Lot or Parcel to the owner thereof, or (ii) is an area that adjoins a lake and that from time to time may need to be used, occupied and/or controlled by the Association in order to administer and effect any of the Association's duties and responsibilities with respect to the lake to which the area is appurtenant. See also Section 8 of this Article. Any area within a Lake Shore appurtenant to a lake under the jurisdiction of the Association is subject to the restrictions, limitations, conditions, duties, prerogatives and rights of a "Lake and Lake Shore Easement" as same are set out in Section 8 of Article IX of this Declaration.

(x) Lot. The word "Lot" shall mean and refer to each of the numerically designated subdivided parcels of property constituting a part of Chestnut Hill that is approved by the governing authority having jurisdiction for a dwelling. Each of the thirty-nine (39) numerically designated lots delineated on the record plats of Chestnut Hill Part 1A and Chestnut Hill Part 1B are Lots and each, if any, of any similar numerically designated lots delineated on a record plat of a future part of Chestnut Hill shall be considered as Lots. The word Lot shall be deemed to include any parcel of land situated within the Property which is improved and used as the site of a dwelling or which is configured or delineated as a site suitable for improvement and use as a residence. The word Lot shall not be deemed to include common areas. The word Lot shall not be deemed to include parcels of land situated within the Property which are not intended for improvement and use as a residence.

Each Lot shall also be either an "Improved Lot" or an "Unimproved Lot" as hereinafter defined: (i) The expression "Improved Lot" shall mean and refer to a Lot on which the dwelling has been substantially completed or is occupied or would be reasonably considered as ready

for occupancy; or (ii) the expression "Unimproved Lot" shall mean and refer to a Lot on which the dwelling has not yet been started or may have been started but is not yet substantially complete or be reasonably considered as ready for occupancy.

The expression "Corner Lot" shall mean and refer to a Lot that has frontage on two or more streets that intersect adjacent to the Lot. A Corner Lot appears to have street frontage on the front side as well as one or more sides of the Lot. The expression "Double Fronted Lot" shall mean and refer to a Lot that has frontage on two streets but said streets do not intersect adjacent to the Lot. A Double Fronted Lot appears to have street front on the front and rear sides of the Lot. A "Perimeter Lot" shall mean and refer to a Lot that abuts the outside boundary of Chestnut Hill as Chestnut Hill is then laid out and planned. In Exhibit "C" to this Declaration or in any part of a Supplementary Declaration annexing additional lands to the Property subject to this Declaration, the Declarant may identify and designate particular Lots as being one or more of any of these types of Lots. The Board of Directors may from time to time, with the consent of the Declarant unless the Declarant is unwilling or unable to act, for cause, so identify and designate a particular Lot as being one or more of any of these types of Lots or may change the designation of a Lot so identified and designated by declaration by the Declarant or by prior action of the Board.

With the consent of the Declarant, or in lieu thereof should the Declarant be unwilling or unable to act, the Board of Directors of the Association, two (2) or more contiguous platted lots may be combined or re-subdivided in any lawful manner which reduces the number of dwelling sites deemed suitable for improvement and use as a residence. All lots so combined or re-subdivided shall remain subject to the covenants, conditions and restrictions of this Declaration. Such combined or re-subdivided lots shall thereafter constitute the same number of lots shown on the Plat.

If a person acquires two or more contiguous platted lots and constructs on these lots only one dwelling, and by covenant made for the benefit of the Association and for the benefit of his successors, which covenant must be filed for record in the office of the Chancery Clerk, declares that such contiguous platted lots shall thereafter be held, conveyed, hypothecated or encumbered, assigned, leased, rented, used, occupied and improved collectively in a manner which effectively combines such contiguous platted lots into one parcel of land, then such contiguous platted lots shall constitute one Lot for tax assessment purposes but this shall not affect the assessments against the Lots under this Declaration as multiple lots as originally platted.

With the consent of the Declarant, or in lieu thereof should the Declarant be unwilling or unable to act, the Board of Directors, and provided that such is duly approved by the governing authority having jurisdiction, Lots 51, 52, 53, 54 and 55 of Chestnut Hill Part 1B may be subdivided once by the then Owner(s) of the Lot(s) into smaller lots subject to the following limitations and conditions: (i) each subdivided lot shall each be at least five and one-half (5 ½) acres in size; (ii) the subdivided lot(s) shall remain subject to this Declaration; (iii) each subdivided lot shall be counted as one Lot for all purposes of this Declaration (thereby increasing the number of Lots within Chestnut Hill); (iv) the Association shall not be responsible for the private street, if one is required, leading from the Chestnut Hill Road to a subdivided lot;

and (v) each subdivided Lot is designated with the Lot number subdivided as a prefix, i.e., "52-A," "52-B." etc., or otherwise as approved by the Declarant or Board of Directors. After filing of a record plat of the original Lot or Lots so subdivided, the Owner(s) thereof may market and sell or otherwise convey same subject to such conditions on the advertising, marketing and other sales activities related thereto as the Declarant or Board of Directors may impose.

(y) Member. The word "Member" shall mean and include every person holding any class of membership in the Association. Each and every person who is, or who hereafter becomes, an Owner of a Lot comprising part of the Property shall be a Member of the Association.

(z) Mortgage. The word "mortgage" shall mean and refer to a mortgage, deed of trust, and any similar encumbrance that creates a lien or encumbrance against a Lot. The expression "first mortgage" shall mean and refer to a mortgage, deed of trust or similar encumbrance creating a lien or encumbrance against a Lot which has priority over all other mortgages, deeds of trusts or similar encumbrances creating liens or encumbrances against the same Lot. The word "holder" shall mean and refer to the person entitled to the security afforded by a mortgage and includes the beneficiary of a land deed of trust. The word "first mortgagee" shall mean and refer to the holder of a first mortgage. The word "institutional," when used to describe a mortgagee or holder, shall mean and include mortgagees or holders who are banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, real estate investment trusts, credit unions, pension funds, mortgage companies, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, recognized institutional type lenders or loan correspondents, all corporations, and any agency or department of the United States Government or of any state or local government.

(aa) Mortgagee. The word "mortgagee" shall mean and include the mortgagee in or the holder, insurer or guarantor of any recorded mortgage, and the party secured or beneficiary in any recorded deed of trust, encumbering one or more Lots. The expression "mortgage holder" shall have the same meaning.

(ab) Neighborhood. The word "Neighborhood" shall mean and refer to that certain residential development subdivided, designated and known as "Chestnut Hill," which has been and/or is being developed, constructed and/or improved, and which hereafter will be developed, constructed and/or improved, by the Declarant and others on and within the Property and the Annexable Lands.

(ac) Neighborhood Facility. See Section 3 of this Article.

(ad) Neighborhood Rules. The expression "Neighborhood Rules" shall mean and refer to those certain standards, conditions, rules or regulations not inconsistent with the provisions of this Declaration which may from time to time be duly adopted by the Board of Directors and promulgated among the Members, which standards, conditions, rules and regulations shall govern the use of common areas and Neighborhood facilities or respect the discharge of any responsibility of the Association or the provision of any service rendered by the Association, or effect the furtherance of any purpose of this Declaration.

(ae) Neighborhood Street. The expression "Neighborhood Street" shall mean and refer to a street within Chestnut Hill that is primarily traveled by Members, members and guests of a Member's family and persons who are working for or providing a service to Members in order to access Lots or parcels within Chestnut Hill. Neighborhood streets are usually those streets approved by the governing authority having jurisdiction and constructed by the Declarant and/or a Developer for the purpose of providing pedestrian and vehicular access to, and legal ingress and egress from existing public streets to, Lots, parcels, common areas and Neighborhood facilities. Chestnut Hill Road is a Neighborhood Street; see also Section 10 of this Article.

(af) Owner. The word "Owner" shall mean and refer to the record owner, whether one or more persons, of any Lot comprising part of the Property, including "contract purchasers" and lessees, but excluding those holding title solely as security for the performance of an obligation or payment of a debt.

(ag) Person. The word "person" shall mean and include individuals, corporations, trusts, general or limited partnerships, associations, trusts, estates and all other legal entities, and any combination or group of any of same.

(ah) Plat. The word "Plat" when used herein shall mean and refer to each and all of the record plats of subdivisions that comprise all or any part of the Property. Plats must be filed for record in the office of the Chancery Clerk. The property described in Exhibit "A" of this Declaration is subdivided for record as shown on those certain plats or plats recorded in the office of the Chancery Clerk, the first of which is designated "Chestnut Hill Part 1A" which is filed in Plat Cabinet E in Slide 67B and the second of which is designated "Chestnut Hill Part 1B" which is filed in Plat Cabinet E in Slide 75A/B. Each of said maps or plats is a Plat as the word is used herein. When used in a Supplementary Declaration, or in a context where the word "Plat" clearly is intended to mean and refer to another recorded plat, the word "Plat" shall mean and refer to such other plat.

(ai) Property. The word "Property" shall mean and refer to the parcel of land described in Exhibit "A" of this Declaration, and all other parcels of land from within the area described as Annexable Lands, which by annexation in accordance with the provisions of this Declaration are subject to the covenants, conditions, restrictions, requirements and other provisions of this Declaration. On the date of this Declaration, the Property is comprised only of the parcels of land described in Exhibit "A." From and after the date of any Supplementary Declaration annexing additional parcel(s) of land to the Property as provided herein, the word Property shall include the parcel of land described in Exhibit "A" together with all other parcels of land theretofore duly annexed to the Property and together with the parcel of land annexed by such Supplementary Declaration.

(aj) Public View. The expression "public view" shall mean and refer to view by the general public from abutting or nearby streets, including streets other than Neighborhood streets, and to view by Members who own the abutting or nearby Lots or who have a right to use abutting or a nearby Neighborhood Street or Lake or other common areas and Neighborhood facilities as determined by the Declarant or Architectural Review Committee. The Declarant, or in lieu thereof should the Declarant be unable or unwilling to act, the Architectural Review Committee,

on a case by case basis, shall determine whether any elevation of a dwelling (or part thereof) or any part of a Lot is within public view.

(ak) Service Driveway. See Section 11 of this Article of this Declaration.

(al) Utility Company. The expression "utility company" shall mean and include Bear Creek Water Association and any entity or individual that has a duty or privilege, duly granted and/or certificated by law by a local, state or federal commission, department or agency having lawful authority to so grant or certificate, of rendering a service to the owners of Lots within Chestnut Hill using facilities installed in street rights-of-way or easements. The expression "utility company" shall also mean and include any entity or individual that the Declarant and/or Board of Directors formally authorizes or permits the privilege of rendering a service to said Owners. The services rendered by Bear Creek Water Association or utility companies, without limitation, include water (domestic drinking, irrigation and/or fire suppression) services, wastewater (sanitary sewer) services, electrical power service, communication signals transmission (voice, data and/or television) service, natural gas service or any other service normally considered to constitute a "utility" service. However, the provisions hereof to the contrary notwithstanding, unless the Declarant has granted easement rights to such utility company for purposes related to the rendition of the service(s) such company is authorized or permitted to so render, the Water Association or a utility company does not have the right to use any private street or private utility easement created and reserved by the Declarant. See also Section 7 of this Article and Sections 5 and 6 of Article IX.

(am) Village. The word "Village" shall mean and refer to a specific area, a group of Lots and/or Parcels, and/or a part or portion of the Property which, in accordance with the provisions of Section 9 of this Article of this Declaration, the Declarant may designate as a separate Village.

(an) Village Rules. The expression "Village Rules" shall mean and refer to those certain standards, conditions, rules or regulations not inconsistent with the provisions of this Declaration which may from time to time be duly adopted by the Board of Directors and promulgated among the Members, which standards, conditions, rules and regulations shall govern the use of Village Restricted Common Areas and Village Restricted Neighborhood facilities or respect the discharge of any responsibility of the Association or the provision of any service rendered by the Association to the Members within a Village, or effect the furtherance of any purpose of this Declaration. Should there be more than one Village within Chestnut Hill, each Village may have its own set of Village Rules.

Section 2. Common Area. The expression "common area" shall mean and refer to each parcel of land and/or improvement thereon owned or leased by the Association and held by the Association for common use, benefit and enjoyment by Members. At any one or more times on or prior to December 31, 2017, the Declarant, or any other person with the written assent of the Declarant, shall have the right, privilege, and option to convey to the Association the fee, easement, license or leasehold of any improved or unimproved parcel of land situated within or adjoining Chestnut Hill which is reasonably accessible, amenable and feasible for the common use, enjoyment and benefit of all Members. The deed, lease or similar instrument of conveyance transferring title to an interest in said parcel of land shall designate that said parcel of land shall be held and maintained by the Association as a "common area" subject to the

provisions of this Declaration respecting common areas. Said deed or instrument may contain a reverter clause effective in the event said parcel of land fails or ceases to be used as intended. Except for a parcel of land which is identified and described hereinafter as an "Initial Common Area" and except for a parcel of land containing a facility or amenity duly required by a governing authority having jurisdiction to be owned or maintained by the owners of Lots within the development, the Board of Directors must formally accept each common area so conveyed, which acceptance shall not be unreasonably delayed or denied. Should any such parcel of land proposed as a common area, other than those so excepted, be encumbered by the lien of a mortgage or deed of trust, its acceptance as a common area must also be approved by the affirmative vote of at least two-thirds of the then Class A Members and the then Class B Members of the Association, each class voting separately.

The Declarant hereby designates as "initial common areas" the structures, improvements, items, facilities, areas, parcels of land, easements and/or rights-of-way so identified and/or described in Exhibit "C" to this Declaration. Such designation does not convey the fee, leasehold or title to the Association of all or any part of all or any the structures, improvements, items, facilities, areas, parcels of land, easements and/or rights-of-way so identified and designated. However, subject to and in accordance with the provisions hereof, the owner(s) of any of same may convey all or any part of any of same which he(they) own to the Association at any time. Prior to December 31, 2017, the maintenance, repair, reconstruction and/or improvement of a structure, improvement, item, facility, area, parcel of land, easement, right-of-way or any component or element of any of same which is a part of an initial common area may not be terminated by the Board of Directors without the concurrent consent of the Declarant. The maintenance, repair, reconstruction and/or improvement of a structure, improvement, item, facility, area, parcel of land, easement, right-of-way or any component or element of any of same which is a part of an initial common area and which is duly required by a governing authority having jurisdiction to be owned or maintained by the owners of Lots within the development may not be terminated by the Board of Directors without the consent of such governing authority.

The conveyance, designation, acquisition or acceptance of any parcel of land or improvement thereon as a "common area" shall not mean or imply that the public at large acquires any easement of use or right of enjoyment therein.

Each "common area" shall be treated and considered as part of the Property.

The Association shall expend reasonable funds for the maintenance, repair, reconstruction and/or improvement of each and all common areas.

Section 3. Neighborhood Facility. The expression "Neighborhood facility" shall mean and refer to each structure, improvement, item, facility, parcel of land (including a part of a public or private street right-of-way), and/or any interest in any of same or any component or appurtenance thereof, and which is or shall from time to time become available, exclusively or non-exclusively, to the Association for the use, benefit and enjoyment of Members, by grant of easement, permit or license of any term, or by forbearance or prescriptive usage, shall be treated and considered as a Neighborhood facility.

At any one or more times, the Board of Directors may designate, acquire and/or accept as a Neighborhood facility any structure, improvement, item, facility, area or parcel of land (including an easement or a part of a public or private street right-of-way), or any interest in any of same or any component or appurtenance thereof, which is situated within or adjoining Chestnut Hill, and which either is feasibly and reasonably available, exclusively or non-exclusively, to the Association for the use, benefit and enjoyment of all Members or whose maintenance, repair, reconstruction and/or improvement serves the purposes of the Association or provides for the preservation or enhancement of the values and amenities in Chestnut Hill.

Except as provided otherwise hereinafter, the Association, acting by and through its Board of Directors, may terminate the classification of any structure, improvement, item, facility, area or parcel of land and/or easement or right-of-way as a Neighborhood facility for good reason at any time. Such termination shall not preclude the Association from time to time thereafter from again designating, acquiring or accepting the same structure, improvement, item, facility, area or parcel of land and/or easement or right-of-way as a Neighborhood facility.

The Declarant hereby designates as "initial Neighborhood facilities" the structures, improvements, items, facilities, areas, parcels of land, easements and/or rights-of-way so identified and/or described in Exhibit "C" to this Declaration. Prior to December 31, 2017, the classification of and the maintenance, repair, reconstruction and/or improvement of the structures, improvements, items, facilities, areas, parcels of land, easements and/or rights-of-way so identified and described in said Exhibit "C" as initial Neighborhood facilities may not be terminated by the Board of Directors without the concurrent consent of the Declarant.

The maintenance, repair, reconstruction and/or improvement of a facility or amenity which is a part of an initial Neighborhood facility and/or which is duly required by a governing authority having jurisdiction to be maintained by the owners of Lots within the development may not be terminated by the Board of Directors without the consent of such governing authority.

The designation, acquisition or acceptance of any structure, improvement, item, facility, area or parcel of land as a Neighborhood facility shall not mean or imply that the public at large acquires any easement of use or right of enjoyment therein, unless such structure, improvement, item, facility or parcel of land is owned or otherwise also available to the public at the time of such designation, acquisition or acceptance.

Each and all Neighborhood facilities shall be treated and considered as part of the Property.

The Association may expend reasonable funds for the maintenance, repair, reconstruction and/or improvement of each and all Neighborhood facilities.

Section 4. Property Subject to This Declaration. The real property which is and shall be held, conveyed, hypothecated or encumbered, assigned, leased, rented, used, occupied, and improved subject to this Declaration is comprised of the 268.029 acres of land and real property comprised of the two parcels of land more particularly described in Exhibit "A" hereof, together with all other parcels of land from within the Annexable Lands which by annexation in accordance with the provisions of Section 5 of this Article are subjected to the covenants,

conditions, restrictions, requirements and other provisions of this Declaration. On the date of this Declaration, the Property which is subject to this Declaration is comprised only of the two parcels of land described in said Exhibit "A," one of which is the same parcel of land as that subdivided and platted as "Chestnut Hill Part 1A," according to the map or plat thereof filed for record in the office of the Chancery Clerk of Madison County, Mississippi, at Canton, Mississippi, in Plat Cabinet E in Slide 67B, and the other of which is the same parcel of land as that subdivided and platted as "Chestnut Hill Part 1B," according to the map or plat thereof filed for record in the office of the Chancery Clerk of Madison County, Mississippi, at Canton, Mississippi, in Plat Cabinet E in Slide 75A/B reference to each of which is hereby made for all purposes. From and after the date of any Supplementary Declaration annexing additional parcel(s) of land to the Property as provided in said Section 5 of this Article, the word Property shall include the parcels of land described in said Exhibit "A" together with all other parcels of land theretofore duly annexed to the Property and together with the parcel of land annexed by such Supplementary Declaration.

Section 5. Annexation of Additional Property. At any one or more times on or prior to December 31, 2017, and without the assent of either the Class A Members or the Class B Members, the Declarant, or any other person with the written assent of the Declarant, shall have the right, privilege, and option to annex to the Property which is subject to this Declaration any additional contiguous or non-contiguous real property situated within the area described as Annexable Lands. Any such annexation shall have the effect of making the annexed property part of the Property and of extending the scheme of the within covenants, conditions and restrictions to such annexed property. However, no such annexation shall occur until same has been accomplished in the manner herein prescribed.

Any annexation of all or any part of the lands subject to annexation shall be made by filing for record a Supplementary Declaration of Covenants, Conditions and Restrictions in the office of the Chancery Clerk, which Supplementary Declaration shall, by declaration therein, extend the scheme of the within covenants, conditions and restrictions to the annexed additional property therein described. The person who owns fee simple title to the additional property being annexed shall execute such Supplementary Declaration, and if such person is other than the Declarant, the Declarant shall execute such Supplementary Declaration also.

Such Supplementary Declaration may contain, with respect to the additional property annexed thereby, provisions respecting required yards or setbacks, total square footages, other requirements for dwellings, easements, the degree of care and determination of assessments for any care not rendered to all members or Lots within the Property, and may also contain whatever complementary and supplementary additions and modifications to the covenants, conditions and restrictions set forth in this Declaration as may be appropriate to reflect the different character or use, if any, of the annexed additional property.

Any parcel of land so annexed shall have had the street, drainage and utilities infrastructure thereof designed, constructed, and installed to provide lots for the construction, erection, and improvement of residential dwellings, however the size, type, architectural styles, landscaping and character of such lots and dwellings need not be the same as that of dwellings then existing with Chestnut Hill. The Declarant hereby advises all persons of its intent to develop within

Chestnut Hill lots for construction, erection, and improvement of residential dwellings having differing types, sizes, setbacks, architectural styles and character. However, the Declarant hereby declares that it will not annex, or assent to the annexation of, any additional parcel(s) of land for uses and purposes substantially incompatible with the residential character of Chestnut Hill and/or that it will not impose, or consent to the imposition of covenants, conditions and restrictions patently incongruous with the requirements for dwellings set forth herein.

Any parcel of land so annexed shall have had the street, drainage and utilities infrastructure thereof designed, constructed, and installed in substantial conformance with the a plan approved by either the Declarant, or in lieu thereof should the Declarant be unwilling or unable to act, the Board of Directors of the Association, and in substantial conformance with the a plan approved the governing authority having jurisdiction for regulating land use by zoning.

Each person who becomes an owner of a Lot comprising part of Chestnut Hill, by acquiring title to a Lot, by taking possession of a Lot, by accepting a deed or lease to a Lot, or by accepting a similar instrument of conveyance transferring to him the right to use or occupy a Lot, whether or not said instrument shall so state, shall be deemed to have acknowledged that any other prior representation or subsequent oral representation to the contrary by or on behalf of the Declarant pertaining to the development, improvement or use of any part of the Annexable Lands is so superseded.

Liens arising in connection with the Declarant's or Developer's ownership of and construction of infrastructure, improvements, common areas and Neighborhood facilities on or within lands subject to annexation shall not adversely affect the rights of the Association and existing Lot owners, or the priority of the first mortgages of record on Lots within the Property executed prior to such annexation.

Section 6. No Dedication to Public Use. No provision of this Declaration shall be interpreted or construed as a dedication to public use or as an acceptance for maintenance of any part of any common area or Neighborhood facility situated outside of a public street right-of-way by any public or municipal governing authority, agency or utility company. No provision of this Declaration shall be interpreted or construed as imposing upon any governing authority, public agency or utility company any responsibility or liability for the maintenance or operation of any common area or Neighborhood facility.

Section 7. Reservations By Declarant. The Declarant hereby expressly reserves the right to, and no provision of this Declaration or the Bylaws of the Association shall limit or interfere with (or be amended to limit or interfere with) the right of the Declarant

- (a) to complete the development and construction of Chestnut Hill;
- (b) to convey or transfer of any and all Lots by sale, lease or otherwise;
- (c) to subdivide or re-subdivide any portions of the Property;
- (d) to alter preliminary plats, master plans, concept plans, development plans, and construction plans, including designs reflected therein;

(e) to construct such additional improvements or add such future phases as Declarant deems advisable during development of the Neighborhood;

(f) to annex any part of the Annexable Lands to the Property;

(g) to add to, improve, alter or complete any common area, Neighborhood facility, or part of the Property owned or leased by Declarant;

(h) to convey any appropriate part of the Property to the Association as a common area, or as a Village Restricted common area, or to a separate lake owners association as provided herein; or,

(i) to convey any appropriate part of the Property to a separate association that the Declarant believes can and will better or more easily and equitably administer, manage, control, develop, maintain, improve, repair and/or reconstruct such part and the facilities thereon and allocate the costs thereof.

(j) to petition to rezone any of the Property or adjacent or nearby properties to accomplish the master plan of Declarant or Associate of Declarant.

The Declarant expressly reserves the right to locate, construct, install, improve, maintain, repair, reconstruct, replace and remove such facilities and conduct such activities as may be reasonably appropriate, necessary, required, convenient, incidental or advisable to the development, construction, completion, improvement, promotion and sale of Lots and dwellings, including, without limitation, using dwellings as model homes, using dwellings or common areas as offices for the promotion and sale of Lots and/or dwellings and/or for the development, construction, completion and improvement of Lots and/or dwellings, and installing sales and construction trailers for such purposes. Such rights shall include, but shall not be limited to, the right to install and maintain such structures, displays, signs, billboards, flags and sales offices as may be reasonably appropriate, necessary, required, convenient, incidental or advisable for each and all such purposes.

The Declarant expressly reserves the right to take or forebear such action(s) and/or conduct or stop any activity it deems necessary or advisable to preserve the health, safety, convenience, and welfare of the Owners of Lots and parcels within Chestnut Hill or otherwise achieve or promote any purpose of this Declaration or develop and improve all or any part of Chestnut Hill.

By accepting the deed to his Lot, each Owner thereby acknowledges that the activities of the Declarant, including activities which create smoke, noise, dust, and mud and/or which entail the use of public streets by construction vehicles and equipment, may temporarily or permanently constitute an inconvenience or nuisance to the Owner, and each Owner hereby consents to such inconvenience or nuisance. The Declarant need not seek or obtain approval from the Association or the Architectural Review Committee for any improvement constructed or placed by the Declarant, by a member or manager of the Declarant, by the principal officer of a corporate member of the Declarant, by a company owned or controlled by the Declarant, a member or manager of the Declarant, or the principal officer of a corporate or other entity

member of the Declarant, on any Lot which is owned by the Declarant, a member or manager of the Declarant or the principal officer of a corporate or other entity member of the Declarant.

The Declarant or any Associate of the Declarant need not seek or obtain approval from the Association in order to establish or grant on any Lot that is owned by the Declarant or Associate an easement, license, reservation or right-of-way to any person should such be reasonably appropriate, necessary, required, convenient, incidental or advisable to the development, construction, completion, improvement, promotion and sale of Lots and dwellings on such Lots.

The Declarant expressly reserves the right to join in the sale, lease, dedication, conveyance or grant by the Owner of any Lot or parcel or by the Board of Directors of any fee, leasehold, easement, license, right-of-way or other right to any utility company for any purpose in, through, over or across all or any part of a Lot or parcel comprising a part of the Property. This right may be assigned by the Declarant to any Associate of the Declarant at any time. Should the Declarant or his assignee be unable or unwilling to respond within thirty (30) days to a written request for joinder in such sale, lease, dedication, conveyance or grant, the Board, in lieu of the Declarant, shall have and may exercise the right hereby reserved. Should the Declarant decline to join in such sale, lease, dedication, conveyance or grant, the Declarant shall not be deemed to be unable or unwilling to act. The Declarant need not justify his declination. The Declarant may, but shall not be required to, notice such declination by executing an instrument stating its declination and by filing a Notice of Declination in the office of the Chancery Clerk indexed to such Lot or parcel or to all or any part of the Property. A Notice of Declination duly filed for record by the Declarant shall void any such sale, lease, dedication, conveyance or grant. A Notice of Declination duly filed for record by the Declarant shall not be deemed an alienation of title. The Declarant may require compensation and/or receive compensation for joinder. The Declarant shall be entitled to receive any and all compensation payable to the Owner of the Lot(s) or parcel(s) that is awarded by condemnation or is or paid under threat of condemnation. In lieu of and/or in addition to such compensation the Declarant may impose on the Grantee and/or beneficiary of such sale, lease, dedication, conveyance or grant those requirements, conditions and restrictions as the Declarant may deem appropriate.

This Section of this Article shall be in force and effect for so long as the Declarant or an Associate of the Declarant owns any Lot within Chestnut Hill or any part of the Annexable Lands. Notwithstanding any other provision of this Declaration to the contrary, the prior written approval of Declarant shall be required before any amendment to this Section of this Article shall be effective for so long as the Declarant or an Associate of the Declarant owns any Lot within Chestnut Hill or any part of the Annexable Lands.

Section 8. Lake Common Areas. If any are so designated, the Declarant hereby designates as "Lake Common Areas" or as "Village Restricted Lake Common Areas" the structures, improvements, items, facilities, areas, parcels of land, easements and/or rights-of-way so identified and/or described in Exhibit "C" to this Declaration. From time to time and in accordance with the manner prescribed in Section 5 of this Article, the Declarant may annex to the Property one or more parcels of land, all or part of each of which may be described and designated as a Lake Common Area or Village Restricted Lake Common Area in the Supplementary Declaration effecting such annexation or on the Plat incorporated by reference

into such Supplementary Declaration. A parcel of land so described and designated is hereinafter referred to as a "Lake Common Area." A parcel of land so described and designated shall also be a common area of the Association; however, a parcel of land described and designated as a "private lake" shall not be a common area of the Association and shall not be subject to the provisions hereof.

Unless clearly indicated otherwise, lake common areas shall consist of a lake, its dam and outlet works, and the adjoining lake shore owned by the Association. Should a lake at its normal-pool elevation extend across a Lot or Parcel boundary and inundate part of a Lot or Parcel, such part of the lake and such part of the Lot or Parcel shall not be a common area owned by the Association but shall be a Neighborhood Facility and subject to a Lake and Lake Shore Easement and any other provisions hereof respecting the use of lakes, lake common areas and areas within a Lake Shore.

Unless otherwise clearly indicated by the provisions of this Article or the provisions of the Supplementary Declaration annexing same, lake common areas shall in all respects be held and owned for the common use, benefit, and enjoyment of the Members of the Association as are other common areas and village restricted common areas within Chestnut Hill.

The Declarant may designate a lake, its dam and outlet works, or any part thereof, as a lake common area and restrict access to the lake to only the Owners of specific Lots and/or Parcels, which owners shall include, but need not be limited to, the Owners of all Lots and Parcels that abut the boundary of the lake common area being thereby restricted by designating same as a Village Restricted Lake Common Area and thereafter such lake shall be a "Restricted Lake" and the Lots to which such access is restricted shall be considered as a Village under the provisions of Section 9 of this Article. In such case, other than Members that are Members of the Village to which the Restricted Lake is appurtenant, Members may not access or use the Restricted Lake without the prior express written permission of one or more of the Members of such Village, and such access shall be subject to such times, durations, conditions and/or rules that the Members of the Village may from time to time recommend to the Board of Directors be adopted with respect to said Restricted Lake as provided in said Section 9.

Notwithstanding anything to the contrary in this Declaration, for lakes of twenty (20) acres or more in size on or partially on Chestnut Hill or any Annexable Lands, the Declarant may exclude the lake from being designated a Lake Common Area or Village Restricted Lake Common Area and may create a separate lake owners association for the purposes of managing, maintaining, improving or otherwise exercising the prerogatives and undertaking the duties and responsibilities inherent to such lake. The members of the separate lake owners association must include the owners of Lots and Parcels abutting the lake that are within Chestnut Hill and may include the owners of other properties abutting the lake that are not within Chestnut Hill and may also include other persons designated by Declarant or an Associate of Declarant as appropriate for inclusion in one or more classes of membership in such separate lake owners association regardless of whether or not such person owns a Lot within Chestnut Hill.

Unless a separate lake owners association is created for the lake, the Association shall be responsible for the maintenance of the dam, spillway and outlet works of a lake, for the maintenance of appropriate water quality in a lake, for the removal of excessive amounts of

vegetation, debris, and/or sediment from a lake, for the regulation of the use and activities of the water surface of a lake, and for the acquisition of all permits and approvals, including extensions, renewals, and additions, required by Section 51-3-1 through 51-3-55 of the Mississippi Code of 1972. The Association shall not be responsible for the propagation, control, and management of fish or wildlife of any kind which habitat in or around lakes; however, the Board of Directors shall have the right but not a duty to undertake activities intend to effect the control and management of such fish or wildlife but in so doing the Association shall not responsible for the failure of such activities to achieve their objectives. Snakes, beavers, Canada geese and like creatures and the danger, destruction and nuisance they are believed to present, inflict and pose are to be expected in and around lakes even with the implementation of activities intended to control and manage same.

Neither the Declarant nor the Association nor any other person shall be obligated by the designation of a lake common area to create, form or construct a lake therein or thereon. Neither the Declarant nor the Association shall be required to maintain the water level of any lake otherwise created, formed or constructed at any certain elevation or between any certain maximum and minimum elevations. The Board of Directors may lower the water level or drain the lake if such is prudent or necessary for the discharge of its responsibilities hereunder, for the installation, maintenance and repair of any street, dock, pier, shoreline improvement, sewer, drain, pipe, wire or cable, or any related appurtenance, or for any other purpose.

Neither the Declarant nor the Association nor any separate lake owners association shall be responsible for the safety of any person using a lake, lake shore, dam or lake outlet works for any purpose with or without proper authorization or permission. Each person who becomes an owner of a Lot comprising part of Chestnut Hill, by acquiring title to a Lot, by taking possession of a Lot, by accepting a deed or lease to a Lot, or by accepting a similar instrument of conveyance transferring to him the right to use or occupy a Lot, whether or not said instrument shall so state, shall be deemed to have fully accepted responsibility for the activities and safety of the members of his family and his invited guests using the lake or lake shore and shall further be deemed to have waived the right to, and to have agreed not to, assert any claim against the Declarant or any of its associates, employees or agents or against the Association or any of its directors, officers or committee members, individually or collectively, for any loss or damage to personal or real property, personal injury, or death arising from any authorized or unauthorized use of a lake or lake shore.

Any lake, lake common area and area within a lake shore is hereby declared to be subject to the restrictions, limitations, conditions, duties, prerogatives and rights a "Lake and Lake Shore Easement" as same are set out in Section 8 of Article IX of this Declaration.

Unless a private lake within Chestnut Hill is under the jurisdiction of an association comprised of the owners of properties abutting the private lake, the provisions of this Section that are appropriate for application to private lakes owned by two (2) or more Lot or Parcel Owners shall be applicable to such private lakes unless and until the owner or owners of more than two-thirds of the area inundated by such private lake's water surface at normal pool determine otherwise and so advise the Association of such determination.

With the consent of the Declarant, or in lieu thereof should the Declarant be unwilling or unable to act, the consent of the Board of Directors of the Association, which consent shall be indicated in such instrument, the Owners of all Lots and Parcels abutting and under a private lake, by executing a Supplementary Declaration to this Declaration, may likewise designate and declare a private lake as a Village Restricted Lake Common Area.

Section 9. Designation of Part(s) of Chestnut Hill As A Village. At any one or more times on or prior to December 31, 2017, and without the assent of either the Class A Members or the Class B Members, the Declarant shall have the right to designate any distinct part of Chestnut Hill as a Village. After having designated any particular part of Chestnut Hill as a Village, the Declarant shall have the further right, at any one or more times prior to December 31, 2017, and without the assent of the Class A Members or the Class B Members, to add an additional part or parts to a particular Village and thereby constitute and designate the initial and added areas to be and constitute one and the same Village; provided that the Declarant shall not have the right to add to any particular Village any additional area unless the character of the additional area, once it shall have been fully developed, will be substantially the same as the character of the particular Village to which it is being added. The Owners of the Lots and parcels within any distinct part of Chestnut Hill, by Supplementary Declaration hereto, shall have the right to designate such distinct part as a Village. After any distinct part of Chestnut Hill having been designated as a Village, the Owners of Lots and parcels within such Village and the Owners of Lots and parcels within a part of Chestnut Hill adjacent thereto shall have the right, and without the assent of any other Class A Members or the Class B Members, to add an additional part or parts to a particular Village and thereby constitute and designate the initial and added areas to be and constitute one and the same Village.

The area(s) identified and/or described in Exhibit "C" to this Declaration to be so, if any, is (are) hereby declared to be Village Restricted Common Area(s) for the common use, enjoyment and benefit of only the Declarant, the Association and the Owners of the Lots in a Village. In all other respects, said area(s) so designated shall be treated and considered as any other common area held and maintained by the Association.

The conveyance and/or designation of any area as a Village Restricted Common Area shall not mean or imply that the public at large or other Members of the Association, except those Members owning Lots within the Village or acting for and on behalf of the Declarant or Association, acquires any easement of use or right of enjoyment therein.

The designation of any area as a Village Restricted Neighborhood Facility shall not mean or imply that the public at large or other Members of the Association, except those Members owning Lots within the Village or acting for and on behalf of the Declarant or Association, acquires any easement of use or right of enjoyment thereon.

With the consent of the owner(s) of any such area, the Declarant may designate a particular area as a Village, as an addition to a Village, as a Village Restricted Common Area or as a Village Restricted Neighborhood Facility by declaring such designation in the Supplementary Declaration annexing the real property on which the Village, Common Area or Neighborhood Facility is situated to the Property or by executing a written instrument setting forth such designation and filing the written instrument for record in the office of the Chancery Clerk.

The following provisions shall be construed and interpreted as though they applied separately to a particular Village.

(a) The Owners of Lots within a Village, as a group, shall have the right and authority to make from time to time recommendations to the Board of Directors of the Association concerning any item or matter respecting or affecting

(i) the nature, level and/or extent of services being furnished or to be furnished by the Association with respect to all or part of the Village and/or the Members residing therein;

(ii) the maintenance, repair and/or reconstruction of the pavements, curbs, gutters, inlets and/or culverts comprising a Neighborhood Street or Service Driveway within, on or across any designated Parcel and/or within, along and across any part of a Lot or Parcel encumbered with a Neighborhood Street or Service Driveway Easement shown on the Plat or described in a Supplementary Declaration, together with street or service driveway signs, pavement markings, street lights and/or sidewalks, if any;

(iii) maintenance, repair and replacement of trees, shrubs, landscaped beds, lawns and irrigation system facilities within the Village; and/or

(iv) such other matters consistent with the purposes of this Declaration.

The procedure for making any recommendation permitted hereby shall be to adopt same at a Village Meeting convened and held for the purpose of considering the recommendation. At any such Village Meeting, the favorable vote of at least two-thirds (2/3) of the Owners of Lots in the Village shall be required to adopt and make such a recommendation.

(b) Any recommendation made pursuant to this Section shall promptly be adopted and implemented by the Board of Directors unless the Board of Directors formally shall determine, by order entered on its minutes, that there exists a good reason why the recommendation should not be adopted and implemented. If the Board of Directors declines to adopt and implement any recommendation made pursuant hereto, the Board of Directors shall set forth in its minutes such reason. A Village Initiated Recommendation shall not be adopted or implemented by the Board of Directors if, in the sole determination of the Board of Directors, it shall be 1) inconsistent with the purposes of this Declaration or in violation of the Charter of Incorporation or By-Laws of the Association, 2) would result in an unattractive or unkempt appearance for any portion of Chestnut Hill, 3) would result in a nuisance, 4) would result in any type of unsafe or hazardous condition or 5) be arbitrarily and capriciously objectionable to or adversely affect the Owner of any Lot or parcel or Declarant's planned development.

(c) If the Owners of Lots in a Village wish to convene a Village Meeting for the purpose of considering one or more recommendations pursuant to this Section of this Article, at least one-third (1/3) of said Owners shall sign a written petition to the Board of Directors, and thereby shall request the Board of Directors to convene a Village Meeting. The written petition shall set forth the recommendation or recommendations to be considered at the Village Meeting. Upon receipt of such a written petition, the Board of Directors, by order entered upon its minutes, shall fix the time and place for the Village Meeting. The time fixed for the Village Meeting shall be

not more than sixty (60) days following delivery of the written petition to the Board of Directors. Each Village Meeting shall be held at some convenient place and shall be held at a time and on a date which the Board of Directors determines will be of greatest convenience to the majority of the Owners of Lots in the Village.

(d) When the Board of Directors has fixed the time and place for a Village Meeting, it shall be the duty of the Secretary of the Association to mail, deliver or transmit notice of the Village Meeting to each Owner of record, other than the Association, of a Lot or parcel in the Village. The notice shall state the time and place of the meeting, and shall set forth in full the recommendation or recommendations to be considered at the meeting. The notice shall be mailed, delivered or transmitted to each Owner at least ten (10) days but not more than forty-five (45) days prior to the date of the meeting. Any action taken at any Village Meeting with respect to any recommendation shall be invalid unless notice of the meeting shall have been given in accordance herewith.

(e) At any Village Meeting, each Owner of a Lot in the Village shall be entitled to one vote for each Lot owned by him in the Village insofar as concerns any matter as to which the Owners of Lots in the Village are entitled to vote. If the fee title to a particular Lot is owned of record by more than one person, the vote appurtenant to such Lot may be exercised by any one of the fee owners thereof, unless a person that is also an owner of such fee title shall object prior to the completion of voting upon the particular matter under consideration. In case of any such objection, the vote appurtenant to said Lot shall not be counted. All provisions of the By-Laws of the Association relating to Members voting by proxy and to inspectors of election shall be applicable at any Village Meeting. The Secretary of the Association, or some responsible person designated by the Secretary, shall act as recording secretary at each Village Meeting, and shall take down and prepare minutes of each such meeting, which minutes shall be preserved as part of the permanent records of the Association.

(f) If any written petition submitted to the Board of Directors pursuant to this Section shall have been executed by the Owners of all of the Lots and parcels in a Village, no Village Meeting shall be necessary to approve and make the recommendations set forth in the written petition, but instead the written petition itself shall constitute the approval and making of the recommendations therein set forth.

(g) Any recommendation properly made pursuant to this Section and properly adopted for implementation by the Board of Directors shall take precedence over any prior inconsistent recommendation or recommendations relating to the same subject matter.

(h) If any recommendation properly made pursuant to this Section, and properly adopted and implemented by the Board of Directors, shall call for a greater or lesser level of maintenance and/or services for a Village, including but not limited to the maintenance, repair, improvement and/or reconstruction of the components of a Village Restricted Common Area or Village Restricted Neighborhood Facility, then the Board of Directors shall increase or decrease (as may be the case) the amount of the Village Maintenance and Service Assessment in such manner and to such extent that the amounts of such assessment shall be commensurate with the greater or lesser level of maintenance and services. The provisions of this Declaration to the contrary notwithstanding, the Board of Directors of the Association may determine, levy, enforce

and collect Village Maintenance and Service Assessments to properly reflect the rendition of a greater or lesser level of services within a Village.

(i) The out-of-pocket costs of the Association, which may include a reserve for replacements, in the discharge of its responsibilities pertaining to Village Restricted Common Areas and Village Restricted Neighborhood Facilities shall be borne by the Owners of the Lots in a Village by the determination, levy, collection and enforcement of Village Maintenance and Service Assessments.

Section 10. Private Neighborhood Streets. A Neighborhood Street that is not a public street duly accepted for maintenance by the governing authority having jurisdiction may be accepted by the Association as a Private Neighborhood Street. The Association, acting by and through its Board of Directors, must expressly accept a Private Neighborhood Street if requested by Declarant, and such acceptance may not be unreasonably delayed or denied. After acceptance of a fully completed Private Neighborhood Street, and/or after acceptance of funds sufficiently in excess of the costs reasonably estimated for full completion of the street's construction to assure completion of the street's construction without out-of-pocket cost to the Association, the Association shall thereafter be responsible for the construction, completion, maintenance, reconstruction, repair, replacement and improvement of the street as a Private Neighborhood Street. The conveyance of title to or a legally sufficient interest in, a description or plat indicating the location of the right-of-way of, and any appurtenances, standards, conditions, and terms relating to the Private Neighborhood Street so conveyed shall be fully set forth in the instrument indicating acceptance of the Private Neighborhood Street by the Association. Such acceptance shall be recorded in the land records of the office of the Chancery Clerk; and unless a later date shall be specified, such acceptance shall be effective on the date of its recording.

A Private Neighborhood Street shall be a common area of the Association subject to the provisions hereof respecting common areas. If reasonable and appropriate and duly designated as such, a Private Neighborhood Street may be a Village Restricted Common Area. The provisions hereof notwithstanding, the Association, acting by and through its Board of Directors, shall have the right to convey all or any part of any Private Neighborhood Street situated outside the entrance gate of Chestnut Hill to the governing authority having jurisdiction for maintenance of same as a public street.

The costs incurred by the Association for routine maintenance and repair of Private Neighborhood Streets other than such streets that are within a Village Restricted Common Area shall be a common expense of the Association. The cost of extraordinary maintenance, inordinate repair, or replacement, improvement or reconstruction of Private Neighborhood Streets other than such streets that are within a Village Restricted Common Area may be uniformly assessed against the Owners of all Lots within Chestnut Hill as provided in Section 3 of Article VII of this Declaration. If any such street is or is within a Village Restricted Common Area, such costs shall be assessed against the Owners of all of the Lots within the Village to which the street is appurtenant.

Subject to duly adopted and promulgated Neighborhood Rules of the Association respecting the use of Private Neighborhood Streets, and subject to the rights of the Association

in Subsection (f) of Section 2 of Article V of this Declaration, Private Neighborhood Streets within Chestnut Hill may be used by:

(a) any Member of the Association, members of his family residing permanently with him, and any bona fide tenant, guest, agent, employee, repairman, deliveryman, contractor, subcontractor or supplier of such Member having the consent of or invitation from such Member;

(b) officers, agents and employees of any governing authority having jurisdiction and/or of any company under contract or license with any such authority, including without limitation policemen and other law enforcement officers, firemen, emergency response technicians, persons engaged in the maintenance of public facilities, health and safety and persons providing solid waste and refuse collection and disposal, during the performance of their duties;

(c) officers, employees, agents, contractors and subcontractors of any utility company having facilities within and/or serving Chestnut Hill during the performance of a duty related to such service;

(d) deliverymen while performing activities in the course of their legitimate service, including postal, express delivery service, and newspaper deliverymen;

(e) principals, employees and agents of licensed business and service enterprises engaged in the design, construction, improvement, repair, maintenance, reconstruction, replacement or marketing of any Lot, or dwelling or personal property thereon or therein, or any facility, fixture or appliance related thereto, during normal business hours or during bona fide emergencies;

(f) the owner, mortgagee or contract-purchaser of any Lot within the Property;

(g) the Declarant, any Associate of the Declarant, or any officer, employee, agent, guest, contractor or subcontractor of the Declarant or Associate;

(h) a Developer, or any officer, employee, agent, guest, contractor or subcontractor of a Developer while engaged in activities related to the development and sale of properties owned by such Developer which are situated within Chestnut Hill;

(i) directors, officers, employees, agents, contractors and subcontractors of the Association;

(j) any such other person authorized by the Board of Directors which may from time to time authorize persons by name, classification or other description under such terms and conditions as the Board may determine appropriate; and,

(k) any person granted an easement by Declarant owning adjacent property to the Property or Annexable Lands.

Use of any Private Neighborhood Street by any of the persons within categories listed in this Section of this Article shall constitute acceptance of the responsibility and liability for the repair

of any damage to the subgrade or pavement or any other component of a Private Neighborhood Street when such damage is caused by or occurs during use which was in violation of or is contrary to the letter, spirit or intent of any of the standards, conditions, rules and regulations respecting the use of Neighborhood Streets duly adopted and promulgated by the Association; was unreasonable or inappropriate as same may be determined by the Board of Directors or by any court having lawful jurisdiction; or was in excess of the dimensional or structural capacity of the street as such manifested itself by the clearly apparent deterioration or failure of subgrade or pavement. The Association, acting by and through its Board of Directors, may require deposits, bonds or other sufficient sureties in an amount to cover the prospective costs of repair or reconstruction of Private Neighborhood Streets following anticipated inordinate or potentially improper use. The Association, acting by and through its Board of Directors, may set limits and restrictions of any nature on vehicles and equipment using Private Neighborhood Streets.

The failure of any person who improperly used a Private Neighborhood Street or his employer to promptly repair or restore damaged subgrade, pavements and/or components to substantially the same or better condition which existed prior to such damage shall be considered a violation of these covenants, conditions and restrictions, and, upon written notice from the Board of Directors, such violation shall be promptly corrected by repairing said damage. In the event the damage is not repaired, within fifteen (15) days (or within such shorter period as may be reasonably required in such notice) after notice of the violation is mailed, delivered or transmitted to the Member who was responsible for the activity during which said Private Neighborhood Street was improperly used and thereby damaged, then the Association shall have the right, through its agents and employees (but only after the Board of Directors by resolution has so directed) to take such action as may be necessary to repair said damage, and the cost thereof may be assessed as a Damage Assessment against any Lot which is owned by the Member who was responsible for the activity during which said street was improperly used and thereby damaged, and, when so assessed, a statement for the amount thereof shall be rendered to such Member as the Owner of such Lot, at which time the assessment shall become due and payable and shall be secured by a continuing lien upon such Lot, and shall be a binding personal obligation of the Owner of such Lot, in the same manner and subject to the same limitations as are provided in Section 4 of Article VII and in Article VIII of this Declaration.

To promote and secure the safety and well-being of persons or property on or near a Private Neighborhood Street, the Board of Directors of the Association may from time to time adopt, promulgate and enforce reasonable standards, conditions, rules or regulations respecting the construction and use of Private Neighborhood Streets and for the protection of lives and property within the Neighborhood. Each person who becomes an Owner of a Lot, by taking possession of or by accepting a deed or similar instrument transferring to him a Lot, whether or not said instrument shall so state, shall be deemed to covenant and agree to adhere to such standards and conditions and abide by such rules and regulations and to ensure that his family members, employees, agents, tenants, guests, repairmen, deliverymen, contractors, subcontractors and suppliers adhere to such standards and conditions and abide by such rules and regulations. The Association, Declarant, or any Member may enforce said standards, conditions, rules or regulations respecting the construction and use of Private Neighborhood Streets by any proceeding at law or in equity against any person violating or attempting to violate any such standard, condition, rule or regulation, either to restrain or enjoin violation or to

recover damages, or both. The failure or forbearance by the Association, Declarant, or Member to enforce any standard, condition, rule or regulation shall in no event be deemed a waiver of the right to do so thereafter.

As of the date of this Declaration, except those specifically designated as Service Driveways, all streets constructed or proposed for construction within or appurtenant to Chestnut Hill are Private Neighborhood Streets. Except as otherwise provided for herein, the Association may not levy any fee or charge for simply the ordinary use of a Private Neighborhood Street for ingress and egress. Subject to the provisions of an Order in the September 4, 2007, minutes of the Board of Supervisors of the County, no provision of this Declaration shall preclude the Owners of Lots and parcels abutting any private street(s) within Chestnut Hill connecting to a public street from duly petitioning the governing authority to accept a Private Neighborhood Street as a public street, provided that if such were to occur prior to December 31, 2017, if the Declarant or an Associate of the Declarant is the owner of any Lot or parcel within Chestnut Hill, the Declarant or Associate must be among the petitioners. Should there ever be any public streets within Chestnut Hill, no provision of this Declaration shall preclude the Owners of Lots and parcels abutting any public street(s) from petitioning the governing authority to close, vacate or abandon same. Should a public street be duly closed, vacated or abandoned, effective upon later of (i) the date such is duly ordained by the governing authority, or (ii) the date any and all appeals of such action are exhausted and such action is affirmed, each Owner of a Lot or parcel abutting the street so closed, vacated or abandoned shall be deemed to have conveyed or assigned to the Association any and all interest such Owner thereby acquired in the right-of-way of the street so closed, vacated or abandoned and shall be deemed further to have conveyed to the Association an assignable, permanent public and private utility easement in, upon, over and across the right-of-way of the street so closed, vacated or abandoned. Thereafter such street shall be a Private Neighborhood Street.

The designation of any street as a Private Neighborhood Street shall not mean or imply that the public at large acquires any easement of use or right of use therein, unless or until such street becomes a public street.

Section 11. Service Driveways. Service Driveways, if constructed, may be constructed by the Declarant, a Developer and/or the Owners of any two or more Lots for the purposes of providing "rear-dwelling" pedestrian and vehicular access to, of providing if necessary legal ingress and egress from Neighborhood Streets to, and/or otherwise benefiting or serving specific Lots if approved in writing in advance by the Architectural Review Committee. The Association, acting by and through its Board of Directors, must expressly accept Service Driveways proposed or approved by Declarant. Each such Lot so benefited and served by a Service Driveway shall be expressly identified and designated in the acceptance of the Service Driveway by the Association. After acceptance of a fully completed Service Driveway by the Association, and/or after acceptance of funds sufficiently in excess of the costs reasonably estimated for full completion of the driveway's construction to assure completion of the driveway's construction without out-of-pocket cost to the Association, the Association shall thereafter be responsible for the construction, completion, maintenance, reconstruction, repair, replacement and improvement of such Service Driveway at the cost of the Owners of the Lots benefited and served by such Service Driveway.

In general, Service Driveways shall be constructed and maintained across and within Village Restricted Common Areas and/or across and within the specific Lots benefited or served by the Service Driveway. The Association, acting by and through the Board of Directors, shall have the right to subject a reasonable part of any common area to a Service Driveway easement. Service Driveways shall be considered as Village Restricted Neighborhood facilities that only certain persons are entitled to use. The out-of-pocket costs of the Association in the discharge of its responsibilities pertaining to any Service Driveway shall be borne by the Owners of the Lots benefited or served by the Service Driveway by the determination, levy, collection and enforcement of Village Maintenance and Service Assessments in accordance with the provisions of Section 5 of Article VII of this Declaration, or in accordance with the provisions of the acceptance relating to such Service Driveway, or in accordance with other provisions of this Declaration or any Supplement hereto applicable to Service Driveways or applicable to the determination, levy, collection and enforcement of such assessments.

The Owner of each benefited or served Lot shall retain fee or leasehold title to land within his Lot subject to an easement granted the Association for the Service Driveway. The conveyance of easement rights for the Service Driveway, a description or plat indicating the location of the boundaries of any such easement rights, and any appurtenances, standards, conditions, and terms relating to the Service Driveway, shall be fully set forth in the instrument indicating acceptance of the Service Driveway by the Association. Such acceptance shall be recorded in the land records of the office of the Chancery Clerk; and unless a later date shall be specified, such acceptance shall be effective on the date of its recording.

Subject to duly adopted and promulgated Neighborhood Rules of the Association respecting the use of Service Driveways, and subject to the rights of the Association in Subsection (f) of Section 2 of Article V of this Declaration, Service Driveways within Chestnut Hill may be used by:

(a) any Member of the Association whose membership is appurtenant to a Lot benefited or served by the Service Driveway, members of his family residing permanently with him, and any bona fide tenant, guest, agent, employee, repairman, deliveryman, contractor, subcontractor or supplier of such Member having the consent of or invitation from such Member.

(b) officers, agents and employees of any governing authority having jurisdiction and/or of any company under contract or license with any such authority, including without limitation policemen and other law enforcement officers, firemen, emergency response technicians, persons engaged in the maintenance of public facilities, health and safety and persons providing solid waste and refuse collection and disposal, during the performance of their duties;

(c) officers, employees, agents, contractors and subcontractors of any utility company having facilities within and/or serving Chestnut Hill during the performance of a duty related to such service;

(d) deliverymen while performing activities in the course of their legitimate service related to any Lot or dwelling thereon benefited and served by the Service Driveway or to the Owner or an occupant of any such Lot or dwelling, including postal, express delivery service, and newspaper deliverymen;

(e) principals, employees and agents of licensed business and service enterprises engaged in the design, construction, improvement, repair, maintenance, reconstruction, replacement or marketing of any Lot which is benefited and served by the Service Driveway, or dwelling or personal property thereon or therein, or any facility, fixture or appliance related thereto, during normal business hours or during bona fide emergencies;

(f) the owner, mortgagee or contract-purchaser of a Lot benefited or served by the Service Driveway;

(g) the Declarant, any Associate of the Declarant, or any officer, employee, agent, guest, contractor or subcontractor of the Declarant or Associate;

(h) a Developer who owns a Lot benefited or served by the Service Driveway, or any officer, employee, agent, guest, contractor or subcontractor of such Developer while engaged in activities related to the development and sale of Lots benefited or served by the Service Driveway;

(i) directors, officers, employees, agents, contractors and subcontractors of the Association; and

(j) any such other person authorized by the Board of Directors which may from time to time authorize persons by name, classification or other description under such terms and conditions as the Board may determine appropriate, however, the Association may not authorize the use of a Service Driveway by any person, other than a person in one of the categories listed in this Section of this Article except for exceptional cause and then only on a temporary basis.

Use of any Service Driveway by any of the persons within categories listed in this Section of this Article shall constitute acceptance of the responsibility and liability for the repair of any damage to the subgrade or pavement or any other component of a Service Driveway when such damage is caused by or occurs during use which was in violation of or is contrary to the letter, spirit or intent of any of the standards, conditions, rules and regulations respecting the use of Service Driveways duly adopted and promulgated by the Association; was unreasonable or inappropriate as same may be determined by the Board of Directors or by any court having lawful jurisdiction; or was in excess of the dimensional or structural capacity of the driveway as such manifested itself by the clearly apparent deterioration or failure of subgrade or pavement. The Association, acting by and through its Board of Directors, may require deposits, bonds or other sufficient sureties in an amount to cover the prospective costs of repair or reconstruction of Service Driveways following anticipated inordinate or potentially improper use. The Association, acting by and through its Board of Directors, may set limits and restrictions of any nature on vehicles and equipment using Service Driveways.

The failure of any person who improperly used a Service Driveway or his employer to promptly repair or restore damaged subgrade, pavements and/or components to substantially the same or better condition which existed prior to such damage shall be considered a violation of these covenants, conditions and restrictions, and, upon written notice from the Board of Directors, such violation shall be promptly corrected by repairing said damage. In the event the damage is not repaired, within fifteen (15) days (or within such shorter period as may be

reasonably required in such notice) after notice of the violation is mailed, delivered or transmitted to the Member who was responsible for the activity during which said Service Driveway was improperly used and thereby damaged, then the Association shall have the right, through its agents and employees (but only after the Board of Directors by resolution has so directed) to take such action as may be necessary to repair said damage, and the cost thereof may be assessed as a Damage Assessment against any Lot which is owned by the Member who was responsible for the activity during which said driveway was improperly used and thereby damaged, and, when so assessed, a statement for the amount thereof shall be rendered to such Member as the Owner of such Lot, at which time the assessment shall become due and payable and shall be secured by a continuing lien upon such Lot, and shall be a binding personal obligation of the Owner of such Lot, in the same manner and subject to the same limitations as are provided in Section 4 of Article VII and in Article VIII of this Declaration.

To promote and secure the safety and well being of persons or property on or near a Service Driveway, the Board of Directors of the Association may from time to time adopt, promulgate and enforce reasonable standards, conditions, rules or regulations respecting the construction and use of Service Driveways and for the protection of lives and property within the Neighborhood. Each person who becomes an Owner of a Lot, by taking possession of or by accepting a deed or similar instrument transferring to him a Lot, whether or not said instrument shall so state, shall be deemed to covenant and agree to adhere to such standards and conditions and abide by such rules and regulations and to ensure that his family members, employees, agents, tenants, guests, repairmen, deliverymen, contractors, subcontractors and suppliers adhere to such standards and conditions and abide by such rules and regulations. The Association, Declarant, or any Member may enforce said standards, conditions, rules or regulations respecting the construction and use of Service Driveways by any proceeding at law or in equity against any person violating or attempting to violate any such standard, condition, rule or regulation, either to restrain or enjoin violation or to recover damages, or both. The failure or forbearance by the Association, Declarant, or Member to enforce any standard, condition, rule or regulation shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE II

ACTIONS, ACTIVITIES AND USES

Section 1. Prohibited Actions, Activities and Uses. Except for the activities of the Declarant, a Developer or other bona fide builder occurring during the construction and development of Chestnut Hill or the construction or improvement of a dwelling on a Lot, except for activities and uses expressly permitted and not inconsistent with the provisions of this Declaration, except for things done pursuant to the prior written approval of the Board of Directors or the Architectural Review Committee, except as may be directed by lawful order, ordinance or regulation of any Governing authority having jurisdiction or court having lawful jurisdiction, and except as may be necessary in connection with reasonable and necessary maintenance, repair or reconstruction of any dwelling or common area or Neighborhood facility or component thereof:

(a) No noxious or offensive trade or activity shall be carried on upon any Lot or other part of the Property or within any dwelling or structure within the Property. No noxious or offensive

odors shall be allowed to arise from any Lot or other part of the Property or from within any dwelling or structure within the Property. No nuisance shall be instigated, carried on or permitted within Chestnut Hill. No activity, use, conduct, trade or practice which is or which may become an unreasonable annoyance or nuisance to Chestnut Hill or to another Member shall be started or permitted to remain or continue within the Property. No activity or practice which intentionally interferes with or intercepts wireless or wired communications systems and/or networks on another Member's Lot or within his dwelling shall be started or permitted to remain or continue within the Property. No activity, use, conduct, trade or practice which unreasonably interferes with the peaceful use and possession of another Member's Lot and dwelling thereon shall be started or permitted to remain or continue within the Property.

(b) No speaker, horn, whistle, siren, bell or other sound device, except warning and security devices kept in good working order, shall be located, installed or maintained upon the exterior of any dwelling or upon the exterior of any other structure or improvement.

(c) The maintenance, keeping, boarding, harboring or raising of animals, livestock, wildlife or poultry of any kind, regardless of number, shall be and is hereby prohibited on any Lot or within any dwelling, except that this shall not prohibit the keeping of a reasonable number of domestic pets such as dogs, cats, tropical fish, caged birds and other exotic pets and small creatures lawfully and commercially sold in local retail pet stores; provided such pets are not kept, bred or maintained for commercial purposes, and provided further, that they are not a nuisance or source of unreasonable annoyance to Chestnut Hill or to another Member. The Board of Directors shall have the authority, after a hearing, to determine whether a particular pet is a nuisance or a source of unreasonable annoyance to other Members, and such determination by the Board shall be conclusive. Pets shall be attended at all times and shall be registered, licensed and inoculated as may from time to time be required by law or regulation. Pets shall not be permitted within or upon any common area, Neighborhood facilities or Neighborhood street or sidewalk unless accompanied by person over the age of eight (8) years and unless the pets are carried, caged or leashed. The Board of Directors shall have the right to adopt such additional rules and regulations regarding pets, including more restrictive "leash" regulations, as the Board may from time to time consider necessary or appropriate. The Board of Directors shall have the right, but not the obligation, to prohibit or bar certain breeds of animals from any Lot or other part of Chestnut Hill or from within any dwelling or structure within Chestnut Hill.

(d) No burning of any trash and no accumulation or storage of litter, lumber, scrap metals, refuse, bulk materials, waste, new or used building materials, or trash of any other kind shall be permitted on any Lot or other part of Chestnut Hill. Firewood shall be kept neatly stacked only within a Lot on which the dwelling is occupied and only out of public view. A Lot or dwelling or other improvement on a Lot shall not be used as a storage area or facility for or by any contractor, builder or developer (other than the Declarant) unless same is expressly permitted by the Architectural Review Committee and subject to any such requirements, conditions and restrictions as the Committee may impose.

(e) Except for those of a visitor, short term guest or temporary employee, no automobile shall be parked or permitted to remain parked on a Neighborhood street more than twenty-four (24) hours except during bona fide emergencies. No inoperative motor vehicle, wrecked or

junked vehicle, commercial vehicle, large trailer, truck larger than 3/4 tons, house trailer, mobile home, bus, camper, motor home, or machinery or equipment of any kind or character (except such equipment and machinery as may be reasonable, customary and usual in connection with the use and maintenance of any dwelling and except such equipment and machinery as the Association may require in connection with the maintenance and operation of any common area and/or Neighborhood facility) shall be kept upon or within a Lot or other part of Chestnut Hill unless such is completely enclosed in a garage or kept in an area specifically designated therefor. No all-terrain vehicle, motorcycle or boat shall be kept on or within a Lot or other part of Chestnut Hill except fenced within the rear of the Lot behind a dwelling screened from public view. Except during bona fide emergencies, the repair or extraordinary maintenance of automobiles or other vehicles shall not be carried out within public view. The Architectural Review Committee may from time to time on a case-by-case basis permit deviations from the strict enforcement of this prohibition to accommodate the reasonable requirements of a Member. All vehicles shall be currently licensed and maintained in operating condition, so as not to cause or create hazards or nuisances by excessive noise levels, exhaust emissions, or appearance.

(f) No refuse, trash and/or garbage containers shall be placed or permitted to remain in public view or the view of a Member from his dwelling or yard except on days of trash collection. No incinerator shall be kept or maintained upon any Lot in Chestnut Hill. Garbage, trash, and other refuse shall be placed in covered containers. Containers or other equipment used for the storage or disposal of garbage, trash, rubbish or other refuse shall be kept in clean, sanitary condition.

(g) No garbage, trash, construction debris or refuse, landscaping debris or refuse, other solid materials or potentially harmful or toxic solvents, paints, fertilizers, insecticides, herbicides, chemicals or substances shall be thrown or otherwise placed into a lake or placed, stored or permitted to remain where such may be washed or blown into a lake during inclement weather.

(h) No Member shall sell, lease, dedicate, convey or permit an easement, license, right-of-way or right to any Utility Company for any purpose in, through, over or across all or any part of a Lot which he owns (unless such was sold, leased, dedicated, conveyed or permitted by the Declarant or its predecessors in title) without joinder therein by the Declarant or his assignee.

(i) Except with the written approval of the Association, acting by and through its Board of Directors, which approval should be so indicated within the written instrument effecting the transfer or conveyance, no Lot shall be divided or subdivided, no portion of any Lot (other than the entire Lot) shall be transferred or conveyed for any purpose, and no easement or right-of-way, which would permit access to the Lot or any other part of the Property other than through an approved entrance or which would alter for a long time the appearance or character of the Lot or Chestnut Hill, shall be transferred or conveyed for any purpose to any public or private utility company, public body, or person. Notwithstanding the foregoing, this subparagraph shall not be interpreted or construed to prohibit the change or realignment of the boundary between adjacent Lots, or the change or realignment of the boundary between a Lot and a common area (provided such does not materially decrease the size and accessibility of the common area), or the re-subdivision or combination of two or more Lots into fewer Lot(s), or the conveyance to a

public or private utility company of an easement or right-of-way for underground sewers, pipes, wires, cables or conduits which are to be installed and operated for the benefit of Chestnut Hill or a Member. The prohibitions of this subparagraph shall not apply to any Lot owned by the Declarant at the time of such transfer or conveyance or to any such transfer or conveyance to the Declarant, to a governing authority having jurisdiction, or to the Association.

(j) No water pipe, sewer pipe, gas pipe, drainage pipe, telephone cable, electric wire, television cable, or similar line or facility shall be installed or maintained on any Lot or parcel above the surface of the ground unless such pipe, wire, conduit or appurtenance exists above ground within an area depicted on a Plat as a utility or utility and drainage easement prior to the date the Plat is filed for record.

(k) No Lot shall be used for the purpose of boring, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth fill material. The prohibitions of this subparagraph shall not prohibit the removal of expansive soil materials during the construction, repair or maintenance of a dwelling or appurtenance thereto.

(l) No sound hardwood tree in excess of six (6) inches in diameter measured four (4) feet above the ground shall be removed from any Lot or other part of Chestnut Hill without the approval of the Architectural Review Committee or Board of Directors, and as a condition of such approval, the Committee or Board may require the planting of a reasonable number of trees of sizes and species available for purchase at local nurseries and garden centers.

(m) No structure or facility of a temporary character including but not limited to a camper, travel trailer, trailer, tent, storage building, shack, barn, outdoor clothes line or dryer, swimming pool filter system component, fuel or similar tank, playhouse, shed or other building shall be erected, used or maintained on any Lot unless same is approved by and shall be screened from public view and/or screened from the view of another Member from his dwelling or yard in a manner approved by the Architectural Review Committee or Board of Directors.

(n) Except for entrance signs, street signs, directional signs, signs for traffic control or safety, Neighborhood identification signs, such promotional or informational signs as may be erected, maintained or permitted by the Declarant or Board of Directors, or such signs or similar devices as may be specifically required or permitted by law, no signs, posters, ornaments or advertising devices of any character, including political signs, for rent signs, and handbills, shall be erected, posted, hung from or in windows, or otherwise displayed in public view without the specific approval of the Architectural Review Committee or Board of Directors, which approval may be arbitrarily withheld, restricted or conditioned. However, provided such signs meet the standards and requirements promulgated as acceptable for same or are specifically approved by the Committee or Board of Directors (i) one temporary real estate sign may be erected on a Lot that is for sale, and (ii) as many as two (2) political signs, each of which may be double-sided, may be erected on a Lot during the four (4) weeks preceding the primary, general or special election which is the origin of the sign. Any such real estate sign and political sign, respectively, must be removed promptly following the sale of such Lot or the day after the election. The prohibitions and permissions of this subparagraph notwithstanding, from time to time the Board of Directors may promulgate standards, guidelines, conditions and/or restrictions for the temporary and/or seasonal display of patriotic flags, decorations, emblems, symbols,

political signs and advertisements, and other reasonable and tasteful visual expressions of free speech, provided such guidelines, conditions and/or restrictions are permitted by the governing authority having jurisdiction.

(o) No fence, sign, structure, tree, shrub or other improvement or device shall be placed or permitted to remain upon any Lot or other part of Chestnut Hill which may obstruct or interfere with the line of sight along Neighborhood streets and at Neighborhood street intersections, which may damage or interfere with the installation or maintenance of utilities, or which may unreasonably change, diminish, obstruct, or retard the direction or flow of rain water or irrigation water runoff in any drainage easement, storm drain, swale or channel.

(p) No television, radio or communications aerial, antenna, dish and no other or similar device used either for reception or for transmission, shall be maintained on any Lot or other part of Chestnut Hill or on the exterior of any dwelling or other structure, unless same be screened from public view or acceptably screened from the view of a Member from his dwelling and yard in a manner approved by the Architectural Review Committee or Board of Directors. The Architectural Review Committee may permit deviations from the strict enforcement of this prohibition to permit the installation of small direct satellite television and/or security and communications antennas and transmitters at positions on dwellings that will permit proper wireless signal reception and transmission.

(q) No Member shall engage or direct any employee of the Association on any private business of the Member during the time when such employee is on duty as an employee of the Association, nor shall any Member who is not an officer or Director of the Association direct, supervise, or in any manner attempt to assert control over any employee of the Association during such time.

(r) No Member shall erect or permit to remain a chain link or wire fabric fence on any Lot, except that the Architectural Review Committee or Board of Directors may permit same as an integral part of a barrier substantially solidly screened, or expected to be substantially solidly screened within a reasonable period of time, with acceptable trees, shrubs or other objects of natural growth.

(s) Except during construction of the dwelling, no privy, septic tank, cesspool, outdoor toilet, wastewater treatment system or sewage disposal facility intended or used for the collection, treatment and disposal of sewage or other wastewater shall be permitted on any Lot or other part of Chestnut Hill. All dwellings must be must be connected to the public wastewater collection and disposal system facilities of the utility company rendering such service within Chestnut Hill.

(t) No Member shall cause or permit to take place at any time on a Lot any activity that could contribute to the pollution of storm water from eroded soil sediments and debris without first properly installing, and thereafter regularly maintaining, repairing and/or supplementing, sufficient devices and/or measures that will, during and following rainfall events, retain on-site eroded soil sediments and minimize off-site deposition of such sediments.

(u) No Member may change, diminish, obstruct, or retard the direction or flow of storm water or irrigation water runoff in any drainage easement or area subject to drainage easement rights without the approval of the Architectural Review Committee or Board of Directors.

(v) Any use of guns, firearms or weapons of any kind, including but not limited to handguns, rifles, shotguns, BB and pellet guns, blow guns, bow and arrows or other weapons shall be according to the laws of the State of Mississippi and the restrictions, rules and regulations of the Association.

Section 2. Neighborhood Rules and Village Rules. No Member or other person shall violate any standards, conditions, rules or regulations respecting the use of Neighborhood streets (including public streets), Neighborhood entrances, and/or any common area or Neighborhood facility that may be adopted from time to time by the Board of Directors and promulgated among the Members. No Member or other person shall violate any other standard, condition, rule or regulation which may be adopted from time to time by the Board of Directors and promulgated among the Members as Neighborhood Rules or as Village Rules.

Section 3. Residential Use. All Lots and dwellings thereon shall be used only for private residential purposes and for such other uses and purposes as are expressly permitted in this Declaration. A Lot or dwelling shall be used or occupied only by the Owner of the Lot or dwelling and other persons related to such Owner by blood, marriage, legal adoption, guardianship or other legally authorized custodial relationship who are considered members of such Owner's immediate family or shall be used or occupied only by *bona fide* tenants of such Owner who constitute a single household and are comprised of any of the following: (i) a person living alone; (ii) two (2) or more persons related by blood, marriage, legal adoption, guardianship or other legally authorized custodial relationship; (iii) two (2) persons unrelated by blood or marriage, and their children of either or both of them, living together as a family; or (iv) a group of no more than four (4) persons having the express written consent of the Board of Directors of the Association to use and occupy a specific dwelling for a specified duration. The provisions hereof to the contrary notwithstanding, occupancy of a dwelling by a person or persons unrelated to the Owner and rendering personal care to the Owner or a member of the Owner's family and/or rendering watch-care over an absent Owner's property is permitted subject to Neighborhood or Village Rules pertinent thereto.

A professional home office as described hereinafter is expressly permitted. A Member having the approval of the Architectural Review Committee or Board of Directors may maintain and use a Lot or dwelling for promotional purposes, such as a "model home" or sales office, for a limited duration. A part of a dwelling may be used as a professional home office provided in such office there is kept no stock in trade; clients are not met on a frequent or regular basis and normally only by appointment; regular or continual customer, client or employee traffic is not created on streets within Chestnut Hill; and there is no need for accessibility to the Lot or dwelling by the general public.

Prior to December 31, 2017, with the consent of the Declarant, and after said date, with the consent of the Board of Directors of the Association, a Lot or parcel within Chestnut Hill (i) may be used as a public or private street to provide ingress, egress and utilities to a part of the

Annexable Lands which on the completion of its development is to be annexed to the Property or (ii) may be used and/or treated as a common area or Neighborhood facility.

Section 4. Lease and Rental. The use of any Lot or dwelling within Chestnut Hill as rental property shall not be permitted. A part or portion of a Lot or dwelling (as distinguished from the entire Lot or dwelling) shall not be rented for any period. The entire dwelling and all the improvements on the Lots must be leased and then only for a minimum term of six (6) months. No Lots or dwellings shall be leased or rented under any time-sharing, time interval or right-to-use programs or investments. Any Owner or tenant of any Lot or dwelling who rents such Lot or dwelling, promptly following execution of a rental agreement or upon the request in writing of the President or Management Agent, shall forward a conformed copy of such rental agreement to the Association. All lease or rental agreements shall be in writing. Any such rental agreement shall contain, or shall be deemed to contain, a provision to the effect that the rights of the tenant to use and occupy the dwelling shall be subject and subordinate in all respects to the provisions of this Declaration, to the Bylaws, and to such reasonable Neighborhood Rules or Village Rules as the Board of Directors from time to time may duly adopt and promulgate among the Members. Such rental agreement shall further provide, or shall be deemed to provide, that any failure by the tenant to comply with any of same shall be a default under the rental agreement. The prohibitions of this section shall not be interpreted or construed to prevent the use and occupancy of a dwelling by a person who is not a Member or member of a Member's immediate family during a term of limited duration when the Member is away for an extended period but is expected to return.

Section 5. Enforcement. The commission, omission, permission, violation or attempted commission or violation of any of the above prohibited actions, activities, uses and nuisances or any duly adopted and promulgated Neighborhood Rule shall be a violation of the covenants, conditions and restrictions of this Declaration, and the Association may take such action as is necessary to correct, remove, remedy or otherwise terminate or abate such violation. The Association may assess the cost of such action so taken against the Lot upon which such violation occurred, or against any Lot which is owned by the Member responsible for such violation as a Damage Assessment determined, levied, collected and enforced in accordance with the provisions of Section 4 of Article VII of this Declaration.

Section 6. Sales and Construction Activities. The Declarant at any time, a Developer at any time, or any bona fide builder during the construction and improvement of a dwelling on a Lot, is expressly permitted and authorized to locate, construct, improve, maintain and repair such facilities and conduct such activities as may be reasonably appropriate, necessary, required, convenient, incidental or advisable to the development, construction, completion, improvement, promotion and sale of Lots and dwellings, including, without limitation, using dwellings as model homes, using dwellings or common areas as offices for the promotion and sale of Lots and/or dwellings and/or for the development, construction, completion and improvement of Lots and/or dwellings, and installing sales and construction trailers for such purposes; however, the Declarant, Developer or builder is not obligated so to do. The location of any construction trailer shall be subject to the approval of the Architectural Review Committee. The Declarant is expressly permitted and authorized to locate, place, use, stock, store and maintain on any portion of the Property any and all equipment, tools and vehicles (including without limitation

construction equipment and construction machinery) as may be reasonably appropriate, necessary, required, convenient or incidental to such development, construction, completion, improvement, promotion and sale.

ARTICLE III

REQUIREMENTS FOR DWELLINGS

Section 1. Conformance with Requirements of Governing Authorities Having Jurisdiction. All size, height, yard, coverage and other requirements of the zoning ordinance and other pertinent regulations, building codes and ordinances duly adopted by any governing authority having jurisdiction and applicable to the construction and erection of dwellings in Chestnut Hill which are in effect on the date of this Declaration, together with any subsequent amendments thereto or variances thereof, shall be adhered by any Member constructing or erecting a dwelling unless the requirements declared herein are in excess thereof, in which event the greater or more restrictive requirements of this Declaration shall control. The Board or Directors or Architectural Review Committee shall not be responsible for the interpretation, enforcement or administration of the regulations, codes and ordinances of such governing authority. Any decision or approval of the Committee or Board, regardless of whether such decision or approval is in conformance or is in conflict with such regulations, codes and ordinances, shall not relieve the Member from conformance or compliance with such regulations, codes and ordinances. Any decision or approval of the Committee or Board that, knowingly or unknowingly, is in conflict with such regulations, codes and ordinances shall not obligate the Association, its officers, directors or committee members in any manner.

Section 2. Size Requirements for Dwellings. Any dwelling constructed, erected, placed or maintained on any Lot shall contain at least Three Thousand Five Hundred (3,500) square feet of heated floor space, exclusive of open porches and garages. For two story dwellings, the floor at street grade shall contain at least one-half (1/2) of the minimum square footage herein specified for the dwelling, which square footage shall be exclusive of open porches and garages. If any dwelling having more than one story consists in part of a story situated below the natural grade of the Lot at the dwelling's front exterior wall, the floor space in such story, whether heated or not, shall not be considered in determining whether the dwelling complies with the requirements of this Section. Any of the above stated size requirements for dwellings may be changed for dwellings within a specific part of Chestnut Hill if such different requirement(s) is(are) set forth in the Supplementary Declaration annexing such part to the Property, and such different requirement(s) shall be applicable only to dwellings in such part.

For a specific Lot on a case by case basis, should the Board of Directors determine that due to reasons or for purposes which are not inconsistent with the purposes of this Declaration it would be inadvisable or inappropriate to enforce specifically the above stated minimum size requirements, the Board may approve special deviations to such minimum size requirements in those instances and situations where the Board believes such deviations would not be detrimental to the preservation of values and amenities in Chestnut Hill. The Board may reduce such minimum size requirements as the Board deems advisable and appropriate.

Section 3. Yard (Setback) Requirements for Dwellings.

Unless a greater yard or setback is required for a particular Lot as delineated on the Plat or is required because of the existence and location of any easement, each dwelling shall be located and constructed with the following required minimum yards and setbacks.

Any dwelling on a Lot shall be so constructed, erected, placed and maintained so that no part of the face of the front exterior wall is located closer than sixty (60) feet to the street right-of-way line forming the Lot's front boundary.

Any dwelling on a Lot shall be so constructed, erected, placed and maintained so that no part of the face of each of its exterior side walls is located closer than twenty (20) feet to a boundary of the Lot.

Any dwelling on each Corner Lots shall be so constructed, erected, placed and maintained so that no part of the face of any of its exterior walls is located closer than forty (40) feet to a street right-of-way line.

Any dwelling on a Perimeter Lot shall be so constructed, erected, placed and maintained so that no part of the face of the rear exterior wall is located closer than fifty feet (50') feet to the rear boundary. Any dwelling on a Lot (other than a Perimeter Lot) shall be so constructed, erected, placed and maintained so that no part of the face of the rear exterior wall is located closer than fifty feet (50') feet to the rear boundary of the Lot.

Any dwelling on a Lot abutting a lake shall be so constructed, erected, placed and maintained so that no part of the face of an exterior wall is located closer than forty (40) feet to the edge of the lake's water edge at its normal-pool stage.

With the approval of the Architectural Review Committee or Board of Directors, the side and rear boundaries of any Corner Lot may be reversed due to the orientation of the dwelling proposed for construction thereon.

Roof eaves, gutters and downspouts may extend across a setback line without such being considered an encroachment. Fireplaces which offset from, but are an integral part of the exterior wall of a dwelling, with the approval of the Architectural Review Committee or Board of Directors, may extend as much as two and one-half (2.5) feet across the setback lines defined above without such extension being considered a violation of the provisions of this section.

For a specific Lot on a case by case basis, should the Architectural Review Committee or Board of Directors determine that due to reasons or for purposes which are not inconsistent with the purposes of this Declaration it would be inadvisable or inappropriate to enforce specifically the above stated setback requirements, the Committee or Board may approve special deviations to such required-yard/set-back requirements in those instances and situations where the Committee believes such deviations would be beneficial to a specific Lot, an adjacent Lot, a dwelling on a Lot, or a dwelling on an adjacent Lot. The Committee or Board may increase such required-yard/setback requirements or reduce such requirements as the Committee or Board deems advisable and appropriate. Such approved deviations shall not constitute approval by

the governing authority having jurisdiction of a variance permitting same, but evidence of such approval shall constitute the Association's joinder in a Member's request for such variance.

Any of the above setback requirements for dwellings may be changed for dwellings within a specific part of Chestnut Hill if such different requirement(s) is(are) set forth in the Supplementary Declaration annexing such part to the Property, and such different requirement(s) shall be applicable only to dwellings in such part.

Section 4. Height and Roof Pitch Requirements for Dwellings. No dwelling shall exceed forty feet (40') in height measured vertically from the natural ground surface at the front exterior wall of the dwelling except as may be promulgated as acceptable or permitted by the Architectural Review Committee or Board of Directors. The main roof structure on the front of a dwelling extending to the ridge shall have a minimum slope of 7' vertical to 12' horizontal, or its pitch shall be 7V:12'H or steeper, or such minimum slope as may be promulgated as acceptable or permitted by the Architectural Review Committee or Board of Directors.

Section 5. Minimum Elevation of Lowest Habitable Floor. The elevation of the lowest habitable floor in any dwelling on a Lot within Chestnut Hill shall be determined by the Architectural Review Committee or Board of Directors after taking in account existing topography, existing and reasonably anticipated storm water and irrigation water run-off patterns within the Lot or on adjoining or proximate Lots as well as the potential of flooding from adjacent or nearby streams, drainage facilities and lakes. Except in the absence of special topographic circumstances as determined by the Architectural Review Committee or Board of Directors, the elevation of the lowest habitable floor in any dwelling on a Lot within Chestnut Hill shall not be lower than:

- (a) The elevation or grade necessary to ensure proper drainage away from the dwelling and/or to reasonably ensure passage of on-site and off-site storm water and irrigation water runoff without inundation of the dwelling during or following the 100-year storm (a storm event whose intensity and duration is so severe that its probability of occurrence during any year is one (1) per cent or less); or
- (b) The elevation or grade necessary to ensure that the adjacent ground surfaces can be filled and/or graded to cause rainwater flowing from the roof of the dwelling to flow directly to a street or approved drainage channel or facility; or
- (c) The elevation designated on the Plat as the required lowest habitable floor elevation for the dwelling to be constructed on the Lot; or
- (d) If the Lot naturally drains toward a street, the elevation or grade of the street at its highest point abutting the Lot; or
- (e) Eight (8) inches above the highest existing grade of the building site on the Lot; or
- (f) Such elevation as may be required by a governing authority having jurisdiction or a higher elevation established by the Architectural Review Committee or Board of Directors.

Section 6. Orientation of Dwellings. Any dwelling on a Lot shall be so constructed, erected, placed and maintained so that it faces the street on which it abuts. The orientation of a dwelling on each of Corner Lots shall be determined by the Architectural Review Committee or Board of Directors shall so determine.

Section 7. Material Requirements for Dwellings. Roofing shingles shall be such brand(s), style(s) and color(s) promulgated as acceptable or permitted by the Architectural Review Committee. Exterior surfaces shall be constructed principally of brick veneer or stucco. Exterior brick shall be the one, or one of the acceptable, brick type(s), size(s), color(s) and texture(s) as may be promulgated as acceptable or permitted by the Architectural Review Committee or Board of Directors.

Windows in the front exterior wall of a dwelling shall be the type or one of the types of windows promulgated as acceptable or permitted by the Architectural Review Committee or Board of Directors. On Corner Lots, this requirement shall also apply to any side exterior wall that faces a street. The Architectural Review Committee or Board of Directors may impose this requirement on the side or rear exterior walls of any dwelling if such walls are to be exposed to public view.

Section 8. Exterior Color Requirements. Trim colors shall be one of the brand(s) and color(s) of paint or stain promulgated as acceptable or permitted by the Architectural Review Committee or Board of Directors. Stucco and approved exterior finishes similar to stucco shall be one of the brand(s), type(s), color(s), and texture(s) for non-brick exterior surfaces promulgated as acceptable or permitted by the Architectural Review Committee or Board of Directors.

Section 9. Neighborhood Perimeter Fence. The Neighborhood Perimeter Fence, if required by the governing authority having jurisdiction, the Declarant, the Board of Directors or the Architectural Review Committee, shall be the type of fence meeting the style, dimensions, material, fabrication, finish, location, installation and appurtenant landscaping requirements promulgated as acceptable or permitted by the Architectural Review Committee or Board of Directors for the Neighborhood Perimeter Fence. For any other Lot abutting the perimeter of the Neighborhood, should such builder or Owner desire to erect a fence along such perimeter, such builder or Owner must erect along such perimeter a Neighborhood Perimeter Fence. The maintenance, repair, restoration and replacement of a Neighborhood Perimeter Fence and its appurtenant landscaping shall be the responsibility of the Owner of the Lot and such fence shall be maintained in good condition and repair at all times.

Section 10. Interior Fences. Should the builder of a dwelling or an Owner of a Lot desire to erect a fence around the perimeter of the Lot (other than so much of such perimeter which is also the perimeter of the Neighborhood), such fence shall be a type of fence meeting the style, dimensions, material and finish requirements promulgated for Neighborhood Perimeter Fences or promulgated as acceptable or required by the Architectural Review Committee or Board of Directors for differing interior fences. For a Lot abutting the perimeter of the Neighborhood, should such builder or Owner desire to erect a differing interior fence along such perimeter, such builder or Owner must first erect a Neighborhood Perimeter Fence and erect such differing interior fence inside the Lot at the location approved by the Architectural Review Committee. The erection, installation, construction, maintenance, repair, restoration and

replacement of an interior fence, whether it be the same as or different than a Neighborhood Perimeter Fence, shall be the responsibility of the Owner of the Lot.

Section 11. Driveways, Parking Spaces and Garages. Off-street parking, adequate to accommodate the parking needs of the Owner, members of his immediate family who reside with him, and two guests shall be provided within each Lot. Each dwelling shall be designed, located and constructed to permit at least four (4) full-size automobiles to be parked, maneuvered, loaded or unloaded entirely or completely on such Lot. Each dwelling shall have a minimum of two (2) permanent garaged parking spaces and a minimum of two (2) off-street guest parking spaces either within the driveway or upon a permanent motor court. Except for emergency or unusual circumstances, an Owner of a Lot must keep the automobiles belonging to him and the members of his family who reside with him parked in his garage or parked in his driveway or motor court. Automobiles may not be parked to block use of a sidewalk or Neighborhood street.

Each dwelling shall have a garage for at least two full-size automobiles. Garages must have doors equipped with automatic garage door openers. Garage doors must not face the street to which the front of the dwelling is oriented. All garage doors, which when closed can be seen from a street, shall be kept closed except during periods of the actual use thereof. Unenclosed garages and carports shall not be permitted.

Each dwelling shall have as an appurtenance thereto an all-weather driveway leading from the street to its garage. The material(s) and surface finish(es) of the driveway shall be those approved by or as promulgated as acceptable or permitted by the Architectural Review Committee or Board of Directors. The grade and slope of the driveway from the street curb to the street right-of-way line shall be such that storm water from the street shall not flow toward or into the garage or toward or into any area other than a drainage way suitable for the relief of excess storm water. The grade and slope of the driveway from the street edge to the garage shall be such that a full-size automobile can maneuver thereon without any part of the vehicle scraping the street, gutter, curb, sidewalk or driveway.

Section 12. Sidewalks. Only if required by the governing authority having jurisdiction, the Declarant or the Board of Directors, each dwelling shall have as an appurtenance thereto a four (4) foot wide concrete sidewalk along the entire frontage of the street(s) on which the Lot abuts. Such sidewalk shall be placed in the area of the street right-of-way situated behind the back of the street curb, unless a different location is promulgated in the Design Guidelines or otherwise permitted or approved by the Architectural Review Committee or Board of Directors and the governing authority having jurisdiction. Should it be necessary to curve the sidewalk away from (or toward) the curb so as to avoid a fire hydrant, street sign, light pole or other obstruction; and if such is necessary, the sidewalk shall be curved smoothly, uniformly and attractively around the obstruction so that neither the obstruction or the sidewalk shall be a hazard to persons using the sidewalk. The grade of the sidewalk shall be uniform and consistent with, and shall vary uniformly and consistently with, the grade of the top of the curb along which the sidewalk is constructed and shall facilitate drainage of surface water. Should it be necessary or advisable, the builder of the dwelling shall have each and any manhole or inlet frame or water valve box falling within a proposed sidewalk to be adjusted as necessary to ensure the uniform sidewalk

grade herein required. The sidewalk shall be tooled, finished, reinforced and scored for crack control as promulgated as acceptable or permitted by the Architectural Review Committee or Board of Directors.

The construction and subsequent existence of said sidewalk shall constitute the granting of permission to use said sidewalk to all persons who have a right to use the adjacent street and who use said sidewalk in a safe and reasonable manner consistent with the Neighborhood Rules. Should a sidewalk break apart, settle, dip, shift, be damaged, or become a danger or impediment to persons using the sidewalk appurtenant to a Lot, the Owner of the Lot shall promptly repair or replace so much of the sidewalk as is necessary to remove the danger or impediment.

Each dwelling shall have as an appurtenance thereto a sidewalk leading to the front entrance of the dwelling. Such sidewalks and any exposed exterior steps shall be finished as promulgated as acceptable or permitted by the Architectural Review Committee or Board of Directors.

Section 13. Lot Grading and Shaping. The builder of the dwelling and the Owner of the Lot are each obligated and required to provide for satisfactory and appropriate drainage of storm water or irrigation water runoff from the Lot to the adjoining street(s) and/or designated or established drainage ways by properly and appropriately grading and shaping each and all parts and/or areas within the Lot necessary therefor. The builder of the dwelling and the Owner of the Lot shall as necessary excavate, fill, grade and shape to drain each and all paved and unpaved areas, landscaped beds and lawn areas within the Lot in a manner and direction which follows the natural topography and/or drainage patterns of the premises. Lot grading and shaping shall be accomplished substantially in accordance with the drainage patterns of the premises as same may be directed by the Architectural Review Committee or Board of Directors or by the governing authority having jurisdiction. Such drainage patterns shall provide whenever such is practicable that surface water drain within the Lot to an abutting street or a designated or established drainage way.

Such grading and shaping on upslope Lots shall take into account the existing topography and drainage patterns of improved adjacent down-slope Lots and/or shall take into account the reasonably likely prospective drainage patterns of unimproved adjacent down-slope Lots and lands after such are improved. Such grading and shaping of down-slope Lots being improved shall take into account the existing drainage patterns of improved adjacent upslope Lots and/or the reasonably likely prospective drainage patterns of unimproved adjacent upslope Lots and lands after such are improved.

The plans for construction of the dwelling on a Lot, when submitted to the Architectural Review Committee for approval, shall contain a site plan clearly showing the drainage patterns to be achieved, the Best Management Practices and storm water plans to be implemented, and the then current and proposed topography (based on NGVD) of so much of said Lot as is necessary to show that the builder thereof proposes to comply with, and does not intend to violate, his responsibilities and duties pertaining to Lot grading and shaping.

No builder of the dwelling or Owner of a Lot may at any time unreasonably change, diminish, obstruct (including permit or contribute to the obstruction of), or retard the direction or flow of surface water runoff in any drainage easement, area subject to drainage easement rights, storm drain, culvert, pipe, swale, channel or other drainage facility unless permitted or directed otherwise by the Architectural Review Committee or Board of Directors or by the governing authority having jurisdiction.

Section 14. Storm Water Pollution Prevention. The construction of any dwelling in Chestnut Hill shall include the implementation of Best Management Practices for the prevention of storm water pollution, specifically the minimization of erosion and subsequent deposition of eroded sediments on downstream lakes and properties and/or in drainage ways and streams. Any requirement and/or special or general condition of any permit issued to the Developer by a governing authority having jurisdiction, in particular the Certificate of Permit Coverage under the State of Mississippi's Large Construction Storm Water Construction General Permit issued for Chestnut Hill by the Mississippi Department of Environmental Quality (MDEQ), is by reference included as a requirement and condition imposed by this Declaration. Each person who becomes an owner of a Lot comprising part of Chestnut Hill, by acquiring title to, by taking possession of, by accepting a deed or lease to or by accepting a similar instrument of conveyance transferring to him the right to use or occupy an unimproved Lot, whether or not said instrument shall so state, shall be obligated to complete and execute a MDEQ "Registration Form for Residential Lot Coverage," to submit same to MDEQ as provided in said permit, to carry forward all erosion control measures applicable to such Lot set forth in the approved Storm Water Pollution Prevention Plan for Chestnut Hill, and to develop, implement and keep at such Lot a storm water pollution prevention plan intended to reduce pollutants in storm water discharges from such Lot during construction activities. If the federal, state or local storm water laws, regulations or procedures change, the Board of Directors shall have the authority to revise the obligations of a Lot Owner under these covenants without the requirement of a formal amendment thereto.

At any appropriate time during the construction of the dwelling on a Lot, the Declarant and/or Committee may require the builder of a dwelling or the Owner of the Lot to promptly and sufficiently erect, place, establish and/or maintain silt fences, erosion control fabrics and/or seasonal or permanent grass, including solid sod, on any disturbed ground surfaces; to come into compliance with any duly issued permit or approval; and/or to promptly remove eroded sediments likely emanating from the Lot which has settled on or in downstream properties, lakes, drainage ways and streams.

Section 15. Landscaping. The builder of the dwelling on a Lot, or the Owner thereof shortly after the construction of said dwelling, shall plant trees, shrubs, lawn grass sod or other conventional landscaping components on all non-paved areas within the Lot which are within public view of a street right-of-way line or common area or Neighborhood Facility, including without limitation the area within the street right(s)-of-way abutting the Lot. Such trees, shrubs, lawn grass, and landscaping components shall be placed in accordance with a landscape plan which is approved by or meets in every respect the requirements therefor which may be set or promulgated by the Architectural Review Committee or Board of Directors. The Committee or Board may specify a certain species of lawn grass and certain types and species of permitted

and not-permitted shrubs and trees. The Committee or Board shall expressly approve in writing any lawn ornament or yard decoration and may limit the size, time, use and location of the same.

The builder of the dwelling on a Lot, or the Owner thereof shortly after the construction of said dwelling, shall establish permanent vegetative cover on all disturbed ground surfaces not otherwise paved or landscaped.

Existing trees having a diameter of six inches (6") and larger, measured at four feet (4') above the ground, shall be preserved and protected. The approval of construction plans for a dwelling shall be considered due approval for the removal of any and all such trees located inside the perimeter of the dwelling, within fifteen (15) feet of the perimeter of the dwelling, and within any area to be paved, excavated or filled as shown on such plans, unless such plans direct or indicate otherwise. The Architectural Review Committee or Board of Directors may require replacement or mitigation tree planting of such size and in such location as specified by the Committee or Board.

Section 16. Mailboxes. Unless and until the Board of Directors or the U.S. Postal Service determines to have a Neighborhood Mailbox, each dwelling shall have as an appurtenance thereof the mailbox that is promulgated by the Architectural Review Committee or Board of Directors. The Board of Directors may require its purchase from the Association, the Developer, or a specific manufacturer or vendor.

Section 17. Other Requirements for Dwellings.

(a) Each dwelling shall have as an appurtenance a fenced or screened area to serve as a service yard for garbage receptacles, storage receptacles, firewood, permitted antennae, and unsightly objects. At all times, such items must be installed, placed or stored in such service yard in a manner which causes same to be screened from public view.

(b) Each dwelling shall have affixed thereto its street address number which shall be clearly visible from the street which abuts the Lot, which numerals shall be approved by or meet in every respect the requirements therefor which may be set or promulgated or permitted by the Board of Directors, Architectural Review Committee or emergency response regulations of the governing authority having jurisdiction.

(c) Any private residential swimming pool and/or spa unit shall be constructed in the rear of the dwelling and screened from public view. The actual pool or spa (not surrounding patio or deck) may not be built closer than twenty (20) feet from either side yard lot line or twenty (20) feet from the rear property line. A secure restrictive fence no less than six (6) feet high shall enclose the pool or spa area or larger area in which the pool or spa is located.

(d) Any structure, pavement or improvement of any kind or nature whatsoever, including but not limited to garden structures, gazebos, storage buildings, basketball goals, batting cages, pool houses and other facilities and structures require prior written approval of the Architectural Review Committee or Board of Directors before their erection and, unless the Committee or Board permits and/or conditions otherwise on a case by case basis, must be located behind the dwelling.

(e) All electrical and communications wires and cables and other similar lines utility facilities outside of any dwelling that could be placed above the ground located shall be placed underground and shall conform to existing codes pertinent to same.

Section 18. Deviations to Requirements for Dwellings. For a specific Lot on a case by case basis, should the Architectural Review Committee or Board of Directors determine that due to reasons or for purposes which are not inconsistent with the purposes of this Declaration it would be inadvisable or inappropriate to enforce specifically the above stated requirements in this Article, or it would be advisable or appropriate to enforce a reasonably greater or higher requirement, the Committee or Board may approve special deviations to such requirements or may mandate greater or higher requirements in those instances and situations where the Committee believes such deviations or mandates would not be contrary to or detrimental to the purposes of this Declaration or would better preserve the values and amenities in the Neighborhood. The above to the contrary notwithstanding, the authority hereby given to the Committee or Board to mandate and/or enforce greater or higher requirements shall not apply to minimum size of dwellings in any event and shall not apply to any other requirement of this Article unless a substantial majority of the dwellings existing within Chestnut Hill meet or exceed such requirement. The Committee or Board may for cause reduce, modify or eliminate such requirements as the Committee or Board deems advisable and appropriate on a uniform and equitable basis provided such reduction, modification or elimination is not in conflict with any law, ordinance, regulation or decree of the governing authority having jurisdiction.

Section 19. Reconstruction after Fire or Other Casualty Loss. In the event any dwelling is partially or completely destroyed by fire or other casualty, and in the absence of a resolution to the contrary by the Board of Directors, the Owner of such dwelling shall promptly clear the Lot or restore or reconstruct such dwelling, at no expense to the Association, in accordance with the original plans and specifications or with such amended plans and specifications as may be approved in writing by the Architectural Review Committee or Board of Directors on the request of such Owner. The provisions of this Section shall not apply when in conflict with any law, ordinance, regulation or decree of a governing authority having jurisdiction.

Section 20. Maintenance of Sound Condition and Quality Appearance. Each Owner shall maintain at all times the condition and appearance of his Lot, the dwelling thereon, and any appurtenances thereto, including but not limited to all exterior dwelling walls and surfaces, trees, shrubs, lawn grass and other landscaping components, mailbox, fence, sidewalk, driveway, and other improvements exposed to public view, in a sound condition and high quality appearance. Each Owner of an improved or an unimproved Lot shall be responsible for the proper seeding, fertilization, watering, mowing, trimming, removal of debris and/or litter and such other maintenance of such Lot as the Board of Directors may from time require. If fill is placed on a Lot or if the vegetative cover of ground surfaces is disturbed, erosion control and sedimentation mitigation facilities, as same may be deemed necessary or advisable by the governing authority having jurisdiction, the Declarant and/or the Architectural Review Committee or Board of Directors, shall be promptly erected and maintained in order to prevent the deposition of eroded sediments on other lots, Neighborhood or other streets, or drainage ways until such vegetative cover is re-established.

Section 21. Right to Remove or Correct Violations. In the event any violation or attempted violation of any of the requirements, covenants, conditions or restrictions contained in this Article shall occur or be permitted to remain on any Lot, or in the event there shall occur any other conduct in violation of any of the provisions and requirements of this Article, then such violation shall be considered to have been undertaken in violation of this Article and without the approval of the Architectural Review Committee or Board of Directors. Upon written notice from the Committee or Board, such violation shall be promptly constructed, corrected, removed, remedied, terminated or abated. In the event the requirement is not constructed or the violation is not corrected, removed, remedied or otherwise terminated or abated, within fifteen (15) days (or within such shorter period as may be reasonably required in such notice) after notice of the violation is mailed, delivered or transmitted to the Owner of the Lot upon which such violation exists, or to the Member responsible for such violation if the same shall be omitted, committed or attempted on premises other than a Lot owned by such Member, then the Association shall have the right, through its agents and employees (but only after the Board of Directors by resolution has so directed) to enter upon such Lot or premises and to take such action as may be necessary to construct, correct, remove, remedy or otherwise terminate or abate such violation, and the cost thereof may be assessed against the Lot upon which such violation occurred, or against any Lot owned by the Member responsible for such violation, as a Damage Assessment permitted in Section 4 of Article VII of this Declaration, and, when so assessed, a statement for the amount thereof shall be rendered to the Owner of such Lot, at which time the assessment shall become due and payable and shall be secured by a continuing lien upon such Lot, and shall be a binding personal obligation of the Owner of such Lot.

ARTICLE IV

ARCHITECTURAL REVIEW

Section 1. Architectural Review Committee. The Association shall establish, designate, maintain and permit to function an Architectural Review Committee. The Architectural Review Committee shall be appointed by the Declarant as long as or during any period in which the Declarant owns of record any Lot comprising part of the Property or until the Declarant relinquishes to the Board of Directors such right of appointment. At other times the Architectural Review Committee shall be appointed by the Board of Directors. The Declarant may from time to time and at any time relinquish his right to appoint the Architectural Review Committee for such periods, and/or for such parts, and/or with such conditions as the Declarant may so declare by giving written notice thereof to the Board of Directors. The Board of Directors shall assume the responsibilities and discharge the duties of the Committee if the Committee is unable or unwilling to act. Any Director may serve as a member of the Committee. During any period in which the Declarant has the right to appoint a majority of the Board of Directors, and with the consent of the Declarant during any period in which the Declarant has the right to appoint the members of the Committee, the Board of Directors may assume the responsibilities and discharge the duties of the Committee hereunder in lieu of appointing an Architectural Review Committee. Wherever herein reference is made to both the Committee and the Board, the Committee shall discharge the expressed or implied responsibility unless the Committee is unable or unwilling to act or has

deferred discharge of the responsibility to the Board, and in such event the Board shall discharge the responsibility that would otherwise be that of the Committee.

The Committee shall be composed of one (1) or more individuals designated from time to time solely by the Declarant during any period in which the Declarant has such right of appointment and at such other times by three (3) or more individuals duly designated or appointed by the Board of Directors. Such individual(s) shall serve at the pleasure of the Declarant or Board of Directors, respectively, and may be removed at any time with or without cause. The affirmative vote of a majority of the members of the Committee shall be required in order to adopt or promulgate the Design Guidelines and any other rule or regulation, or to make any finding, determination, requirement, ruling or order, or to issue any permit, consent, authorization, approval or the like pursuant to the authority of the Committee contained in this Declaration. The Board of Directors may from time to time authorize the designation of one member of the Committee to act for the Committee and to make on behalf of the Committee any such finding, determination, requirement, ruling or order, or to issue any such permit, consent, authorization or approval, which is reasonably deemed routine. For the purposes of architectural review as required herein, the acts or omissions of the Declarant or an Associate of the Declarant duly appointed and authorized so to act for the Committee and/or Association shall be deemed to have been made while representing and acting on behalf of the Committee, Board and/or Association and not while representing or acting on behalf of the Declarant, unless the approval is otherwise expressly indicated and marked.

Section 2. General Requirements. Except for purposes of proper maintenance and repair reasonably requiring immediate attention, no dwelling, residence, building, fence, wall, driveway, sidewalk or other improvement or structure shall be commenced, constructed, placed, moved, altered or maintained within Chestnut Hill, nor shall any exterior addition to or change (including any change of color) or other alteration thereupon be made until the complete plans showing the location, nature, shape, height, material, color, type of construction and any other characteristic or particularity therefor (including, without limitation, any specifications and/or other information specified by the Architectural Review Committee or Board of Directors) shall have been submitted to and approved, in writing, as to harmony of external design, compatibility of color and materials, location in relation to surrounding structures and topography, and conformity with the design concept for Chestnut Hill by the Architectural Review Committee or Board of Directors.

Until after compliance with the review process of this Article and approval of the relevant and complete plans by the Architectural Review Committee or Board of Directors, it shall be prohibited to install, erect, place, attach, apply, paste, hinge, screw, nail, guild, alter, remove or construct any dwelling or other structure or any part thereof, including but not limited to a slab, driveway, sidewalk, road, curb, gutter, drainage facility, patio, balcony, porch, lighting fixture, shade or screen awning, patio cover, exterior decoration or ornament, fence or wall, aerial, antenna, radio or television broadcasting or receiving device, mailbox or basketball goal, or to make any change or otherwise alter (including any alteration of color) in any manner whatsoever to the exterior of any dwelling or other improvement constructed upon any Lot or upon any of the common areas or Neighborhood facilities, or to combine or otherwise join two or more dwellings, or to partition the same after combination, or to remove or alter any window or

exterior door of any dwelling, or to make any change or alteration within any dwelling which will affect the property, interest or welfare of any other Member, materially increase the cost of operating or insuring any common area or Neighborhood facility, or impair any easement, until the complete plans showing the location, nature, shape, height, material, color, type of construction and any other characteristic therefor (including, without limitation, any other specifications and/or information specified by the Architectural Review Committee or Board of Directors) shall have been submitted to and approved in writing as to harmony of external design, compatibility of color, location in relation to surrounding structures and topography, and conformity with the design concept for Chestnut Hill by the Architectural Review Committee or Board of Directors. Such plans shall provide that all workmanship and materials be first class and meet or exceed the standards and requirements of all pertinent codes and ordinances of the governing authority having jurisdiction.

The Architectural Review Committee and the Board of Directors shall have the authority to require, limit, condition, or prohibit the use of specific colors, materials and styles of any aspect of exterior construction of improvements, including but not limited to, roofing; gutters; window, entrance doors, garage doors, and other exterior trim; brick, siding, exterior walls, ceilings, floors and decks; exposed flat-work for porches, patios, walks, driveways, and parking places; mailboxes; gas or electric exterior lighting lamps and fixtures; trees, shrubs, grass, and other landscape components; fences; and such other components of the exterior of the dwelling or appurtenances thereto as the Committee or Board may deem necessary and proper. No requirement or decision by the Committee or Board that waives, decreases, negates or adversely alters any requirement imposed on Chestnut Hill by the governing authority having jurisdiction shall be effective without such requirement first being similarly waived, decreased, negated or altered by official action of such authority.

The Architectural Review Committee and Board of Directors shall have the authority to prohibit, limit or condition the employment of any person as a builder, designer, general contractor, subcontractor or supplier after such person demonstrates, in Chestnut Hill and/or in any other similar residential development, an inability or unwillingness to comply with any of the following requirements or in the alternative at the Committee or Board's discretion, require the posting of bond(s) in sufficient amount(s) to enforce such compliance:

- (a) To construct or ensure construction in accordance with the plans approved by the Committee (or architectural review authority for any other similar development);
- (b) To comply with the covenants, conditions and restrictions of this Declaration and the policies, guidelines, standards, requirements, conditions, rules and regulations of the Design Guidelines (or corresponding documents promulgated for other similar developments);
- (c) To employ, follow or implement measures, standards and practices customary in the trade area for construction of residential dwellings in a first class manner and in full compliance with applicable laws, regulations, rules, codes and ordinances of governing authorities having jurisdiction; or
- (d) To promptly correct, remove, remedy or otherwise terminate or abate violation(s) or omission(s) of any of same.

The Architectural Review Committee or Board of Directors may require that that a builder and contractor provide proof of general liability insurance and, if required by law, workmen's compensation coverage. The Committee or Board may set reasonable limits and restrictions of any nature on vehicles and equipment of the builder and his contractors, subcontractors, employees, agents and suppliers using and/or parking on Neighborhood streets. The Board, or the Committee with the approval of the Board of Directors, may require that the Owner of a Lot or such builder provide deposits, bonds or other sureties sufficient in amount to cover the prospective costs of repair or reconstruction following potential inordinate use and damage of Neighborhood streets, common areas and Neighborhood facilities and/or the costs of ensuring or enforcing compliance the plans approved by the Committee or Board and/or the standards, requirements, conditions, rules and regulations of the Design Guidelines.

The provisions of this Declaration to the contrary notwithstanding, the Architectural Review Committee, the Board of Directors or the Declarant may not modify any criteria, revise any policy, change any guideline, lower any standard, relieve any requirement, waive any condition or otherwise change any element pertaining to or affecting architectural styles or details, colors, size, materials or other matters relative to architectural control to something effecting or permitting the construction and maintenance of dwellings with lesser character and/or of lower quality than that represented by the Declarant to the governing authority having jurisdiction as to be enforced during the construction of dwellings in Chestnut Hill.

Section 3. Review Process. A Developer, builder, or Owner proposing to construct an improvement or otherwise undertake an activity subject to the requirements of this Article, at no expense to the Association or its Architectural Review Committee or Board of Directors, shall complete and submit to the Committee or Board three (3) complete sets of plans for the review along with payment for any review and/or impact fee that may be set from time to time by the Board of Directors. Specific requirements of the plans submitted shall be established from time to time by the Committee or Board and promulgated in the Design Guidelines. The requirements of plans so submitted may include the following:

(a) Building plans, at a reasonable scale, and building specifications, which shall be prepared by or certified by an architect and shall include the location, nature, shape, height, materials, type of construction, floor plans and elevations, gross square footage and other characteristics of the improvements; and

(b) A site plan, at a reasonable scale, which will include an accurate grading and drainage plan and which shall show the location on the Lot of each and all site improvements and activities subject to the requirements of this Article, each and all proximate existing or proposed utility service lines and facilities, the points of discharge from the Lot of all surface storm and irrigation water run-off, the areas within the Lot to be disturbed or remain undisturbed, and those best management practices to be implemented to control erosion; and

(c) A landscaping plan, at a reasonable scale.

Within thirty (30) days (other than days in the month of December for which the committee shall have forty-five (45) days) after receipt of complete plans and all other information required by the Architectural Review Committee or Board of Directors, all in proper form and order,

together with any reasonable fee imposed to defray expenses of the review process, the Committee or Board shall review same shall either approve or disapprove all or any portion thereof. Written notice of such decision shall be given to the applicant, and such notice shall specify the reasons for any disapproval.

If any portion of the plans and other information are not approved and the applicant seeks to continue with the proposed improvements or activities, the applicant shall amend and modify the plans and such information to conform to the requirements of, and to cure any objections made by, the Architectural Review Committee or Board of Directors. Upon the completion of each amendment and modification, the plans and specifications shall be resubmitted to the Committee or Board for review and approval or disapproval. The Committee or Board's right to disapprove the amended and modified plans and specifications shall be limited to (i) the portion of the plans and specifications not previously approved, (ii) new matters not disclosed by or included in the plans and other information previously submitted, or (iii) matters which do not satisfy the requirements of this Article or other provisions of this Declaration and/or the Design Guidelines.

The applicant must obtain written approval of his plans from the Architectural Review Committee or Board of Directors prior to commencement of any on-site construction, installation, clearing, grading, paving or landscaping, except the applicant may receive written permission from the Committee or Board or be permitted by the Design Guidelines to engage in any or some of such activities prior to approval of his plans under conditions which may be set forth in the Design Guidelines relevant thereto.

If the applicant desires to materially modify or change his plans after the Board's or Committee's approval of same (but not including modifications or changes of or to the interior design), prior to making such modification or change the applicant shall submit two complete copies of such proposed changes to the Committee or Board for review and approval or disapproval.

Section 4. Approval by the Architectural Review Committee or Board of Directors. The Architectural Review Committee or Board of Directors may charge and collect a reasonable fee for the examination of any plans submitted to either of them for approval pursuant to the provisions of this Article. Upon approval by the Committee or Board of any plans and specifications submitted pursuant to the provisions of this Article, two (2) copies of such plans, as approved and bearing a notation of such approval, shall be returned to the applicant submitting same. One copy of such plan, as approved and bearing such notation, shall be kept on file among the records of the Association for at least one (1) year following initial occupancy of the dwelling.

The Board of Director's and Architectural Review Committee's right to disapprove plans shall be limited to the following:

(a) The failure of the applicant to include information required by, or otherwise satisfy the requirements of, this Article or other provisions of this Declaration, the Design Guidelines or the Neighborhood or Village Rules;

(b) The failure of the plans and other information to indicate improvements which in any matter or manner is less than that required by this Declaration or the Design Guidelines;

(c) Objections to the design, location, general massing or appearance, colors, materials or the like of any proposed dwelling, structure, appurtenance, landscape element or other improvement or facility which the Committee determines to be incompatible with the surrounding structures and topography or not in conformance with the design concept for Chestnut Hill;

(d) Objections that the plans do not provide for first-class workmanship or materials; or

(e) Any other reason or reasons which are not arbitrary or capricious, including, but not limited to, aesthetic considerations.

In the event the Architectural Review Committee or Board of Directors fails to approve or disapprove any plans in good order which may be submitted to it pursuant to the provisions of this Article within thirty (30) days after such plans (and all other information required by the Committee) (except for submittals made during the month of December during which time the committee shall have forty-five (45) days) have been submitted to it in writing, then this Article will be deemed to have been complied with fully and the required approval shall be deemed to have been granted.

In the absence of any evidence to the contrary, any element subject to submission to, review by and approval of the Architectural Review Committee or Board of Directors, which was shown or should have been shown on said plans or was or should have been detailed in said plans and other information submitted to the Committee or Board, other than landscaping, mailboxes and the like, which has been completed for one (1) year shall be deemed to have been approved. Should any such element be a violation or breach of any covenant, condition, restriction, requirement or provision of this Declaration, the Design Guidelines or Neighborhood or Village Rules, then after said one (1) year period, such element shall no longer be deemed a violation or breach subject to enforcement by the Association or any beneficiary of this Declaration notwithstanding to the contrary the provisions of Section 4 of Article XII of this Declaration unless the reasonable cost to correct such violation or remedy such breach to be paid by the Member or assessed against his Lot shall be less than the then current Annual Operating and Maintenance Assessment for a Lot.

The decisions of the Architectural Review Committee shall be final except that any Member who is aggrieved by any action or forbearance from action by the Committee (or by any policy, standard or guideline established by the Committee), during any period which the members of the Committee are appointed by the Board of Directors rather than the Declarant, may appeal the decision of the Architectural Review Committee to the Board of Directors, and upon written request, such Member shall be entitled to a hearing before the Board of Directors.

Section 5. Limitations on Committee Approved Construction. Construction or alterations in accordance with plans approved by the Architectural Review Committee or Board of Directors pursuant to the provisions of this Article shall be commenced within six (6) months following the date upon which the same are approved by the Committee or Board (whether by affirmative

action or by forbearance from action) and shall be substantially completed within eighteen (18) months following the date of commencement, or within such other period as the Committee or Board shall specify in its approval. In the event construction is not commenced within the period aforesaid, then approval of the plans by the Committee or Board shall be conclusively deemed to have lapsed and compliance with the provisions of this Article shall again be required. There shall be no substantial deviation from the plans approved by the Committee without the prior consent in writing of the Committee or Board. Approval of any particular plans, specification or design shall not be construed as a waiver of the right of the Committee or Board to disapprove such plans, specification or design, or any elements or features thereof, in the event such plans, specification or design is/are subsequently submitted for use in any other instance.

Section 6. Design Concept for Chestnut Hill. The Design Concept for Chestnut Hill embraces the following concepts to the extent they may be feasibly, reasonably, and practically effected, as such adverbs may be interpreted and applied by the Architectural Review Committee or Board of Directors on the topography within the subdivided lot boundaries:

(a) The exterior appearance of each and all dwellings shall conform to the requirements and conditions set forth in the Design Guidelines concerning the style of exterior appearance as a traditional, high quality dwelling in central Mississippi, as such style is interpreted and/or modified by the Architectural Review Committee or Board of Directors. The requirements and conditions set forth in the Design Guidelines shall be definitive of such appearance.

(b) The exterior appearance of a dwelling shall not substantially duplicate the exterior appearance of another dwelling on the same street or within view. However, the collective exterior appearance of adjacent dwellings and their appurtenances and the collective exterior appearance of all dwellings and their appurtenances shall blend and/or certain elements thereof may match due to the implementation of the standards, requirements and conditions of the Design Guidelines and/or other standards, requirements and conditions imposed by the Architectural Review Committee.

(c) The front yards (and corner lot street side yards and yards in public view of a street, lake, common area or Neighborhood facility) of dwellings shall be well landscaped to achieve a natural homogeneous appearance. No fence, wall, or other apparent device shall be erected or permitted to remain within the area between street pavements and dwellings on Lots fronting thereon which patently designates street right-of-way line or a boundary between adjoining Lots unless for cause such is approved by the Architectural Review Committee or Board of Directors. To facilitate the achievement of the natural homogeneous appearance mentioned herein, the Committee or Board may require or limit the species, size, color, spacing or arrangement of permitted trees and shrubs. Proposed compliance with the requirements of this subparagraph shall be clearly shown on the landscaping plan included as a part of the construction plans for a dwelling.

(d) The area between a dwelling and the rear property line (outside an area designated as lake shore) may be improved to provide appurtenant to the dwelling a private yard for the exclusive use of the Owner. Such area may be screened from public view in a manner approved by the Architectural Review Committee or Board of Directors.

Section 7. Design Guidelines and Other Rules Pertaining to Architectural Review. With the approval of the Declarant or the Board of Directors, the Architectural Review Committee may from time to time adopt, promulgate, amend, modify, publish and/or file for record such policies, guidelines, standards, requirements, conditions, rules and regulations regarding the construction or alteration of any dwelling, structure or improvement and the form and content of plans and specifications to be submitted to it for approval. With the approval of the Declarant or Board of Directors, the Architectural Review Committee may from time to time also establish criteria relative to architectural styles or details, colors, size, materials or other matters relative to architectural control, landscaping, protection of the environment (including the use and application of fertilizers, pesticides and other chemicals), preservation of trees and other natural resources and wildlife, and preservation of aesthetic values, characteristics and amenities as the Committee may reasonably consider necessary, advisable, convenient or appropriate. Such policies, guidelines, standards, rules, regulations, statements, criteria or the like may be adopted and promulgated for all or any part of Chestnut Hill, provided such is not arbitrary or capricious. Such policies, guidelines, standards, requirements, conditions, rules, regulations, statements, criteria or the like may serve as a reference tool and decision-making guide for dwelling construction, alteration and/or maintenance. However, no such policies, guidelines, standards, requirements, conditions, rules, regulations, statements, criteria or the like shall be construed as a waiver of any provision of this Declaration. Any Member who is aggrieved by any policy, guideline, standard, requirement, condition, rule or regulation established by the Committee, during any period which the members of the Board of Directors Committee are elected by Members rather than appointed by the Declarant, must appeal the promulgation thereof to the Board of Directors within thirty (30) days of the Board's decision, and upon written request, such Member shall be entitled to a hearing before the Board of Directors. The Board of Directors may from time to time establish such rules and regulations for any hearings.

The provisions of this Section to the contrary notwithstanding, the Association, its Architectural Review Committee or its the Board of Directors, or the Declarant may not modify any criteria, revise any policy, change any guideline, lower any standard, relieve any requirement, waive any condition or otherwise change any element pertaining to or affecting architectural styles or details, colors, size, materials or other matters relative to architectural control to something that effects or permits the construction and maintenance of dwellings with lesser character and/or of lower quality than that represented in the Design Guidelines for Chestnut Hill approved by and on file with the governing authority having jurisdiction without such being a violation of these covenants, conditions and restrictions enforceable as provided in Sections 4 and 5 of Article XII of this Declaration

Section 8. Incumbencies on the Developer, Lot Owner and Builder. It is incumbent on the Developer, prior to entering into any contract for the sale of each Lot, to provide to the first purchaser of the Lot a copy of this Declaration, any pertinent supplements and amendments thereto, applicable rules and regulations, and the Design Guidelines. If such purchaser be other than the builder of the dwelling contemplated on the Lot, it is incumbent on such purchaser to provide a copy of each of these documents to the prospective builder of the dwelling. If such purchaser be a builder, it is incumbent upon such builder, prior to entering into any contract for the sale of the Lot and dwelling thereon, to provide a copy of each of such documents to the prospective purchaser of the Lot and dwelling. Each person who becomes

an owner of a Lot comprising part of Chestnut Hill, by acquiring title to a Lot, by taking possession of a Lot, by accepting a deed or lease to a Lot, or by accepting a similar instrument of conveyance transferring to him the right to use or occupy a Lot, whether or not said instrument shall so state, shall have the obligation to provide, prior to entering into any contract for the subsequent sale, lease, conveyance or transfer of the Lot, a copy of each of these documents to a prospective purchaser of the Lot. The provision of such documents after the date of the recording of this Declaration and pertinent supplements and amendments thereto shall be copies of the instruments recorded in the office of the Chancery Clerk and bearing notations evidencing such recordation.

It is incumbent upon the Owner of the Lot and the builder of the dwelling thereon to ensure that the plans for a dwelling are properly prepared and submitted and that sufficient information is clearly shown thereon or submitted therewith to ensure that the proposed dwelling complies with the covenants, conditions and restrictions of this Declaration and the policies, guidelines, standards, requirements, conditions, rules and regulations of the Design Guidelines. It is incumbent upon the Owner of the Lot and the builder of the dwelling thereon to ensure that in all respects the construction of the dwelling complies with the approved plans, the covenants, conditions and restrictions of this Declaration and the policies, guidelines, standards, requirements, conditions, rules and regulations of the Design Guidelines.

It is incumbent upon the Owner of the Lot and builder of the dwelling to determine the elevation of the lowest habitable floor for a dwelling. It is not, and no provision herein shall be interpreted to imply that it is otherwise, the responsibility, obligation or duty of the Declarant or any director or officer of the Association or any member of the Architectural Review Committee to make such determination. Such elevation as determined by such Owner and builder shall be shown on the Site Plan which is a part of the plans submitted for Committee approval. Although it is not the responsibility, obligation or duty of the Declarant or any director or officer of the Association or any member of the Architectural Review Committee to ensure that the elevation so determined for the dwelling and shown on the plans therefor has been met, the Committee may in its discretion on a case by case basis require such Owner and builder to obtain and furnish to the Committee, as a condition of its approval of such plans, before such lowest habitable floor slab or structure is poured or erected, a certificate signed by a Professional Engineer or Professional Land Surveyor setting forth that the elevation(s) of the batter boards or floor joists as erected is(are) as indicated on the approved plans and/or is at or above any or all of the elevations identified in Section 5 of Article III. On finding that such elevation is not at or higher than the elevation the Committee deems is necessary or advisable for the dwelling, the Owner of the Lot and the builder of the dwelling thereon shall make such adjustments as may be necessary or advisable, and if the Owner of the Lot and builder thereon fail so to do, such shall be a violation of the covenants, conditions and restriction of this Declaration and the Committee may take any and all such action as is permitted in this Declaration in order to correct, remove, remedy or otherwise terminate or abate such violation.

It is incumbent upon the Seller of a Lot to provide to the purchaser, prior to the closing of a sale of the Lot, a copy of this Declaration and all applicable supplements and amendments thereto pertinent to said Lot.

Section 9. Incumbencies on a Prospective Purchaser of a dwelling Constructed by Others. It is incumbent upon the prospective purchaser of a dwelling constructed by others to ensure that the dwelling and all appurtenances thereto comply with the approved plans, the covenants, conditions and restrictions of this Declaration and the policies, guidelines, standards, requirements, conditions, rules and regulations of the Design Guidelines. The absence of notice to the contrary and the issuance of a certificate of occupancy by the governing authority having jurisdiction shall be indicative of such compliance, except for such deficiencies as may have been created by movement of foundation soils, by failure of previous owner(s) to ensure and maintain proper drainage, by failure of previous owner(s) to perform routine maintenance and make repairs, or as a result of the normal aging of the dwelling. It is incumbent upon the prospective purchaser of a dwelling constructed by others to ensure that reasonable investigations and professional home inspections are made to identify such deficiencies and to identify drainage patterns and potential for flooding from rain water or irrigation water runoff emanating either from uphill properties or proximate drainage courses and streams. It is not, and no provision herein shall be interpreted to imply that it is otherwise, the responsibility, obligation or duty of the Declarant or any director or officer of the Association or any member of the Architectural Review Committee to make such investigations and identifications.

It is incumbent upon the seller of a Lot to provide to the purchaser prior to the closing of the sale of the Lot a copy of this Declaration and any applicable supplements and amendments, applicable rules and regulations and the Design Guidelines thereto pertinent to said Lot.

Section 10. Disclaimer. The Declarant, an Associate of the Declarant, the Board of Directors, the Architectural Review Committee, each officer of the Association, each director and each member of the Architectural Review Committee and the Association shall not be liable to any Owner or to any other person on account of any claim, liability or expense suffered, incurred or paid by or threatened against such Owner or other person arising or resulting from or in any way relating to the subject matter of any reviews, acceptances, inspections, permissions, consents or required approvals which must be obtained from the Architectural Review Committee or public authorities, whether given, granted or withheld. Each person who becomes an owner of a Lot comprising part of Chestnut Hill, by acquiring title to a Lot, by taking possession of a Lot, by accepting a deed or lease to a Lot, or by accepting a similar instrument of conveyance transferring to him the right to use or occupy a Lot, whether or not said instrument shall so state, shall be deemed to have waived the right to, and to have agreed not to, assert any claim against the Association or any of its directors, officers or committee members, individually or collectively, for any action or determination duly taken or made, or for failure to take any action or make any determination, unless such action, determination or failure was as a result of gross negligence or willful misrepresentation, fraud or deceit and then only if the person first gives thirty (30) days written notice to all offending persons or entities ratifying them in detail of any alleged grievances and giving them thirty (30) days opportunity to cure the same.

No approval of plans or and no provision of the Design Guidelines shall be construed either to represent, guarantee or imply that such plans or compliance with said guidelines will result in a properly designed or constructed dwelling or other improvement, or to represent, guarantee or imply that any dwelling or other improvement will be built or constructed in a good, workmanlike manner or will not be subject to flooding or other hazards.

Approval of any particular plans and other information shall not be construed as a waiver of the right of the Committee to disapprove all of any portion of the same or similar plans and information if such are subsequently submitted for use in any other instance.

ARTICLE V

RIGHTS OF MEMBERS AND THE ASSOCIATION

Section 1. Members' Right of Enjoyment. Except as otherwise herein provided, every Member shall have a right and easement to use, enjoy, and benefit from each and all, if any, common areas and Neighborhood facilities, and to expect and rely on the Association to administer and enforce reasonably, equitably and uniformly the covenants, conditions and restrictions of this Declaration, which right and easement shall be appurtenant to and shall pass with title to the Lot owned by such Member. However such right and easement shall be subject in every case to the rights of other Members specifically set forth in this Declaration and subject to the rights and authorities of the Association specifically set forth in this Declaration, including, without limitation, the rights of the Association hereinafter enumerated in Section 2 of this Article.

Section 2. Rights of the Association. Members' rights of enjoyment are subject to the superior rights hereinafter enumerated and hereby authorized and granted to the Association as well as those rights and authorities of the Association specifically set forth elsewhere in this Declaration.

(a) The right of the Association, in accordance with its Charter of Incorporation and/or Bylaws, to borrow money for the purpose of improving any common areas and Neighborhood facilities held and maintained by the Association in a manner designed to further the purposes of this Declaration and enhance the enjoyment and welfare of the Members, and in aid thereof to mortgage any common area, Neighborhood facility or personal property of the Association which is not a part of a Lot, provided, however, that no such borrowing shall be done and no such mortgage shall be executed unless and until same has been approved by the vote of at least two-thirds (2/3) of the then Class A Members and the then Class B Members of the Association, each class voting separately.

(b) The right of the Association, acting by and through its Board of Directors, to levy reasonable admission and other fees for the use of a common area and/or Neighborhood facility (other than those within public street rights-of-way and those that any provision of this Declaration or an amendment or supplement hereto expressly declare otherwise) by Members, their families and their invited guests; provided, however, that any such fees shall be charged on a uniform basis for each Member.

(c) The right of the Association, acting by and through its Board of Directors, to take such action as is reasonably necessary to protect each and every, if any, common area, Neighborhood facility, and/or personal property of the Association against mortgage default and foreclosure; provided, however, that any such action is taken in conformity with the other provisions of this Declaration.

(d) The right of the Association, acting by and through its Board of Directors, to adopt and promulgate as Neighborhood Rules and/or Village Rules reasonable standards, conditions, rules and regulations governing the use of common areas and Neighborhood facilities, respecting the discharge of any responsibility of the Association or the provision of any service rendered by the Association, or effecting the furtherance of any purpose of this Declaration provided such standards, conditions, rules and regulations are not inconsistent with the provisions of this Declaration. The Board of Directors may require deposits, bonds or other sureties sufficient in amount to cover the prospective costs of repair or reconstruction following potential inordinate use; may set limits and restrictions of any nature on vehicles and equipment using Private Neighborhood Streets, Service Driveways, sidewalks and any common areas and Neighborhood facilities; and may limit the number of guests of Members who may use a common area or Neighborhood facility.

(e) The right of the Association, acting by and through its Board of Directors, or in lieu thereof, the Architectural Review Committee, to adopt and promulgate as Design Guidelines reasonable policies, guidelines, standards, rules or regulations regarding the construction or alteration of any dwelling, structure or improvement and the form and content of plans and specifications to be submitted to it for approval, and to establish and promulgate criteria relative to architectural styles or details, colors, size, materials or other matters relative to architectural control, landscaping, protection of the environment (including the use and application of fertilizers, pesticides and other chemicals), preservation of trees and other natural resources and wildlife, and preservation of aesthetic values, characteristics and amenities, which are not inconsistent with the provisions of this Declaration.

(f) The right of the Association, acting by and through its Board of Directors, to suspend any Member's voting rights and any Member's right to use any and/or all common areas and/or Neighborhood facilities (except as hereinafter provided) for any period during which any assessment remains unpaid, or for any period not exceeding sixty (60) days for any infraction of any duly adopted and published Neighborhood Rule or Village Rule, except such right of the Association shall not be exercised to suspend or terminate the legal right of an owner, Mortgagee or Contract-Purchaser of a Lot of ingress and egress in, upon, over and across Private Neighborhood Streets or Service Driveways; however, the Association has the authority to seek or act to suspend or terminate by any lawful means the privilege and/or opportunity of any individual to drive vehicles upon, operate equipment upon or otherwise use public and/or Private Neighborhood Streets, Service Driveways and sidewalks after such individual repeatedly demonstrates an inability or unwillingness to comply with those duly adopted and promulgated standards, conditions, rules or regulations respecting the use of said streets, sidewalks and driveway.

(g) The right of the Association, acting by and through its Board of Directors, to sell, lease, dedicate, transfer, encumber or otherwise convey its interest in all or any part of any common area or to sell, lease, dedicate, transfer, encumber or otherwise convey its interest in all or any part of any Neighborhood facility to the governing authority having jurisdiction, to the Declarant, to any person, or to any public agency or utility company for any purpose deemed by the Board of Directors to be consistent with and in furtherance of the purposes of the Declaration, and subject to such conditions as may be agreed to by the Board and subject further that the

Declarant join therein as provided in Section 7 of Article I of this Declaration; provided, however, except for the grant of licenses, rights-of-way and easements as hereafter provided in subparagraph (h) of this Section, that no such dedication or transfer or determination as to purpose or as to conditions, shall be effective unless a majority of each class of the then Members of the Association consent to such sale, dedication, transfer or conveyance, purpose and conditions, at a special meeting of the Members duly called for such purpose.

(h) The right of the Association, acting by and through its Board of Directors, to grant licenses, rights-of-way and easements in, upon, over and across any common area or Neighborhood facility for access or for the construction, reconstruction, maintenance and repair of any utility main, cable, line or appurtenance, whether public or private, to the governing authority having jurisdiction, to the Declarant, to any public agency, authority or utility company, or to any other person, provided, however, that no such licenses, rights-of-way or easements shall be unreasonable and permanently inconsistent with the right of the Members to the use and enjoyment of any common area and Neighborhood facility and provided further that the Declarant join in any such grant in order for same to be effective as provided in Section 7 of Article I of this Declaration.

(i) The right of the Association, acting by and through its Board of Directors, to open common areas and Neighborhood facilities, or any portions thereof, to a wider group of persons, all for such purposes and on such terms and conditions as the Board of Directors may from time to time consider appropriate.

(j) The right of the Association, acting by and through its Board of Directors, to restrict the use and enjoyment of certain parts of any common areas and/or Neighborhood facilities in accordance with specific provisions of this Declaration, for any purpose consistent with the purposes of the Declaration, or with a prior reservation scheduled by the Management Agent or duly authorized officer of the Association.

(k) The right of the Association, acting by and through its Board of Directors, to accept vacated or closed public streets as Private Neighborhood Streets.

(l) The right of the Association, acting by and through its Board of Directors, to maintain manned or electronically actuated gates and devices monitoring and/or controlling pedestrian or vehicular access to and from Chestnut Hill or to and from any common area or Neighborhood facility.

(m) The right of the Association, acting through its directors, officers, agents, employees or committee members duly authorized so to do, having reasonable belief that such exists, to enter upon and inspect any Lot at any reasonable time for the purpose of ascertaining whether any violation of this Declaration exists on such Lot; and neither the Association nor any such director, officer, agent, employee or committee member shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

(n) The right of the Association, acting by and through its Board of Directors, to enter upon any Lot or premises and to take such action as may be necessary to correct, remedy or otherwise terminate or abate any violation or attempted violation of the covenants, conditions

and restrictions of this Declaration, and to assess the cost of such action taken against the Lot upon which such violation occurred, or against any Lot owned by the Member responsible for such violation.

(o) The right of the Association, acting by and through its Board of Directors, to restrict the use and enjoyment of any common area and/or Neighborhood facility in order to comply with the provisions of the comprehensive liability insurance policy obtained and maintained in favor of the Association or to comply with any lawful ordinance or decree.

Section 3. Other Limitations on Members' Right of Enjoyment. Members' rights of enjoyment are also subject to those relevant limitations and conditions specifically set forth elsewhere in this Declaration, including, without limitation, the reservations by the Declarant set forth in Section 7 of Article I of this Declaration, and to following:

(a) Those limitations and conditions which may be stated in any document of record accepted by the Association transferring to the Association an interest in any common area or Neighborhood facility; and

(b) Those limitation and conditions which are appurtenant to any Village Restricted Common Area and/or any Village Restricted Neighborhood Facility; and

(c) Those limitations and conditions which may be stated in any document of record accepted by the Association transferring to the Association an interest in any common area or Neighborhood facility; and

(d) The right of the Owners of Lots adjacent to common areas and/or adjacent to or containing Neighborhood facilities to easements over and upon reasonable portions of any of such common areas and Neighborhood facilities for the purposes set forth in the Covenants; and

(e) The circumstance of the proposed incorporation by the Town of Livingston of so much of the Property that is desired by the Town of Livingston. Each person who becomes an owner of a Lot comprising part of Chestnut Hill, by acquiring title to a Lot, by taking possession of a Lot, by accepting a deed or lease to a Lot, or by accepting a similar instrument of conveyance transferring to him the right to use or occupy a Lot, whether or not said instrument shall so state, shall be deemed to consent to incorporation of Chestnut Hill with the Town of Livingston; and

(f) The rights of any lender of the Declarant and/or the Association.

Section 4. Delegation of Members' Right of Enjoyment. Any Member of the Association may delegate his right to use and enjoy any common area and Neighborhood facility to the members of his family residing permanently with him, and to any bona fide tenant, guest, agent, employee, repairman, deliveryman, contractor, subcontractor or supplier of such Member having the consent of or invitation from such Member, as same shall from time to time may be regulated, restricted and conditioned by the Board of Directors. Any Member of the Association so delegating his right to use and enjoy the same shall be liable and responsible for any damage caused by the delegee and any breach by the delegee of these covenants or other rules, regulations or restrictions applying to the use and enjoyment of any common area or

neighborhood facility. All persons who thereby enjoy such right shall be subject to such reasonable standards, conditions, rules and regulations as the Association, acting by and through its Board of Directors, may from time to time duly adopt and promulgate among the Members. The Mortgagee or Contract-Purchaser of any Lot is hereby delegated the right of enjoyment of the Member who is the Owner of the Lot to which his membership is appurtenant.

ARTICLE VI

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. The Members of the Association shall be and consist of every person who is, or who hereafter becomes, an owner of a Lot within Chestnut Hill. When more than one person owns a Lot, all such persons shall be considered a Member of the Association, subject to the provisions of this Article that only one vote may be cast for each Lot. Any dispute as to voting rights shall be resolved by the Board of Directors of the Association.

Section 2. Action by Members of the Association. The Association shall have two classes of voting membership. Whenever in this Declaration any action is required to be taken by a specified percentage of "each class of the then Members" of the Association, then such action shall be required to be taken separately by the specified percentage of the then outstanding Class A Members and by the specified percentage of the then outstanding Class B Members. Whenever in this Declaration any action is required to be taken by a specified percentage of the "then Members" of the Association, then such action shall be required to be taken by the specified percentage of the then outstanding total membership of the Association, as to the combined Class A Members and Class B Members.

Section 3. Voting Rights. For the election of officers, a Member shall have one vote for each Lot he owns for each officer of the Association. Election of officers shall not be by class of membership. For all other purposes, the voting rights of the Members shall be by class of membership, and shall be as follows, to wit:

(a) **Class A Members.** Each person, other than persons herein defined as a "Developer," who is or who hereafter becomes the Owner of a Lot shall be a Class A Member of the Association. Class A Members shall be entitled to one vote for each Lot such person owns.

(b) **Class B Members.** Each of the persons herein defined as Declarant or Developer and the nominee or nominees, if any, of each such person who becomes the Owner of a Lot, shall be Class B Members of the Association. Class B Members shall be entitled to one vote for each Lot that such person owns.

(c) **Class C Members.** Declarant or Associate of the Declarant, shall have the absolute right, during the time Declarant is a Class B Member, to enter into one or more agreements with one or more persons or entities who own properties adjacent to properties owned by Declarant or Associate of the Declarant ("Adjacent Properties"), whereby the Adjacent Properties shall be developed or maintained pursuant to these covenants, subject to revisions authorized for Annexable Lands. Each person, who is or who hereafter becomes the Owner of one of the lots

within the Adjacent Properties, whose lot is to be developed by any person or entity other than Declarant or Associate of the Declarant, upon such Adjacent Properties becoming annexed with these covenants placed thereon, subject to revisions authorized for Annexable Lands, shall become Class C Members of the Association. Class C Members shall not have voting rights but shall have the other rights reserved for Class A Members as described herein (other than voting rights) as well as the requirements, duties and obligations; however, Class C Members are not subject to assessments, dues and liens for the following: Annual Operating and Maintenance Assessments; Village Operating and Maintenance Assessments; Special Maintenance Assessments; Village Special Maintenance Assessments; and Village Maintenance and Service Assessments. Class C Members and their lots are subject to assessments and liens for the following: Damage Assessments; Lawn and Maintenance Assessments; and Solid Waste and Refuse Removal Assessments. Upon substantial completion of the Dwelling on the Class C Members' lot, the Class C Member shall become a Class A Member for purposes herein with voting rights and subject to all assessments, dues and liens of Class A Members.

No Class A Member who is shown by the books of the Association to be more than sixty (60) days delinquent in any payment due the Association shall be eligible to vote, either in person or by proxy, and no such delinquent Member shall be eligible to be elected to the Board of Directors or as an officer of the Association.

Section 4. Memberships Appurtenant to Real Property. In every case, the membership of a Class A Member and the membership of a Class B Member shall be appurtenant to the ownership of a Lot. A membership shall not be held, assigned, transferred, pledged, hypothecated, encumbered, conveyed or alienated in any manner except in conjunction with and as an appurtenance to ownership, assignment, transfer, pledge, hypothecation, encumbrance, conveyance or alienation of the Lot to which the membership is appurtenant.

Section 5. Termination of Class B Memberships. The Class B Memberships shall terminate and automatically shall be converted into Class A Memberships upon the first to occur of the following dates, to wit:

(a) The 180th day after the day on which (i) the Declarant no longer owns of record any Lot subject to this Declaration and (ii) the total number of Lots owned of record by Class A Members is equal to or greater than four times the total number of Lots owned of record by Class B Members; or

(b) If no Lots subject to this Declaration are owned of record by the Declarant, the 180th day after the day on which the total number of Lots owned of record by Class A Members is equal to or greater than four times the total number of Lots owned of record by Class B Members; or

(c) The date on which all remaining Class B Members shall voluntarily relinquish all Class B Memberships by written document or documents delivered to the Association; or

(d) The date of December 31, 2017.

Upon the termination of the Class B memberships as provided in this Section, each and all persons herein defined as a Declarant or Developer thereafter shall be and remain a Class A Member as to each and every Lot which he owns unless and until Class B memberships are reinstated as provided hereinafter.

Section 6. Reinstatement of Class B Memberships. If on any one or more occasions all Class B memberships should terminate as provided in Subsections (a), (b) or (c) of Section 5 of this Article, and if after any such termination, the Declarant, by annexation to the Property in accordance with the provisions of Section 5 of Article I of this Declaration, should annex additional parcels of land to the Property, then on each such occasion the status of the Declarant, and each of the persons herein defined as Declarant or Developer, and the nominee or nominees, if any, of the Declarant and each such person, as a Class B Member shall be fully reinstated, and following each such occasion, the Declarant, each of the persons herein defined as "Developer," and the nominee or nominees, if any, of the Declarant and each such person shall continue to be Class B Members until such time as Class B memberships shall again terminate as provided in Section 5 of this Article. At such time, the Class B membership resulting from such addition shall cease and be converted to Class A memberships as so provided in said Section 5 of this Article. Following each such reinstatement of Class B memberships, for so long thereafter as the Class B memberships shall continue to exist, the Declarant, and the nominee or nominees, if any, of the Declarant, shall have all rights and powers of Class B membership as herein provided.

Section 7. Other Voting Provisions. Only one vote may be cast with respect to any one Lot. Any person qualifying as a Member of more than one voting class of membership may exercise the votes to which he is entitled for each such class of membership. If a particular Lot is owned of record by more than one person, the vote appurtenant to such Lot may be exercised by any one of the owners of such Lot, unless the other owner or owners of such Lot shall object prior to the completion of voting upon the particular matter under consideration. In the case of any such objection, the vote appurtenant to said Lot shall not be counted.

Section 8. Board of Directors. The affairs of the Association shall be managed and controlled by a Board of Directors consisting of the number of individuals from time to time prescribed by the Bylaws, which number, however, shall not be less than three (3) nor more than seven (7). Directors need not be Members of the Association. From and after the first annual Members' meeting, and for so long as there is a Class B Member, the Board of Directors shall consist of Appointed Directors and Elected Directors. When there are no Class B memberships, all Directors shall be Elected Directors.

Section 9. Appointed Directors. Appointed Directors shall be selected and appointed by the concurrence of a majority of the Class B Members, and shall serve at the pleasure of a majority of the Class B Members. The initial Board of Directors shall consist of three individuals, all of whom shall be Appointed Directors, and unless earlier replaced, said initial Directors shall serve until the first annual meeting of Members. From and after the first annual meeting of Members, and for so long as there is a Class B Member, the number of Appointed Directors at all times shall be equal to two-thirds (2/3) of the total number of Directors prescribed from time to time by the Bylaws, or if at any time the total number of Directors prescribed by the Bylaws is not evenly

divisible by three, then the number of Appointed Directors shall be equal to the whole number next larger than two-thirds (2/3) of the total number of Directors prescribed by the Bylaws.

Section 10. Elected Directors. Elected Directors shall be elected by the Class A Members at annual or special meetings of Members. Each director so elected shall serve until his successor is elected and qualified in accordance with the Bylaws.

ARTICLE VII

DETERMINATION OF ASSESSMENTS

Section 1. Authority to Levy Assessments. The Association, acting by and through its Board of Directors, shall have the right to levy assessments against Lots within Chestnut Hill for defraying the Association's expenses, for administering and enforcing the covenants, conditions and restrictions of this Declaration, for carrying out the powers and duties mentioned herein, for operating, repairing, reconstructing, replacing, improving, insuring or otherwise maintaining any Common Area or Neighborhood facility, and for otherwise fulfilling the purposes of this Declaration or of the Association, all in accordance with the terms and provisions of this Article of this Declaration. The Board of Directors may levy any or all of the following types of assessments:

- (a) Annual Operating and Maintenance Assessments, including for Lots within a Village, Village Operating and Maintenance Assessments;
- (b) Special Maintenance Assessments, including for Lots within a Village, Village Special Assessments;
- (c) Damage Assessments;
- (d) Village Maintenance and Service Assessments, Lawn and Maintenance Assessment and Solid Waste and Refuse Removal Assessment.

The Association may levy any and all of these types of assessments concurrently for the purposes hereinafter specified or implied, as and when hereinafter provided and conditioned, in the amounts hereinafter determined and limited, and against each and all of those Lots hereinafter identified. Each and all of these assessments properly levied shall become a lien against each, any or all such Lots which is enforceable by the Association.

Section 2. Annual Operating and Maintenance Assessments. Each Assessment Year, the Association shall levy an Annual Operating and Maintenance Assessment against all Lots owned by a Class A or Class B Member. The amount of the Annual Operating and Maintenance Assessment shall be the amount required by the Association, as estimated by the Board of Directors, to meet the Association's Annual Expenses during the Assessment Year, including Reserves for Replacements, and reduced by Anticipated Class B Contributions, if any, divided by the total number of Lots owned, at the time of such estimate, by Class A and Class B Members. Annual Operating and Maintenance Assessments shall be levied equally and uniformly against each of said Lots owned by a Class A Member. The amount of such Annual

Operating and Maintenance Assessment levied against a Lot owned by a Class A or Class B Member shall be the Annual Operating and Maintenance Assessment for that Assessment Year.

Each person, excluding the Declarant, who becomes an owner of a Lot comprising part of Chestnut Hill, by acquiring title to a Lot, by taking possession of a Lot, by accepting a deed or lease to a Lot, or by accepting a similar instrument of conveyance transferring to him the right to use or occupy a Lot, whether or not said instrument shall so state, shall be deemed to covenant and agree to pay the Association each month, in advance, a sum equal to one-twelfth (1/12) of the Annual Operating and Maintenance Assessment, as same from year to year may be determined and set. Each Class B Member shall be exempt from the obligation of paying such sum for as long as such person remains a Class B Member, and his obligation to pay such sum shall not commence until he becomes a Class A Member. The Declarant shall be exempt from the obligation of paying such sum for any Lot he owns for as long as he owns such Lot without regard to his classification as a Class B or Class A Member. The Association may elect to collect assessments on a quarterly, semi-annual or annual basis.

Each Class A and Class B Member owning a Lot at the beginning of an Assessment Year shall be responsible for paying during the Assessment Year on or before the due date established by the Association the full amount of the Annual Operating and Maintenance Assessment levied against his Lot. Each Class A Member acquiring a Lot during an Assessment Year from Declarant or Developer shall be responsible for paying during the remainder of the Assessment Year a pro-rated amount of the Annual Operating and Maintenance Assessment, unless such assessment levied against his Lot has been fully paid. Each Class A member acquiring a lot during a year from an existing Class A member shall be responsible for any unpaid assessments and charges attributable to that lot if unpaid by the Seller. The Association shall designate one or more officers to furnish certificates to potential purchasers certifying the amount of assessments or other charges applicable to any lot.

Section 3. Special Maintenance Assessments. The Association, acting by and through its Board of Directors, may levy during any Assessment Year one or more Special Maintenance Assessments, applicable to that year only, for the purpose of paying in whole or in part the costs of any preventative, routine, ordinary or extraordinary maintenance, any reasonable or inordinate repair, any replacement, any improvement, any construction and/or any reconstruction of all or any one or more components, fixtures or items of personal property constituting part of any common area and/or Neighborhood facility or for such other purposes as the Board of Directors may deem appropriate. Without limitation, such purposes may include the maintenance of additional or special street lighting fixtures and/or the maintenance of specific components or elements of Neighborhood entrance(s) or street median(s). At any time when there are no Class B Members, a Special Maintenance Assessment may include the cost of first providing all or any part of such components, fixtures and items.

Special Maintenance Assessments may be a one-time assessment levied only for a particular Assessment Year or may be a recurring assessment levied annually by the Board of Directors. Prior to first being levied any one-time Special Maintenance Assessment or any recurring Special Maintenance Assessment shall be approved by at least two-thirds (2/3) of the then Class A Members and, if any, at least two-thirds (2/3) of the then Class B Members, each

class voting separately at a meeting of the Members duly called for the purpose of approving the Special Maintenance Assessment, or with proper notice that consideration of a Special Maintenance Assessment will be a matter of new business, at a regular or annual meeting of the Members.

Each person, including the Declarant, who becomes an owner of a Lot comprising part of Chestnut Hill, by acquiring title to a Lot, by taking possession of a Lot, by accepting a deed or lease to a Lot, or by accepting a similar instrument of conveyance transferring to him the right to use or occupy a Lot, whether or not said instrument shall so state, shall be deemed to covenant and agree to pay the Association each month, in advance, a sum equal to one-twelfth (1/12) of any such Special Maintenance Assessment. The Association may elect to collect assessments on a quarterly, semi-annual, annual or other basis. Each Member owning a Lot at the beginning of an Assessment Year shall be responsible for paying in monthly installments during the Assessment Year the full amount of such Special Maintenance Assessment levied against his Lot. Each Member acquiring a Lot during an Assessment Year shall be responsible for paying in monthly installments during the remainder of the Assessment Year a pro-rated amount of any such Special Maintenance Assessment, unless such Special Maintenance Assessment levied against his Lot has been fully paid. Each member shall be responsible for any unpaid assessments and charges attributable to that lot if unpaid by the Seller. The Association shall designate one or more officers to furnish certificates to potential purchasers certifying the amount of assessments or other charges attributable to any lot.

Section 4. Damage Assessments. In the event the Declarant, or in lieu thereof should the Declarant be unable or unwilling to act the Board of Directors of the Association, determines that a Member has failed or refused to discharge properly his obligations with respect to the installation, erection, placement, construction, maintenance, repair or replacement of any element or item comprising any part of the exterior of the dwelling, including but not limited to landscaping, grassing, perimeter fencing and/or erosion control devices, for which the Member is responsible or finds that a Member is responsible wholly or partially for damage to the Neighborhood entrance or component thereof, any street or component thereof, any culvert, channel, swale or drainage way or component thereof, any common area or Neighborhood facility or component thereof, or any area or element which is the responsibility of the Declarant or the Association, the Declarant, or in lieu thereof should the Declarant be unable or unwilling to act the Board of Directors, acting for and on behalf of the Association, shall give the Member written notice of the intent to provide the necessary installation, erection, placement, construction, maintenance, repair or replacement at the Member's cost and expense, which notice shall set forth with particularity the installation, erection, placement, construction, maintenance, repair and replacement deemed necessary, and which notice shall be delivered, mailed or otherwise transmitted in a manner providing written acknowledgment of receipt. The Member shall be given the time indicated in the notice (which time shall be reasonable and begin on the date of the receipt of the notice or on a later date) to complete the maintenance, repair or replacement directed or to appear before the Board of Directors to contest its determination against him. If the Member fails in this obligation, or should the Declarant, or in lieu thereof should the Declarant be unable or unwilling to act the Board of Directors, determine for cause that such should be undertaken not by the Member but by the Association or by the Declarant for the Association, the Declarant and/or Association may provide such installation,

erection, placement, construction, maintenance, repair and replacement at the Member's expense and all or any part of the costs thereof, including but not limited to any fines or penalties imposed on the Declarant or Association arising from the Member's failure or refusal, shall be levied as a Damage Assessment against one or more of the Lots of which the Member owns.

Section 5. Village Maintenance and Service Assessments. The Association, acting by and through its Board of Directors, may levy during any Assessment Period one or more Village Maintenance and Service Assessments, applicable to that period only, for the purpose of paying the incurred or reasonably anticipated costs of operating, maintaining, repairing, reconstructing or improving any Village Restricted Common Area or Village Restricted Neighborhood Facility, or any improvement thereon or component thereof; funding in whole or in part any reserve therefor; for the purpose of paying for the Association's provision of any special service to the Owners of Lots in a specific Village, including out-of-pocket costs incurred by the Association in the discharge of its responsibilities pertaining to Village Maintenance and Service Assessments.

Village Maintenance and Service Assessments may include, but shall not be limited to, Village Restricted Private Neighborhood Street Maintenance Assessments, Service Driveway Maintenance Assessments, Lawn and Landscaping Maintenance Assessments, and Solid Waste and Refuse Removal Assessments.

The Association, acting by and through its Board of Directors, shall levy during any Assessment Period one or more Village Restricted Private Neighborhood Street Maintenance Assessments and/or one or more Service Driveway Maintenance Assessments, applicable to that period only, for the purpose of paying in whole or in part the incurred or reasonably anticipated costs of any extraordinary maintenance, inordinate repair, replacement, improvement or reconstruction of any Private Neighborhood Street or Service Driveway or for the purpose of funding in whole or in part any reserve therefor. Private Neighborhood Street Maintenance Assessments other than for such streets that are within a Village Restricted Common Area shall be levied uniformly against all Lots. Private Neighborhood Street Maintenance Assessments for such streets that are within a Village Restricted Common Area and Service Driveway Maintenance Assessments shall be levied uniformly against only those Lots within the Village to which the Private Neighborhood Street or Service Driveway is appurtenant or to only those Lots benefited or served by such Private Neighborhood Street or Service Driveway.

The Association, acting by and through the Board of Directors, may levy Lawn and Landscaping Maintenance Assessments provided that at least once annually and at least thirty (30) days prior to such assessments being levied, written notice of such prospective assessment shall be given to all Members who own an Improved Lot within the Village. Should two-thirds (2/3) or more of the prospectively affected Members object thereto, either in writing by letter to the Board of Directors or at a Village Meeting or a meeting of the prospectively affected Members duly called for the purpose, which meeting shall not be unreasonably scheduled, delayed or denied if three (3) of such prospectively affected Members request the Association President to call such meeting, such lawn and landscaping maintenance shall not be provided and such Lawn and Landscaping Assessments shall not be levied. The amount assessed for

Lawn and Landscaping Maintenance Assessments shall be the amount required by the Association, as estimated by the Board of Directors, to provide lawn and landscaping maintenance within the "open" and "designated" areas of Improved Lots within a Village. The amount of the Lawn and Landscaping Assessment to be levied against an Improved Lot shall be determined by the Board of Directors in a reasonable, equitable and uniform manner which proportions the total amount required to provide such maintenance among all Improved Lots based on the estimated relative amount of cost, time and/or effort anticipated to perform such maintenance. Lawn and Landscaping Maintenance may include maintaining, cutting, pruning, treating, fertilizing, and caring for (but not furnishing, planting, installing or replacing) trees, shrubs, lawn grasses, and other components (excluding the irrigation system) of lawns and landscaped and/or open areas located within those areas of an Improved Lot which are "open" or are "designated." Open Areas on an Improved Lot shall include all the unenclosed area of a Lot which is situated between the dwelling and the street pavement edges that is within public view. Designated Areas shall include any land on an Improved Lot within a Village that is designated by a majority of the Owners of the Lots within the Village, or by the Board of Directors of the Association, as needing collective lawn and landscaping maintenance in order to preserve or enhance the values and amenities of the Village. Should a Member fail to provide or replace when damaged, dead or dying any tree, shrub or lawn grass required by the provisions hereof or shown on the latest Landscape or Site Plan approved by the Architectural Review Committee, or fail to provide or replace when broken or inoperable any necessary or required component of his irrigation system, the Association may provide, repair or replace same under the provisions of Section 4 of this Article.

The Association, acting by and through the Board of Directors, may levy such Solid Waste and Refuse Removal Assessments provided that at least annually and at least thirty (30) days prior to such assessments being levied, written notice of such prospective assessment shall be given to all Members who own an Improved Lot within the Village. Should two-thirds (2/3) or more of the prospectively affected Members object thereto, either in writing by letter to the Board of Directors or at a Village Meeting or a meeting of the prospectively affected Members duly called for the purpose, which meeting shall not be unreasonably scheduled, delayed or denied if three (3) of such prospectively affected Members request the Association President to call such meeting, such Solid Waste and Refuse Removal shall not be provided and such Solid Waste and Refuse Removal Assessments shall not be levied. Solid Waste and Refuse Removal Assessments shall be levied equitably against each of all Improved Lots. The amount assessed for Solid Waste and Refuse Removal Assessments shall be the amount required by the Association, as estimated by the Board of Directors, to provide solid waste and refuse removal to the occupants of Improved Lots within a Village. The amount of the Solid Waste and Refuse Removal Assessment to be levied against an Improved Lot within a Village shall be determined by the Board of Directors in a reasonable, equitable and uniform manner which proportions the total amount required to provide such removal among all Improved Lots within the Village based on the estimated relative amount of cost, time and/or effort anticipated to perform such removal. Solid waste and refuse to be removed may include household trash and garbage and trimmings from cutting, trimming and pruning lawn grass, trees and shrubs. The Association may promulgate schedules, requirements for and/or limitations on containers, and any other requirements, conditions and restrictions as may be necessary or advisable in the discretion of the Board of Directors. Should a Member fail or be unable to follow such requirements,

conditions and restrictions and such failure or inability result in increased cost to the Association in the provision of such removal service, the Association may seek reimbursement of such costs under the provisions of Section 4 of this Article.

Each person, except a Developer, who becomes an Owner of a Lot within a Village, by taking possession of, accepting a deed to, or accepting a similar instrument transferring to him said Lot, whether or not said instrument shall so state, shall be deemed to covenant and agree to pay the Association each month, in advance, a sum equal to a monthly installment [i.e., one-twelfth (1/12) if the Assessment Period is one (1) year or twelve (12) months] of any and all Village Maintenance and Service Assessments as same from time to time may be determined and set by the Board of Directors for the Lot. The Association may elect to collect assessments on a quarterly, semi-annual, annual or other basis. Each Member owning an Improved Lot at the beginning of an Assessment Period shall be responsible for paying in monthly installments during the Assessment Period the full amount of any and all Village Maintenance and Service Assessments. Each Member acquiring an Improved Lot during an Assessment Period or owning a Lot which becomes an Improved Lot during the Assessment Period shall be responsible for paying in monthly installments during the remainder of the Assessment Period a pro-rated amount of any and all Village Maintenance and Service Assessments for the remainder of the Assessment Period unless such assessment levied against his Lot has been fully paid. Each member shall be responsible for any unpaid assessments and charges attributable to that lot if unpaid by the Seller. The Association shall designate one or more officers to furnish certificates to potential purchasers certifying the amount of assessments or other charges attributable to any lot.

Section 6. Annual Expenses. The Association's annual expenses shall include but in no way shall be limited to the following, to wit:

(a) The costs of operating, maintaining, and making repairs to and preserving the use and function of any facility within any Private Neighborhood street, lake common area or other common areas and/or Neighborhood facilities, including without limitation the costs incurred for reasonably necessary management and administration; and

(b) The costs of maintaining, repairing, improving, replacing, cutting, pruning, treating, fertilizing, caring for and irrigating trees, shrubs, lawn grasses, and other landscape and irrigation system components located within any common areas and/or Neighborhood facilities, including the rights-of-way of public streets within or bordering Chestnut Hill; and

(c) The costs of maintaining, replacing and repairing the components of the Neighborhood entrance and appurtenant structures, components and fences and the costs of such equipment required therefor; and

(d) The costs of maintaining, replacing and repairing Neighborhood streets including pavements, curbs, gutters, storm sewers, inlets, sidewalks, street lights, utility fixtures, and the costs of such equipment required therefore, as, when and to the extent the Board of Directors shall determine is necessary and proper to fulfill the purposes of this Declaration and without regard to the circumstance that the primary responsibility for such maintenance, replacement and repair is not that of the Association or any of its Members; and

(e) The amount of all taxes and assessments levied against common areas and Neighborhood facilities or otherwise levied against the Association; and

(f) The costs of insurance, including but not limited to bonding of board members or officers if obtained by the Association, directors and officers insurance if obtained by the Association, fire and extended coverage and comprehensive general liability insurance on common areas and Neighborhood facilities and the costs of such other insurance as the Association may place in force with respect to common areas and Neighborhood facilities; and

(g) The costs of utilities and other services which may be provided to the Association, whether for common areas or Neighborhood facilities, including the Neighborhood entrance; and

(h) The costs of funding all reserves established by the Association, including, when appropriate, a general operating reserve and a reserve for replacements; and

(i) The costs of administering and enforcing the provisions, covenants, conditions and restrictions of this Declaration, including but not limited to the costs incurred for reasonably necessary management and administrative services paid to any Management Agent.

Section 7. Reserve for Replacements. The Association shall establish and maintain reserve fund for replacements of any common areas and/or Neighborhood facilities and their components and equipment. The Association shall allocate and pay monthly to such reserve fund whatever amount may be designated from time to time by the Board of Directors. Amounts paid into such fund shall be conclusively deemed to be a common expense of the Association, and all such amounts may be deposited in any banking institution, the accounts of which are insured by any agency of the United States, or, in the discretion of the Board of Directors, may be invested in obligations of, or obligations fully guaranteed as to principal by, the United States. The reserve for replacements of common areas and Neighborhood facilities may be expended only for the purpose of affecting the replacement of common areas and Neighborhood facilities, for major repairs to the components thereof, for equipment replacement, and for start-up expenses and operating contingencies of a non-recurring nature relating to common areas and Neighborhood facilities. The Association may establish such other reserves for such other purposes as the Board of Directors may from time to time consider to be necessary or appropriate. The proportional interest of each Member in any such reserves shall be considered an appurtenance to his Lot, and shall not be withdrawn, assigned or transferred separately from or otherwise than as an appurtenance to the Lot to which it appertains, and shall be deemed to be transferred with such Lot.

Section 8. Assessment Year and Other Assessment Periods. The Board of Directors from time to time may fix and change the beginning and ending dates of the annual period (herein called the "Assessment Year") to be used in calculating and dealing with assessments, but unless and until the Board of Directors shall prescribe a fiscal year, the calendar year shall be used as the Assessment Year. The Board of Directors shall determine the amount of assessments for each Member annually, but may do so at more frequent intervals should circumstances make such appropriate. Upon resolution of the Board of Directors, installments of assessments payable by Members may be levied and collected on a quarterly, semi-annual, annual or other basis, rather

than on the monthly basis. Any Member may prepay one or more installments of any assessment, without premium or penalty.

Section 9. Preparation of Annual Operating Budget. The Board of Directors shall prepare, or cause to be prepared, an annual operating budget. The Board of Directors shall make reasonable efforts to fix the amount of each and every assessment against each Lot for each Assessment Year at least thirty (30) days in advance of the beginning of the period, and shall, at the same time, prepare a roster of the Lots and the assessments applicable thereto, which roster shall be kept in the office of the Association or Management Agent, as the Board of Directors may from time to time determine, and shall be open to inspection by any Member at any reasonable time during normal business hours. At the same time, written notice that assessments have been made and are available for inspection shall be sent to the Members. The omission by the Board of Directors, before the expiration of any Assessment Year, to fix the amount of the Annual Operating and Maintenance Assessment for that or the next Assessment Year, shall not constitute a waiver or modification in any respect of the provisions of this Article, and shall not constitute a release of any Member from the obligation to pay his proportionate share of the Association's Annual Expenses, or any installment thereof, for that or any subsequent Assessment Year, but the Annual Operating and Maintenance Assessment fixed for the preceding Assessment Year shall continue to be the Annual Operating and Maintenance Assessment payable by Class A Members until a new Annual Operating and Maintenance Assessment is fixed. No Class A Member may exempt himself from liability for Annual Operating and Maintenance Assessments by the abandonment of any Lot or by the abandonment of his right to use and enjoy any common area and/or Neighborhood facility.

Section 10. Maximum Initial Annual Operating and Maintenance Assessments. Anything herein to the contrary notwithstanding, the initial maximum initial Annual Operating and Maintenance Assessment on the date of this Declaration, for each of the Lots to which Class A membership is appurtenant shall not exceed the sum of One Thousand Four Hundred (\$1,400) per annum, except to the extent that Annual Operating and Maintenance Assessments may be increased or decreased in accordance with Section 11 of this Article.

Section 11. Increase In Maximum Annual Operating and Maintenance Assessments.

For each Assessment Year beginning on or after January 1, 2009, the maximum Annual Operating and Maintenance Assessment for Class A Members, each as hereinabove provided for, may each be increased by the Board of Directors, without a vote of said Class A and Class B Members, by an amount by an amount equal to ten percent (10%) of the maximum assessment for the preceding year plus each Class A Member's (or specific Owner's) proportionate share of the amounts by which any ad valorem property taxes and any casualty, comprehensive general liability and other insurance premiums payable by the Association have increased over the amounts payable for the same or similar items in the preceding Assessment Year. For each Assessment Year beginning on or after January 1, 2009, the maximum Annual Operating and Maintenance Assessment for Members may be increased above that permitted by the next preceding paragraph if, and only if, any such increase shall first be approved by the affirmative vote of at least two-thirds (2/3) of the then Class A Members and the affirmative vote of at least two-thirds (2/3) of the then Class B Members, each class voting separately. A meeting of the

Class A and Class B Members shall be duly called for this purpose. Any increase properly approved pursuant to this paragraph shall be effective for the next succeeding Assessment Year and for each succeeding Assessment Year thereafter, unless the then Class A Members, by the affirmative vote of at least two-thirds (2/3) of the then Class A Members, and the then Class B Members, by the affirmative vote of at least two-thirds (2/3) of the then Class B Members, shall otherwise specify, each class voting separately.

Section 12. Commencement of Liability for Assessments. Each Member's liability to pay monthly installments of assessments shall commence on the date a deed, lease or similar instrument conveying or transferring the ownership or right to use or occupy the Lot to which such membership is appurtenant shall be filed for record in the office of the Chancery Clerk or delivered to the Member named as grantee, assignee or owner in such instrument. The first such monthly installment for each Member shall be paid for the balance of the month during which such instrument is either first delivered to the Member or filed for record in the office of the Chancery Clerk, and shall be due and payable within ten (10) days thereof or the first day of the succeeding month, whichever first occurs. Except as is herein elsewhere provided, all monthly installments of assessments shall be due and payable on the first day of each successive month.

Section 13. Anticipated Class B Contributions. For as long as the Declarant owns any Lot or for as long as there are Class B Members of the Association, each Assessment Year during the preparation of the Association's Annual Operating Budget, the Declarant and each Class B Member shall be obligated to provide promptly to the Treasurer a schedule of the prospective voluntary contributions, if any, each will make during the next Assessment Year. In preparing the Association's Annual Operating Budget and setting the Annual Operating and Maintenance Assessment for the next Assessment Year, the Board of Directors may rely on receiving said contributions in accordance with such schedule(s).

Section 14. Maintenance of Dwellings. Except as may be specifically provided herein or by amendment hereto, this Declaration does not contemplate that the Association shall have responsibility for the maintenance or repair of any dwelling or its appurtenances.

Section 15. Payment of Patronage Refunds or Creation of Additional Reserves. In the event Board of Directors determines that funds derived from assessments are more than necessary to meet all reasonably foreseeable needs of the then current Assessment Year, the Board of Directors may authorize payment of patronage refunds or may create additional reserves in its sole discretion. Any patronage refunds shall be made to lot owners at the time the refund is declared by the Board according to the records of the Board.

Section 16. Assessments Are Not Dues. The assessments herein mentioned are not intended to be, and shall not be construed as being, in whole or in part, dues for membership in the Association. The assessments herein mentioned shall only be expended to effect the purposes of this Declaration and Association as specified herein, and shall not be expended to affect or influence any municipal, county, state or federal election or policy, regulatory or administrative decision which does not directly affect the administration, operation, maintenance, repair, improvement, reconstruction or preservation of the common areas and Neighborhood facilities within Chestnut Hill or the preservation or enhancement of the values and amenities within

Chestnut Hill. Notwithstanding the provisions of this Section to the contrary, the Board of Directors may from time to time authorize the support and/or patronage of the Association in legitimate political activity intended to promote the welfare or promulgate the views of a substantial majority of the Members; provided, however, that any funds expended directly or indirectly in such support or patronage are solicited and collected on a timely and voluntary basis among all Members, that such support or patronage is withdrawn or not rendered if such solicitation does not result in a majority of the Members freely contributing thereto, and that such funds be solicited, collected, deposited, held, expended and accounted for separately from assessments.

Section 17. Assessments Are Personal Obligations. Any assessment levied against a Member pursuant to this Declaration shall be the personal obligation of such Member. It shall be the personal obligation and duty of every Member to pay all assessments levied against his Lot, and such assessment shall remain his personal obligation for the full statutory period permitted by law.

Section 18. Exempt Property. No portion of any common area or Neighborhood facility shall be subject to assessment of any kind by the Association. The existence of a Neighborhood facility or a component of Neighborhood facilities on or within a Lot shall not permit the Owner of such Lot from claiming the exemption provided for herein; it being the intent of this provision to preclude the Association from levying an assessment against any real property within Chestnut Hill other than real property which constitutes a Lot under this Declaration.

ARTICLE VIII

ENFORCEMENT OF ASSESSMENTS

Section 1. Delinquent Assessments. Any assessment levied against a Lot pursuant to this Declaration, or any installment of any such assessment, which is not paid on the date when due, shall be delinquent and, together with interest thereon and the cost of collection thereof, as hereinafter provided, shall thereupon become a continuing lien upon the Lot or Lots against which such assessment is levied, and shall bind such Lot or Lots in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. Any assessment levied pursuant to this Declaration, or any installment thereof, which is not paid within ten (10) days after it is due, shall bear interest from the date due until paid at the maximum rate permitted by law, and, in addition, there shall be added to any such delinquent assessment whatever late charges the Board of Directors may from time to time prescribe.

Section 2. Remedies for Non-Payment of Assessments. To effect and secure payment of a delinquent assessment, the Association may bring an action at law against the Member personally obligated to pay such assessment, or the Association may foreclose the lien provided in Section 1 of this Article against any Lot or Lots then belonging to said Member in the manner now or hereafter provided for foreclosure of mortgages and other liens on real property in the State of Mississippi containing a power of sale, or the Association may do both. A suit to recover a money judgment for non-payment of any such assessment, or any installment thereof, may be maintained without foreclosing or waiving any lien herein created to secure same. Any such

foreclosure by the Association shall be subject to the same requirements, both substantive and procedural, as are prescribed from time to time by the laws of the State of Mississippi applicable to foreclosure of mortgages and other liens on real property containing a power of sale. In any event, reasonable attorney's fees and reasonable costs of collection shall be added to the amount of each delinquent assessment. In the event any proceeding to foreclose the lien for any assessment due the Association pursuant to this Declaration is commenced with respect to any Lot, then the Owner of such Lot, upon resolution of the Board of Directors, may be required to pay reasonable rental for such Lot, and the Association shall be entitled to the appointment of a receiver to collect same.

Section 3. Posting Delinquencies. The Board of Directors may post a list of Members who are delinquent in the payment of any assessments or other fees that may be due the Association, including any installment thereof, in any prominent location upon the Property.

Section 4. Assessment Certificates. The Association shall upon demand at and within a reasonable time furnish to any Member liable for any assessments levied pursuant to this Declaration (or any other person legitimately interested in the same) a certificate in writing signed by an officer of the Association or the Management Agent, setting forth the status of said assessments, i.e., whether the same are paid or unpaid. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid. The Association may collect a reasonable uniform charge, in advance or at any later time, for each certificate so requested or delivered.

Section 5. Acceleration of Installments. Upon default in the payment of any one or more installments of any assessment levied pursuant to this Declaration, the entire balance of said assessment thereupon shall be and become due and payable in full, unless the Board of Directors, in its discretion, shall otherwise direct.

Section 6. Priority of Lien. As to each Lot subject thereto, the lien to secure payment of an assessment, as established by this Declaration, shall have preference over any other liens, assessments, judgments or charges of whatever nature, except the following:

(a) General and special assessments for ad valorem property taxes on such Lot; and

(b) The lien of any first mortgage on such Lot duly recorded prior to the assessment of the lien specified in this Declaration, or duly recorded after receipt of a written statement from the Board of Directors stating that payments on the assessment giving rise to the lien established pursuant to this Declaration were current as of the date of recording of the mortgage.

Section 7. Subordination to Mortgages. Notwithstanding any other provision of this Declaration to the contrary, the lien upon any Lot to secure any assessment levied pursuant to this Declaration shall be subordinate to the lien of any duly recorded first mortgage on such Lot made in good faith and for value received, and the lien hereunder shall in no way affect the rights of the holder of any such first mortgage; provided, however, that such subordination shall apply only to assessments, and installments thereof, which have become due and payable prior to the sale or transfer of such Lot pursuant to a foreclosure of any such first mortgage, or prior to the execution of any deed, assignment or other proceeding or arrangement in lieu of

foreclosure. Any holder of any such duly recorded first mortgage made in good faith and for value received who comes into possession of such Lot pursuant to a foreclosure of the mortgage, or pursuant to the execution of any deed, assignment or other proceeding or arrangement in lieu of foreclosure, and any purchaser at a foreclosure sale, as well as any transferee under any deed, assignment or other proceeding or arrangement in lieu of foreclosure, shall take the Lot free of any claims for unpaid assessments levied against the Lot which accrued prior to the time such holder comes into possession of the Lot, or prior to the foreclosure sale or prior to the execution of any deed, assignment or other proceeding or arrangement in lieu of foreclosure, as the case may be, except for claims for a proportionate share of such unpaid assessments resulting from a reallocation of such unpaid assessments among the various Lots upon the Property. However, such foreclosure, deed, assignment or other proceeding or arrangement in lieu of foreclosure shall not relieve the mortgagee in possession or the purchaser at foreclosure or the transferee under any deed, assignment, or other proceeding or arrangement in lieu of foreclosure from any liability for any assessment(s) thereafter becoming due, or from the lien herein created to secure the payment of any such assessment(s), which lien, if it be asserted as to any such assessment(s) thereafter becoming due, shall have the same effect and be enforced in the same manner as is provided herein.

No amendment to this Section shall affect the rights of the holder of any first mortgage on any Lot (or the holder of any indebtedness secured thereby) recorded prior to the recording of any such amendment, unless said holder shall join in the execution of any such amendment.

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

Section 8. Additional Default. Any recorded first mortgage encumbering a Lot within Chestnut Hill shall provide that any default by the mortgagor in the payment of any assessment levied pursuant to this Declaration, or any installment thereof, likewise shall be a default under such mortgage, but failure to include such a provision in any such mortgage shall not affect the validity or priority thereof, and the protection extended to the holder of any such mortgage (or the indebtedness secured thereby) by Section 7 of this Article shall not be altered, modified or diminished by reason of any such failure.

ARTICLE IX

EASEMENTS

Section 1. Reservation of Easement Rights by the Declarant. The Declarant, for itself and its assigns, hereby reserves a non-exclusive easement and right-of-way in, through, over and across any area designated or shown on the Plat as a utility or drainage easement, and any common area and/or Neighborhood facility for any or all of the purposes of locating, installing, constructing, operate, use, maintaining, repairing, replacing, changing the size of and removing streets, driveways, parking areas, sidewalks, sanitary sewers and services, water mains and services, irrigation facilities, electrical wires or cables, telecommunication wires or cables, gas lines, storm drains, underground conduits, and related appurtenances to any of same, and for all other purposes reasonably related to the completion of construction of the infrastructure of the

Neighborhood and/or the provision of utility services, whether public or private, to the Neighborhood and to other real property in the vicinity of the Neighborhood. The Declarant hereby reserves a non-exclusive easement in, through, over and across any common area and/or Neighborhood facility for the purpose of storing building supplies and materials. The Declarant hereby reserves a non-exclusive easement in, through, over and across any part of common area, Neighborhood facility or Lot which is a part of a lake shore for the purpose of constructing, improving, maintaining, repairing or regulating the lake to which the area is appurtenant and any component thereof. The easement rights so reserved in this Section expressly include the rights (i) to cut any trees, bushes, or shrubbery, (ii) to grade proximate ground surfaces, and (iii) to take any other action necessary, required, convenient, incidental or advisable in connection therewith in the sole judgment of the Declarant.

Each instrument of conveyance made by the Declarant to the Association with respect to any of any common areas and/or Neighborhood facility shall be conclusively deemed to incorporate this reservation, whether or not specifically set forth in such instrument. At the request in writing of the Declarant, the Association shall from time to time execute, acknowledge, and deliver to the Declarant such further assurances of this reservation or easement rights as may be necessary or helpful.

Section 2. Conveyance of Easements for Utilities and Related Purposes. Subject to the requirement for joinder therein by the Declarant as provided in Section 7 of Article I of this Declaration, the Association, acting by and through its Board of Directors, is authorized and empowered to grant (and shall from time to time grant) such other easements, licenses, and rights-of-way over any utility or drainage easement, and any common area and/or Neighborhood facility for the installation, operation and maintenance of sanitary sewers and services, water mains and services, irrigation facilities, electrical wires or cables, telecommunication wires or cables, gas lines, storm drains, underground conduits, and related appurtenances to any of same, for any and all purposes benefiting the Neighborhood and other real property in the vicinity of the Neighborhood as may be considered necessary or appropriate by the Board of Directors for the orderly maintenance, preservation and enjoyment of any common area and/or Neighborhood facility and/or for the preservation and/or enhancement of the health, safety, convenience, and welfare of the Members, the owners or owners of other real property in the vicinity of the Neighborhood, or of the Declarant.

Section 3. Construction, Repair and Maintenance Easements. The Association, acting by and through the Board of Directors, shall have the right, but not the duty, to subject temporarily a reasonable part of any Lot (except where the dwelling sits thereon), or a reasonable part of any common area or Neighborhood facility, to a construction easement for the benefit of the Association and/or the Owner of an adjoining or nearby Lot and/or abutting dwelling. Such construction easement shall be either (i) to permit the safe and proper construction, repair or maintenance of a street, the entrance or a dwelling or appurtenance thereto situated on the adjacent Lot or (ii) to correct, remove or otherwise remedy any violation of these covenants, conditions and restrictions. Such construction easement may be conditioned by any reasonable terms and provisions, including limitations as to duration, as the Board of Directors may determine to be necessary or appropriate. The beneficiary of any such construction easement shall solely bear responsibility for damages to or disturbance of (caused by the beneficiary's

exercise of any right herein enumerated) improvements or ground surfaces on the Lot, common area or Neighborhood facility which is subjected to such easement. The failure of the beneficiary to promptly repair or restore such damaged or disturbed improvements and surfaces shall be considered a violation of these covenants, conditions and restrictions. Upon written notice from the Board of Directors, such violation shall be promptly corrected, removed or remedied. In the event the violation is not corrected, removed or remedied, within fifteen (15) days (or within such shorter period as may be reasonably required in such notice) after notice of the violation is mailed, delivered or transmitted to the Member who is the beneficiary of such construction easement, then the Association shall have the right, through its agents and employees (but only after the Board of Directors by resolution has so directed) to take such action as may be necessary to correct, remove or otherwise remedy such violation, and the cost thereof may be assessed as a Damage Assessment against any Lot owned by the Member who is the beneficiary of such construction easement. When so assessed, a statement for the amount thereof shall be rendered to the benefited Member, at which time the assessment shall become due and payable and shall be secured by a continuing lien upon such Lot, and shall be a binding personal obligation of the Owner of such Lot, in the same manner and subject to the same limitations as are provided in Section 4 of Article VII and in Article VIII of this Declaration.

Section 4. Maintenance and Support Easements. Any common area and/or Neighborhood facility, and each Lot (except where the dwelling sits thereon), for the benefit of the Association and/or the Owner of the adjoining Lots and abutting dwellings, shall be and hereby is hereby subjected to irrevocable easements for the maintenance and lateral support of adjoining and abutting dwellings, buildings and improvements, for the maintenance and unobstructed and uninterrupted use of any and all underground pipes, ducts, flues, chutes, conduits, cables and wire outlets and utility lines of every kind; and for the walks and sidewalks serving adjoining and abutting areas.

Section 5. Public Utility Easements. For the purpose of rendering a utility service to the Owners and lessees of Lots and Parcels within Chestnut Hill, for the benefit of, severally, itself and its assigns, the Association, each governing authority that renders a utility service within Chestnut Hills, and each utility company named or otherwise included within the definition of "Utility Company" in Section 1 of Article I of this Declaration (unless a utility company is excepted from being a beneficiary of said easement rights by virtue of other provisions of this Section), the Declarant hereby reserves and grants non-exclusive, assignable easement rights and a right-of-way for same, in, through, over, and across any area shown, identified, designated, declared and/or reserved on a Plat as a public utility easement, in any area that is similarly described, identified, designated, declared and/or reserved in a duly executed and recorded deed, lease or similar instrument, and any area that is similarly described, identified, designated, declared and/or granted for such purpose in a duly executed and recorded easement, covenant or other instrument.

A public easement is one that is designated with descriptive wording implying that the easement is not private, for example being designated a "... Utility Easement" or as a "... Utility and Drainage Easement" or with similar descriptive wording that would not indicate that the easement is private. In those designations where the term is preceded by a dimension, the dimension given is the width of the strip of land subject to easement rights and such strip of land

is the right-of-way for same. In those designations where in place of the word "utility" a word indicating one or more specific utility services (i.e., "Water") the easement rights and right-of-way so reserved are for the benefit of a governing authority and/or utility company certificated or otherwise duly authorized to render the particular utility service(s) named.

This reservation with respect to a public easement for the benefit of a utility company is subject to the requirement that such utility company has heretofore installed or does install within two (2) years of the recording of the Plat or instrument designating same (or within such other time period as may be indicated on the Plat or in the instrument), within any part of a Lot or Parcel burdened by the designation of a utility easement, facilities sufficient for and of use and useful to the rendition of the utility service that the utility company is authorized or permitted to so render.

A utility company failing to so timely install such facilities shall lose any benefit so reserved hereby unless an extension thereof is granted by the Declarant, the Board of Directors or the Owner or lessee of the Lot or Parcel subject to such easement rights by such designation.

Notwithstanding the provisions hereof to the contrary, Entergy Mississippi, Inc., and any other utility company that requires execution of a specific form of instrument prepared by the company and by the execution of same requires the conveyance of rights and privileges in excess of those rights reasonably necessary or convenient for its rendition of service to customers within Chestnut Hill shall not be entitled to any of the rights reserved herein for the benefit of a utility company.

Easement rights for the benefit of a governing authority rendering a utility service and/or for the benefit of a utility company reserved and/or granted by such designation shall include, without limitation, the following rights:

(a) the right to locate, install, construct, place, operate, use, maintain, repair, replace, improve, control, patrol, inspect, service, reconstruct, change the size of, or remove any facility, item of equipment or appurtenance thereto, including without limitation pipes, wires, conduits, cables, manholes, valves, meters, transformers, switches, cabinets, regulators, connectors and enclosures for any of same, of use and useful to the company in the rendition of the service it is certificated or otherwise authorized to so provide, subject however, to the limitation that neither a governing authority rendering a utility service nor a utility company shall have the right to place any such facility, item of equipment or appurtenance above ground without the express written permission of the Declarant, or in lieu thereof the Board of Directors, unless such facility or item of equipment is customary and typically placed above ground when the governing authority or utility company provides underground service or unless such facility or item of equipment exists above ground within the area designated prior to the date the Plat or instrument is filed for record. Unless such is patently not practicable, any customary and typical appurtenance to an underground or buried utility facility that must be situated above the ground must be located within three (3) feet of the side lot line or boundary of a Lot, Parcel or common area, or within three (3) of an extension of such lot line to a street, and must be located so that any such appurtenance situated and/or protruding above the ground surface does not, or is not reasonably expected to, interfere with the improvement of said Lot, Parcel or area or with the contemplated use and occupancy of such Lot, Parcel or area. For the purposes of this

paragraph, any such facility, item or appurtenance, the top of which is customarily or typically set more or less even with the surface of the ground, whether so set either out of necessity or convenience, shall be considered as being placed above ground unless such is capable of being adjusted vertically to accommodate the improvement of the Lot or Parcel and its size and character would not unreasonably interfere with such use and occupancy. Boxes for water meters, water valves and service connections are facilities considered as being capable of being adjusted vertically and being of a size and character that do not unreasonably interfere with the contemplated use of a Lot or Parcel consistent with the provisions of this Declaration.

(b) the right to perform from time to time anything and everything reasonably necessary or appropriate to maintain in proper and adequate operating condition each and all such facilities and items of equipment;

(c) the right to remove any obstruction unreasonably hindering or interfering with such purpose or the exercise of any such right; and

(d) without limiting the above, the right of reasonable ingress and egress to any such facility and item of equipment in, upon, over and across any street or other area that is appropriate therefor, including without limitation any area within a required yard of a Lot, provided such right is exercised solely over driveways and ground surfaces that are structurally suitable therefor and only if driveways, surfaces and other improvements destroyed, damaged or disturbed thereby are promptly replaced, repaired and restored.

Should there be or need to be installed within a Lot or Parcel outside of an area designated as a utility easement a facility or item of equipment installed by a governing authority or utility company in order to serve the dwelling or other improvement on the Lot or Parcel, the Owner or lessee of such Lot or Parcel shall not interfere with the operation of same and shall cooperate fully with said governing authority or utility company in the installation, maintenance, repair, replacement or removal of same.

Section 6. Private Utility Easements. For the purpose of rendering a utility service to the Owners and lessees of Lots and Parcels within Chestnut Hill, for itself and its assigns, the Declarant hereby reserves non-exclusive, assignable easement rights and right-of-way for same, in, through, over, and across any area shown, identified, designated, declared and/or reserved on a Plat as a private street or as a private easement, any area which may be similarly described, identified, designated, declared and/or reserved in a duly executed and recorded deed, lease or similar instrument, and any area which may be similarly described, identified, designated, declared and/or reserved for such purpose in a duly executed and recorded easement, covenant or other instrument.

A private easement is one that is designated with descriptive wording implying that the easement is private and not public, for example being designated a " ... Private Utility Easement" or as a " ... Private Utility and Drainage Easement" or with similar descriptive wording that would not indicate that the utility easement is not available for use by any or all certificated or duly authorized utility companies. In those designations where the term is preceded by a dimension, the dimension given is the width of the strip of land subject to easement rights and such strip of land is the right-of-way for same. In those designations where

in place of the word "utility" there is set out the name of the utility company or a word indicating one or more specific utility services (i.e., "Water") the easement rights and right-of-way so reserved are reserved solely for Declarant's use and/or for subsequent assignment to the Association and/or to a governing authority and/or to the named company or to a utility company certificated or otherwise duly authorized to render the particular utility service(s) named.

The reservation hereby made by the Declarant is made in contemplation that the Declarant, from time to time and at any time prior to December 31, 2017, will assign the easement rights and right-of-way so reserved to the Association or to any governing authority rendering a utility service and/or to any one or more utility companies under such terms and conditions as the Declarant may determine as appropriate.

The easement rights hereby reserved on private streets and private easements shall include, without limitation, the same rights hereinabove set out for public streets and easements.

Entergy Mississippi, Inc., as the utility company certificated to render electrical service, has required and/or will require the Declarant as the Developer of Chestnut Hill to execute an easement and right-of-way on Entergy's form instrument therefor, which instrument contains provisions that are different and more favorably permissive for the company than those set out herein. The company's form instrument is for a general easement allowing the company to install its facilities without restriction as to location. Notice is hereby given to the prospective Owner of any Lot or Parcel that the Plat showing said Lot or Parcel does not typically show the location of the company's easement and right-of-way due to the company's facilities customarily being installed after the preparation of said Plat, and that before digging into or performing any grading or shaping of the ground surface on a Lot or Parcel, the Owner and/or builder of a dwelling or improvement thereon should call and ask the local "utility locate" service(s) (i.e. "Mississippi One-Call") to mark buried utility facilities within the Lot or Parcel. In addition, notice is also hereby given to the prospective Owner of any Lot and builder of the dwelling thereon that Entergy will likely require execution of its form instrument by the Owner of the Lot prior to installing electrical service wires and other facilities that need to be installed to serve the dwelling on the Lot.

Section 7. Drainage Easements. The Declarant, for itself and its assigns, for the Association and for each governing authority having jurisdiction for storm water drainage and/or management, hereby reserves a non-exclusive easement and right-of-way in, through, over, and across any area shown, identified, designated, declared and/or reserved on a Plat as a public or private street or as a public or private " ... Drainage Easement," " ... Utility and Drainage Easement," or as an easement identified using such similarly descriptive wording for the purpose of permitting jointly or severally the Association, the governing authority having jurisdiction, or the Declarant to perform from time to time anything and everything reasonably necessary or appropriate to maintain proper storm water and irrigation water drainage within Chestnut Hill. In those designations where the term is preceded by a dimension, the dimension given is the width of the strip of land subject to easement rights for drainage purposes and such strip of land is the right-of-way for same.

Any area within any part of a Lot or Parcel designated as a utility easement, without regard to whether such easement be public or private, is hereby made subject to the drainage

easement rights set out in this Section. Any area within any part of a Lot or Parcel that due to its topography allows the concentrated discharge of storm water or irrigation water run-off is hereby made subject to the drainage easement rights set out in this Section.

The Owner or lessee of a Lot or Parcel is responsible for ensuring proper drainage on and across his Lot or Parcel. The easement rights so reserved shall not and do not place upon the Declarant, the Association or a governing authority a duty to effect or ensure proper drainage on any Lot or Parcel, and other than those provisions hereof respecting common areas and Neighborhood facilities for which the Association is responsible, no provision of this Declaration shall be interpreted as so doing. Such of the easement rights so reserved that may be appropriate therefor shall be exercised by the Association should the Board of Directors determine that proper drainage can be aided or conditions adversely affecting same can be abated, mitigated or relieved by the installation, construction, maintenance, repair, improvement, replacement or reconstruction of improvements to or on common areas and/or of Neighborhood facilities or a component thereof within a Lot, Parcel or street. Any of the easement rights so reserved may be exercised by any of same from time to time and at any time by the Declarant, Board of Directors and/or governing authority acting jointly or severally should the Declarant, Board of Directors or governing authority determine that under the prevailing circumstances action is necessary or advisable for the preservation of the values and amenities in Chestnut Hill or other cause. Should the Board of Directors determine that action by the Association was due to circumstances caused by or as a result of activities of one or more of Members or a builder or other person in the employ of, acting at the request of or otherwise associated with such Member, the Association may assess all or part of the cost of its actions so taken against any Lot owned or leased by the Member as a Damage Assessment determined, levied, collected and enforced in accordance with the provisions of Section 4 of Article VII of this Declaration.

Each Owner or lessee of a Lot or Parcel shall have an affirmative duty to use, maintain and improve any area designated as a Drainage Easement or any area subject to drainage easement rights for purposes of effecting or permitting proper drainage of storm water and irrigation water run-off (or otherwise being necessary or convenient to the establishment and/or maintenance of proper drainage) as such may be apparent or directed by implementation of Design Guidelines and/or Neighborhood or Village Rules or on a case by case basis by the Board of Directors. No Owner or lessee of any Lot or Parcel may change, diminish, obstruct, or retard the direction or flow of storm water or irrigation water runoff in any drainage easement or area subject to drainage easement rights without the approval of the Architectural Review Committee or Board of Directors. The provisions of this paragraph shall not be interpreted or construed as relieving the Owner or lessee of a Lot or Parcel, including without limitation the Declarant and the Association if either is owner or lessee of a Lot or Parcel, from the responsibility of performing all routine cutting, trimming, pruning and upkeep necessary or appropriate to maintain any and all portions of a Lot or Parcel, and the unpaved areas within street rights-of-way abutting his Lot or Parcel, across which storm water or irrigation water runoff may drain.

Easement rights for purposes of effecting or permitting proper drainage within a street, Drainage Easement or area subject to drainage easement rights shall include, without limitation, the following rights:

(a) the right to locate, install, construct, place, operate, use, maintain, repair, replace, improve, control, patrol, inspect, service, reconstruct, change the size of, or remove any drainage facility or component or appurtenance thereto of use or useful to establishment and maintenance of proper drainage, such facilities being and including, without limitation, pipes, drains, culverts, sewers, conduits, swales, ditches, channels, inlets, manholes, grates and dissipation structures and materials;

(b) the right to perform from time to time anything and everything reasonably necessary or appropriate to maintain in proper and adequate operating condition each and all such facilities, components and appurtenances;

(c) the right to remove any obstruction unreasonably hindering or interfering with the function and purpose or any drainage facility, component or appurtenance or the exercise of any drainage easement right; and

(d) without limiting the above, the right of reasonable ingress and egress to any such facility, component or appurtenance in, upon, over and across any street or other area that is appropriate therefor, including without limitation any area within a required yard of a Lot, provided such right is exercised solely over driveways and ground surfaces that are structurally suitable therefor and only if driveways, surfaces and other improvements destroyed, damaged or disturbed thereby are promptly replaced, repaired and restored.

Section 8. Lake and Lake Shore Easements. There is hereby reserved certain rights and declared certain restrictions pertaining to lakes and lake common area, each and all of which shall be a purpose of a Lake and Lake Shore Easement as hereinafter set out.

The Declarant hereby reserves for itself and its assigns and for the Association the right to withdraw and use water impounded within a lake for irrigation of any common area, Lot and/or land owned by the Declarant or an associate of the Declarant and for any other beneficial purpose subject only to the provisions of Sections 51-3-1 through 51-3-55 of the Mississippi Code of 1972.

The Declarant hereby reserves for itself and its assigns and for the Association the right to occupy, use, disturb, improve, restrict or condition the occupancy and use by any person of a lake, lake common area and area within a lake shore for any reasonable purpose, for any reasonable duration and at any reasonable time subject to the duty to promulgate such as Neighborhood and/or Village Rules.

The Declarant hereby reserves for itself and its assigns, for the Association and for any governing authority having jurisdiction, in, upon, over and across any part of a Lot designated as a lake shore, the right to detain thereon storm water runoff in the event of a rainfall event during or following which which the rate of such run-off into the lake is greater than the rate of same that can be discharged through the lake's outlet works. Each person who becomes an owner of any Lot within Chestnut Hill that has a part of such Lot topographically situated below the highest conceivable stage of any downstream lake, by taking possession of a Lot or accepting a deed or similar instrument transferring to him such Lot, whether or not said instrument shall so state, shall be deemed to have released the Declarant and the Association from any and all

claims for damages as a result of water being retained and/or detained by the dam and outlet works of the lake.

With respect to a Lot or Parcel abutting a lake and the area of such Lot or Parcel that is visible from a lake, the Owner of the Lot or Parcel shall leave such area wooded or shall landscape and maintain such area consistent with the overall landscaping plan promulgated for the lake and lake shore by the Architectural Review Committee or Board of Directors.

After first receiving the approval of plans and specifications therefor by the Architectural Review Committee or Board of Directors and/or being in compliance with any pertinent Design Guidelines or Neighborhood or Village Rules, the Owner of a Lot abutting a lake may construct shoreline improvements on the lake shore, at the edge of the lake and extending no more than twenty (20) feet into a lake provided such improvements aid the Owner in his use of the lake, improve the appearance of the lake shoreline, facilitate maintenance of the lake or lake shore, and/or minimize erosion into the lake. The Architectural Review Committee and the Board of Directors shall have the right but not a duty to require that any such pier, dock, fence or wall be constructed and maintained to reasonable common standards and requirements promulgated or approved for construction and maintenance of same on and within the lake and its lake shore. The Committee and Board shall also have the right to prohibit the construction and maintenance of any pier, dock, fence or seawall. The Board of Directors shall have a right but not a duty to maintain, repair, improve, reconstruct, demolish or remove any pier, dock, fence, wall or other shoreline improvement constructed by an Owner of a Lot that failed or is failing to construct and maintain same in compliance with such standards and requirements, and on so doing, the Board of Directors may assess the cost thereof to the Owner of a Lot as provided in Section 4 of Article VI of this Declaration.

Subject to the limitations of this paragraph, the Owner of a Lot abutting a lake is hereby delegated the revocable, exclusive, non-assignable right to exercise for the Association the responsibility to maintain and regulate the use of that part of the lake and lake shore abutting the Owner's Lot and located between lines extending from the closest-to-the-lake corners of the Lot directly to the edge of the lake's water surface and extending into the lake twenty (20) feet. The exercise of such responsibility by an Owner shall be consistent with any Neighborhood or Village Rules pertaining thereto. An Owner of a Lot abutting a lake exercising such responsibility for the use of such area shall not prevent the Declarant, a representative of the Association in his official capacity, or an Owner having the right to use the lake, or a member or invited guest of any such Owner's family, from emergency use or periodically walking across the lake shore, from periodically sailing, swimming or trolling on or in the lake, or otherwise engaging within the lake or on the lake shore in any quiet activity of limited duration, provided such activity does not disturb or interrupt the use of the area by the Owner exercising such responsibility. The Owner exercising such responsibility shall determine what is or is not a quiet activity within such delineated area, unless or until the Board of Directors publishes a definitive list of quiet activities within all such areas or unless and until the Board of Directors shall revoke for cause an Owner's right to exercise for the Association such responsibility.

There is hereby declared and imposed on the owner of any Lot, Parcel or tract of land of which all or part is within a lake or lake shore the restrictions, limitations and conditions

hereinafter set out and described, and compliance with each and all of which shall be the an obligation and duty of the Owner whose Lot or Parcel is subject to a Lake and Lake Shore Easement.. Such restrictions, limitations and conditions shall be uniformly applied, exercised and/or administered in order to preserve the grandeur of a lake and lake shore and for such other purposes incident to ownership, maintenance, repair, improvement and reconstruction of a lake, its dam and outlet works. Such restrictions, limitations, conditions and duties shall be appurtenant to and shall run with and bind the land within a lake common area and the land which is part of the lake shore. Such restrictions, limitations, conditions and duties shall inure to the benefit of and be enforceable by the Declarant, by the Board of Directors for the Association or by the Owner of any other Lot abutting the same lake, and by the respective officers, directors, legal representatives, heirs, successors and assigns of any of them, for as long as a lake is operated and maintained in a manner which preserves the grandeur thereof and the values and amenities of Chestnut Hill. The restrictions, limitations, conditions and duties herein created and hereinafter described and defined are elements of a Lake and Lake Shore Easement, to-wit:

(a) Unless otherwise restricted or permitted by duly promulgated Neighborhood or Village Rules, a lake may be used only for fishing, sailing, swimming and boating, and such activities can only be engaged in with due regard to the health, safety and welfare of all persons on or near the lake.

(b) No garbage, trash, construction debris or refuse, landscaping debris or refuse, other solid materials or potentially harmful or toxic solvents, paints, fuels, fertilizers, insecticides, herbicides, chemicals or other substances hazardous to people, animals, wildlife or fish shall be thrown or otherwise placed into a lake or placed, used, stored or permitted to remain where they may be drain into or be washed or blown into a lake during inclement weather.

(c) No person may enlarge or diminish the surface area of a lake without the approval of the Board of Directors.

(d) No person may withdraw and use water from the lake without the approval of the Board of Directors

(e) No motorized vehicles of any type, except those used primarily for maintenance, shall be used on the lake or lake shore without prior approval of the Board of Directors. In no event shall any person use a boat or vehicle which is energized by fossil fuels or derivatives thereof, or which is energized by electricity to a motor capable of developing more than one (1) horsepower unless such is sanctioned on a case by case basis by the Board of Directors for cause.

(f) No wall or fence shall be erected or permitted to remain in or on the lake or lake shore nor shall a solid line of shrubbery over three feet (3') in height be erected or permitted to remain on the lake shore.

(f) No Owner shall allow any shoreline improvement or any area comprising the lake shore to lapse into or remain in any condition other than a sound, safe, attractive and/or natural condition.

Section 9. Storm Water Detention and Pollution Prevention Easements. The Declarant, for itself and its assigns, for the Association and for the governing authority having jurisdiction, hereby reserves a non-exclusive easement and right-of-way in, through, over, and across any area shown and designated on a Plat as a "storm water detention easement" and/or "storm water pollution prevention easement" and/or any area designated or reserved on a Plat for "storm water detention" and/or "storm water pollution prevention" or is designated or reserved as a "storm water detention easement" and/or "storm water pollution prevention easement" in the deed from the Declarant for the purposes of (i) detaining therein and thereon excess storm water runoff by permitting the surface thereof to be inundated for a period of time following a rainfall event, (ii) causing therein the deposition or removal from storm water runoff of sediments, debris and other pollutants, (iii) permitting the maintenance, improvement, repair and/or reconstruction of the dam or levee, discharge and/or erosion control structures and facilities therein, and (iv) permitting the excavation and/or removal there from of sediments, debris, pollutants which are diminishing the impoundment, treatment and/or hydraulic capacity thereof. (For the purposes of designating such easements and area[s] subject thereto, it is not necessary that same be identified specifically as stated herein within quote marks but only sufficiently to identify same for such purpose[s].) Each such easement shall permit the Association, the Declarant and/or the governing authority having jurisdiction to perform from time to time anything and everything reasonably necessary or appropriate to achieve such purposes.

Section 10. Tree Preservation Easements. The Declarant, for itself and its assigns, for the Association and for the governing authority having jurisdiction, hereby reserves a non-exclusive easement and right-of-way in, through, over, and across an area shown and designated on a Plat as a "tree preservation easement" and/or any area designated or reserved as a "tree preservation easement" in the deed from the Declarant for the purposes of (i) preserving existing healthy mature hardwood trees of any size and/or (ii) planting, nurturing, irrigating, maintaining (including routine fertilizing and pruning), replacing, restoring or otherwise promoting the growth of new native hardwood trees. Each such easement shall permit the Association, the Declarant and/or the governing authority having jurisdiction to perform from time to time anything and everything reasonably necessary or appropriate to achieve such purposes. Unless there shall be an agreement otherwise, the purposes of a tree preservation easement shall include allowing indigenous shrubbery (and other objects of natural growth which provide a barrier to or restricts visibility) to begin or continue to grow provided such the growth does not impede or impair the other purposes hereof pertaining to native hardwood trees. The above to the contrary notwithstanding, poison ivy and other vegetation posing a risk to human health must be removed from an area subject to a tree preservation easement. The above to the contrary notwithstanding, if a privacy fence is properly approved and erected within or along the perimeter of an area subject to a tree preservation easement, nuisance indigenous vegetation (i.e., blackberry, honey suckle, kudzu) which provides a barrier to or restricts visibility primarily in sight zones which are blocked by such fence, maybe removed from an area subject to a tree preservation easement.

No healthy hardwood tree six (6) inches in diameter or larger (measured four [4] feet above the ground) shall be removed from any area designated as a tree preservation easement except in accordance with the recommendation of an arborist or landscape architect and with the

approval of the Architectural Review Committee and, if within a tree preservation easement shown on a Plat, with the approval of an appropriate officer of the governing authority having jurisdiction.

Any area designated or reserved as a tree preservation easement adjoining the perimeter boundary of Chestnut Hill shall be presumed to have been also designated or reserved for the benefit of the owner of each parcel of land adjoining Chestnut Hill. Any area designated or reserved as a tree preservation easement adjoining the perimeter boundary of Chestnut Hill shall be presumed to have been so designated or reserved with the intent of providing a natural privacy buffer and barrier to unimpeded visibility between the parcel of land adjoining Chestnut Hill and the area within a Lot that is improved and routinely occupied and used by the Owner. The Owner of a Lot and the owner of the parcel of land adjoining the Lot may from time to time and at any time make agreements respecting the character, maintenance and use of so much of the area affected by a tree preservation easement which is situated adjacent to the adjoining owner's land, provided the provisions, terms, conditions, rights, privileges, duties, responsibilities and obligations of any such agreement respecting same are generally consistent with said intent or are otherwise agreed to by the Architectural Review Committee of the Association and, if one exists and is functional, with a similar committee of the association of property owners which includes the land of the adjoining owner.

The required rear or side yard of a Lot shall be deemed to be deeper or wider than that required in Section 3 of Article III hereof if necessary to be inclusive of any area of the Lot affected by a tree preservation easement designated or reserved along respectively the rear or side of such Lot.

Section 11. Landscape Easements. The Declarant, for itself and its assigns, for the Association and for the governing authority having jurisdiction, hereby reserves a non-exclusive easement and right-of-way in, through, over, and across any area shown and designated on a Plat as a "landscape easement" and/or any area designated or reserved as a "landscape easement" in the deed from the Declarant for the purposes of planting, nurturing, irrigating, maintaining (including routine fertilizing and pruning), replacing, restoring or otherwise improving with trees, shrubs, lawn grass and other vegetation the area so designated. Each such easement shall permit the Association, the Declarant and/or the governing authority having jurisdiction to perform from time to time anything and everything reasonably necessary or appropriate to achieve such purposes.

If the landscape easement so designated is for or a part of the Neighborhood Entrance, the Association shall control the improvement, use and landscaping within said area and shall have the right and duty to improve, maintain, repair and replace with trees, fences, columns, walls, signs, shrubs, lawn grass, irrigation facilities and other landscaping and entrance-related components the area so designated in any reasonable manner to effect a tasteful, aesthetically pleasing entrance to Chestnut Hill and present a high quality appearance to the public entering Chestnut Hill or traveling on adjacent or nearby public or private streets. The Owner of any Lot of which a part is designated as a landscape easement that is a part of the Neighborhood Entrance shall and is hereby prohibited from improving or enclosing all or any part of the area included in said easement that is situated on the street side of the entrance fence or wall. The

above to the contrary notwithstanding, the Association shall have no duty to improve, maintain (including routine cutting, trimming, and pruning), repair or replace any landscaping component or lawn grass situated on the dwelling side of an entrance fence or wall, and the Owner of a Lot affected by a landscape easement that is a part of the Neighborhood Entrance shall have the responsibility and obligation to perform same without reimbursement from the Association or Declarant.

Section 12. Boundary Fence Easements. The Declarant, for itself and its assigns, for the Association, and for the owner of a parcel of land adjoining a Lot affected by a "boundary fence easement," hereby reserves a non-exclusive easement and right-of-way in, through, over, and across any area shown and designated on a Plat as a "boundary fence easement" and/or any area described, designated or reserved as a "boundary fence easement" in the deed from the Declarant for the purposes of locating, erecting, maintaining, repairing, replacing, restoring or otherwise improving (i) the "boundary line" fence existing (or to be erected) therein or nearby which is owned (or will be owned) by the owner of the adjoining parcel, (ii) a Neighborhood Perimeter Fence existing (or to be erected) therein or nearby which is owned (or will be owned) by the owner of the Lot or (iii) a fence meeting the style, dimensions, material, fabrication, finish, location, installation and appurtenant landscaping requirements agreed to by the owner of the adjoining parcel of land and the Declarant, or in lieu thereof should the Declarant be unable or unwilling to act, the Architectural Review Committee. Each such easement shall permit the Association, the Declarant and/or the owner of the adjoining parcel of land to perform from time to time at any reasonable time those activities and actions reasonably necessary or appropriate to achieve such purposes. The regular, periodic maintenance and upkeep of any landscaping component and lawn grass situated within so much of any part of a Lot that is on the opposite side of the fence (or in other words the side of the fence as is the land belonging to the owner of the adjoining parcel) shall be the duty of the owner of the adjoining parcel. The exclusive right to use and occupy so much of any Lot that is on the opposite side of the fence shall be that of such owner; however, such owner shall have no right of or to possession hereunder or thereby and shall have no right to otherwise improve such part of a Lot. The Association shall have the right but not a duty to locate, erect, maintain, repair, replace, restore or otherwise improve such boundary line fence, and the Owner of a Lot affected by a boundary fence easement shall have these same rights without entitlement to reimbursement from the Association, the Declarant or the owner of the adjoining parcel of land unless there is an agreement otherwise with the owner of the adjoining land.

In order to preserve and/or enhance exiting trees, shrubbery, native vegetation, natural features and/or topography found along the perimeter of Chestnut Hill, with the consent of the owner of the adjoining parcel of land, for the benefit of the Declarant, the Association and the Owner of the Lot, a Neighborhood perimeter fence or a boundary line fence can be located nearby but outside of the Lot on the adjoining land owned by such owner. In such event there shall be implied to exist on and burden the adjoining parcel of land a comparable easement for purposes and limitations appropriately similar to those hereto described.

The provisions of this Section to the contrary notwithstanding, if prior to the date of the Plat, deed or agreement establishing an easement for same, a boundary line fence is of such character and age as to give rise to and sustain a claim of adverse possession by the owner of

the adjoining parcel of land, without the express acquiescence of such owner, the provisions hereof shall not affect such owner's right, title and interest as to the real property situated within a Lot but on the opposite side the fence (or in other words the side of the fence as is the land belonging to such owner).

The provisions of this Section to the contrary notwithstanding, the provisions, terms, conditions, rights, privileges, duties, responsibilities and obligations found in any pertinent agreement or document of record between the Declarant (or a predecessor in title to the Declarant) and the owner of the adjoining parcel of land (or a predecessor in title to such owner) shall supersede the provisions hereof.

The above to the contrary notwithstanding, the Declarant, or in lieu thereof should the Declarant be unable or unwilling to act, the Board of Directors of the Association, from time to time and at any time, shall have the right to enter into an agreement with an owner of an adjoining parcel of land and establish thereby those provisions, terms, conditions, rights, privileges, duties, responsibilities and obligations respecting boundary line fences and the easements appurtenant thereto, and such provisions, terms, conditions, rights, privileges, duties, responsibilities and obligations thereby agreed to shall supersede the provisions hereof.

Section 13. Easement of Light, Air and View. There is hereby reserved for the benefit of the Declarant, the Association and each Member and their respective successors and assigns, the right and easement of light, air and view over and across the area between the front setback line and the front boundary of a Lot.

Section 14. Damage from Ingress and Egress. Each and all of the easement rights created, reserved or contemplated in this Article of this Declaration is subject to and conditioned upon the beneficiary thereof being obligated to exercise such right with as little inconvenience to the Owner as reasonably practical and such beneficiary being responsible for any physical damage to and/or destruction of any improvement or ground surface destroyed or disturbed by the exercise of such right. In the event of such destruction or disturbance, the beneficiary shall be obligated to promptly restore or replace same. Ingress and egress in, upon, over or across any area subject to such easement rights by an authorized officer, employee, agent or contractor of such beneficiary in the course of such exercise, shall not be deemed to be a trespass. The provisions hereof to the contrary notwithstanding, an improvement made by an Owner after the installation of facilities within an area subject to such easement right, other than the dwelling, driveway, walks and similar structural improvements typically appurtenant to residential properties, which prohibits or unreasonably hinders access to the premises subject to such right and/or the ordinary exercise of such right, shall not be considered an improvement protected by the responsibility and obligation provided for in this section.

ARTICLE X

MANAGEMENT, INSURANCE AND TAXES

Section 1. Management Agent. The Board of Directors may employ for the Association a management agent or manager (herein called the "Management Agent"), at a rate of

compensation established by the Board of Directors, to perform such duties and services as the Board of Directors from time to time may authorize in writing. The Board of Directors may employ as the Management Agent the Declarant or any Associate of the Declarant. The Management Agent shall perform such duties and services as the Board of Directors shall direct and authorize in writing, which duties and services may include, without limitation, the power and authority in the Management Agent

(a) To establish (subject to the approval and confirmation of the Board of Directors) and to provide for the collection of the assessments specified in this Declaration, and to provide for the enforcement of liens securing same in any manner consistent with law and with the provisions of this Declaration;

(b) To provide for the care, upkeep, maintenance, reconstruction, repair, replacement, improvement, monitoring and surveillance of any common area and/or Neighborhood facility that the Board of Directors may identify or direct;

(c) To select, hire, and dismiss such personnel as may be required for the good working order, maintenance, and efficient operation of any common area and/or Neighborhood facility; and

(d) To promulgate (with approval and confirmation of the Board of Directors) and to enforce such standards, conditions, rules or regulations and such other restrictions, requirements, Neighborhood Rules, and the like as may be deemed proper respecting the use and care of the Neighborhood Entrance any other common area or Neighborhood facility; and

(e) To provide such other services (including accounting services) for the Association as may be consistent with law and the provisions of this Declaration; and

(f) To make available for inspection, upon written request accompanied by reasonable payment therefor, during normal business hours or under other reasonable circumstances, to Owners and to existing or bona fide prospective owners, lenders, insurers and holders of a first mortgage of record on any Lot, current copies of this Declaration and all amendments and supplements thereto, the Bylaws, Design Guidelines, Neighborhood Rules, and any other rules governing the Association and its Members, the books, minutes, records, and financial statements of the Association; and

(g) To prepare and furnish within a reasonable time, upon written request therefor accompanied by reasonable payment therefor, to Owners and to existing or bona fide prospective owners, lenders, insurers and holders of a first mortgage of record on any Lot, the financial statement of the Association for the immediately preceding year.

The management agreement entered into by the Association shall provide inter alia, that such agreement may be terminated for cause by either party upon thirty (30) days' written notice thereof to the other party. The term of any such management agreement shall not exceed one year; provided, however, that the term of any such management agreement may be renewed by mutual agreement of the parties for successive one-year periods.

Section 2. Casualty and Physical Damage Insurance. To the extent such is feasibly and reasonably available, the Association shall obtain and maintain for its benefit and pay the premiums upon, as an operating expense, a policy of casualty and physical damage insurance covering all common areas, except land, foundation, excavation and other items normally excluded from coverage, including fixtures, service equipment and supplies, and other common personal property belonging to the Association. The policy shall be in an amount equal to one hundred percent (100%) of the current full replacement cost of all improvements upon common areas without deduction or allowance for depreciation but exclusive of land, foundation, excavation and other items normally excluded from coverage. The policy cannot include any limitations which could prevent the Association from collecting insurance proceeds. Such replacement value shall be determined annually by the Board of Directors with the assistance of the insurance company affording such coverage. The policy or policies affording such casualty or physical damage insurance coverage may contain whatever special endorsements the Board of Directors in its discretion may deem appropriate. The policy or policies affording such casualty or physical damage insurance coverage for common areas shall name the Declarant as an additional insured under such policy or policies.

The policy or policies affording such casualty or physical damage insurance coverage must, if reasonably available, provide (i) that it cannot be cancelled (including cancellation for non-payment of premium) or substantially modified without at least ten (10) days' prior written notice to the President of the Association, to the Management Agent, if one, and to any and all other obligees and insureds named therein; (ii) a waiver of the right of subrogation against Lot Owners individually; and (iii) that the insurance is not prejudiced by any act or neglect of individual Owners which is not in the control of such Owners collectively.

The policy or policies affording such casualty or physical damage insurance coverage shall, if available, afford as a minimum, protection against the following: 1) loss or damage by fire and other perils normally covered by the standard extended coverage endorsement; and 2) all other perils which are customarily covered with respect to common areas and Neighborhood facilities similar in scope, value, location and use, including all perils normally covered by the standard "all-risk" endorsement.

Section 3. Comprehensive General Liability Insurance. To the extent such is feasibly and reasonably available, the Association shall obtain and maintain for its benefit and pay the premiums upon, as an operating expense, a policy of comprehensive general liability insurance covering all common areas and Neighborhood facilities. The policy shall be in an amount and in such form as may be considered appropriate by the Board of Directors in its discretion but in an amount of not less than One Million Dollars (\$1,000,000.00) coverage for all claims for bodily injuries, death and/or personal and property damage arising out of a single occurrence. The policy shall require coverage to include protection against such risks as are customarily covered with respect to common areas and Neighborhood facilities similar in scope, value, location and use. The policy shall afford coverage with respect to whatever additional and special liabilities the Board of Directors in its discretion may specify, including, but not limited to, hired automobile liability, non-owned automobile liability, liability for property of others, and liability incident to the Association's ownership and/or use of the common areas and Neighborhood facilities or any portion thereof. Coverage under the policy shall include, without

limitation, legal liability for property damage, bodily injuries, and deaths of persons in connection with the operation, maintenance or use of any common area or Neighborhood facility, and legal liability arising out of lawsuits related to employment and/or other contracts of the Association. The policy must provide that it cannot be cancelled (including cancellation for non-payment of premium) or substantially modified without at least ten (10) days' prior written notice to the President of the Association, to the Management Agent, if one, and to any and all other obligees and insureds named therein. The policy or policies affording such comprehensive general liability insurance coverage on common areas or Neighborhood facilities shall name the Declarant as an additional insured under such policy or policies. If the Board of Directors in its discretion deems such appropriate, the policy or a separate policy may include a "Legal Expense Indemnity Endorsement," or its equivalent, affording protection for the officers and Directors of the Association for expenses and fees incurred by any of them in defending any suit or settling any claim, judgment or cause of action to which any such officer or Director shall have been made a party by reason of his services as such. The policy may also include a "Severability of Interest Endorsement" or its equivalent if the Board of Directors in its discretion deems such appropriate.

Section 4. Workmen's Compensation Insurance. The Association shall obtain, maintain and pay the premiums upon, as an operating expense, Workmen's Compensation insurance to the extent necessary to comply with any applicable law.

Section 5. Fidelity Insurance and/or Bonds. To the extent such is feasibly and reasonably available, the Association shall obtain, maintain and pay the premiums upon, as an operating expense, insurance affording fidelity coverage against dishonest acts of and/or fidelity bonds for all officers, directors, and employees of the Association and all other persons handling, or responsible for, funds of or administered by the Association. The Management Agent shall also be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. Such fidelity insurance and/or bonds shall name the Association as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the Management Agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than the lower of Fifteen Thousand Dollars (\$15,000) or the sum equal to three (3) months' aggregate assessments on all Lots plus reserve funds. Such fidelity insurance and/or bonds shall provide that they cannot be cancelled (including cancellation for non-payment of premium) or substantially modified without at least ten (10) days' prior written notice to the President of the Association, to the Management Agent, and to the other obligees and insureds named therein. Such fidelity insurance and/or bonds shall also provide a waiver by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms of expression.

Section 6. Flood Insurance. The Association shall obtain, maintain and pay the premiums upon, as an operating expense, a policy of flood insurance on any buildings and any other insurable property which is a part of any common area located within any flood hazard area identified by the Federal Emergency Management Agency. The Association may obtain, maintain and pay the premiums upon, as an operating expense, a policy of flood insurance on

any buildings and any other insurable property which is a part of any Neighborhood facility located within any flood hazard area identified by the Federal Emergency Management Agency. Each such policy shall be in an amount equal to the lesser of one hundred percent (100%) of the current replacement cost of said buildings and other insurable properties or the maximum coverage available under the National Flood Insurance Program. Each such policy shall provide that it cannot be cancelled (including cancellation for non-payment of premium) or substantially modified without at least ten (10) days' prior written notice to the President of the Association, to the Management Agent, if one, and to any and all other obligees and insureds named therein.

Section 7. Insurance on Dwellings and Personal Property. Each Owner of a Lot, at his own expense and cost, shall

(a) keep any dwelling on his Lot insured at all times for its full replacement value against losses due to fire, windstorm, hail, explosion, riot, civil commotion, aircraft, vehicles, smoke, and any other perils that may be covered under standard "all risk" endorsement provisions;

(b) keep the contents of his dwelling, including decorations, furnishings and personal property therein, insured at all times;

(c) maintain personal liability insurance at all times in the minimum amount of Three Hundred Thousand Dollars (\$300,000); and

(d) in the event the dwelling on his Lot is placed or classified by regulatory action within or otherwise determined to be located within a flood hazard area identified by the Federal Emergency Management Agency and such dwelling's lowest habitable floor is below the base flood elevation determined for such flood hazard area, maintain at all times a flood insurance policy in an amount equal to the lesser of one hundred percent (100%) of the current replacement cost of his dwelling and other insurable properties or the maximum coverage available to him under the National Flood Insurance Program.

Each Lot Owner shall furnish the Board of Directors proof of such coverages upon request.

Section 8. Ad Valorem Property Taxes. Each Owner shall be responsible for and promptly pay when due ad valorem taxes lawfully assessed against his Lot. Ad valorem taxes assessed against common areas and Neighborhood facilities, if any, shall be an operating expense of the Association and shall be promptly paid when due.

ARTICLE XI

NOTICES TO AND CONSENTS REQUIRED OF MORTGAGEES

Section 1. Eligible Mortgage Holders. Any mortgagee of any Lot who desires notice of certain things as identified and/or provided in this Declaration or the Bylaws and/or who desires to be among those mortgagees from whom collectively a specified percentage must give consent for the Association to take certain actions as identified and/or provided in this Declaration, shall at least once annually notify the Registered Agent of the Association of such desires and to that

effect by Registered Mail - Return Receipt Requested. Any such notice shall identify the Lot in which such mortgagee on the date of such notice has a security interest, shall contain the name and address of such mortgagee, and shall the name of the individual at such address to whom such notices and requests for consent should be delivered or directed. A mortgagee so requesting shall be deemed an eligible mortgage holder. The Secretary shall maintain a roster of all eligible mortgage holders entitled to notice and request for consent. Each Member shall keep the Association promptly and fully informed as to the name, address for correspondence, and loan number for each first mortgage or deed of trust made or conveyed by the Member with respect to any Lot. The Secretary from time to time and at any time may make such inquiry or take such action as may be prudent, necessary, convenient or advisable to identify bona fide holders of first mortgages of record on a Lot, maintain such roster, include on such roster any holder of a first mortgage or record on a Lot, or exclude from such roster any person who no longer holds a first mortgage of record on a Lot; however, unless there is an indication of a misrepresentation, the Secretary shall have no duty to so do. Notices sent the mortgage servicing company to which the Member makes his payments shall be deemed to have been sent to the mortgagee.

Section 2. Notices to Eligible Mortgage Holders. Any other provision of this Declaration to the contrary notwithstanding, neither the Members, nor the Board of Directors, nor the Association, by any act or omission, shall do any of the following things without providing timely written notice to each eligible mortgage holder or to a mortgage servicing company acting on behalf of said eligible mortgage holder:

(a) Abandon, partition, subdivide, encumber, sell or transfer any common area; provided, however, that the realignment of boundaries, the granting of rights-of-way, easements and the like for utilities or for other purposes consistent with the use of the affected common area or Neighborhood facility shall not be considered an encumbrance, sale or transfer within the meaning of this Subsection; or

(b) Abandon or terminate this Declaration;

(c) Require, cause, or permit the lapse, cancellation, or material modification of any casualty insurance policy which the Association is required to maintain in force under the provisions of this Declaration;

(d) Observe or otherwise acquire knowledge of any condemnation loss or any casualty loss which affects a material portion of the Lot or dwelling thereon as to which the mortgagee is the holder of a first mortgage of record encumbering such Lot;

(e) Modify or amend the voting rights of Members;

(f) Modify or amend any material or substantive provision of this Declaration or the Bylaws pertaining to the rights of said mortgagee of record;

(g) Modify or amend any material or substantive provision of this Declaration or the Bylaws pertaining to the purposes for which any Lot or any part of a common area or Neighborhood facility is abnormally restricted;

(h) Substantially modify the method of determining and collecting assessments as provided in this Declaration; or

(i) Increase the threshold percentage of appraised values below which the Association is not required to employ a Management Agent.

Section 3. Notice of Delinquency. The Association shall promptly notify the eligible mortgage holder on a Lot as to which any assessment levied pursuant to the Declaration, or any installment thereof, shall become and remain delinquent for a period in excess of sixty (60) days, and the Association shall promptly notify the eligible mortgage holder on any Lot as to which there is default by the Owner with respect to performance of any other obligation under this Declaration which remains uncured for a period in excess of sixty (60) days following the date of such default. Any failure to give any such notice shall not affect the validity or priority of any first mortgage on any Lot, and the protection extended in this Declaration to the eligible mortgage holder shall not be altered, modified or diminished by reason of such failure. Also, any failure to give any such notice shall not affect the validity of the lien for any assessment levied pursuant to this Declaration, nor shall any such failure affect any of the priorities for liens as specified in Section 6 of Article VIII hereof.

No suit or other proceeding may be brought to foreclose the lien for any assessment levied pursuant to the Declaration except after thirty (30) days' written notice to the eligible mortgage holder, or to the mortgage servicing company acting for the eligible mortgage holder, of the first mortgage of record encumbering the Lot which is the subject matter of such suit or proceeding.

Section 4. Advances by Mortgagee. Any mortgagee of a first mortgage of record encumbering a Lot may advance or pay any taxes, utility bills or other charges levied against a common area or Neighborhood facility which are in default and which may or have become a charge or lien against a common area or Neighborhood facility. Any such mortgagee may pay any overdue premiums on any hazard insurance policy, or secure new hazard insurance coverage on the lapse of any policy, relating to common areas or Neighborhood facilities. Any such mortgagee who advances any such payment shall be due reasonable reimbursement of the amount so advanced from the Association.

Section 5. Notice of Casualty Losses. In the event of substantial damage or destruction to any common area or Neighborhood facility, the Board of Directors shall give prompt written notice of such damage or destruction to the eligible mortgage holders. No provision of this Declaration or the Bylaws shall entitle any Member to any priority over the holder of any first mortgage of record encumbering said Member's Lot insofar as concerns the distribution to said Member of any insurance proceeds paid or payable on the account of any damage to or destruction of any common area or Neighborhood facility.

Section 6. Notice of Condemnation or Eminent Domain. In the event any part of any common area or Neighborhood facility is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, then the Board of Directors shall give prompt written notice of any such proceeding or proposed acquisition to all eligible mortgage holders. No provision of this Declaration or the Bylaws shall entitle any Member to any priority over the holder of any first mortgage of record encumbering

said Member's Lot insofar as concerns the distribution to said Member of the proceeds of any condemnation or settlement relating to taking of any part of any common area or Neighborhood facility.

Section 7. Consents. Any other provision of this Declaration to the contrary notwithstanding, neither the Declarant, Owners, Board of Directors, nor the Association, by any act or omission, shall do any of the following things without the prior written consent and approval of the holders of at least fifty-one percent (51%) [sixty-seven percent (67%) for abandonment and termination] of the eligible mortgage holders:

(a) Abandon, partition, subdivide, encumber, sell or transfer any of the common areas or Neighborhood facilities; provided, however, that the realignment of boundaries, the granting of rights-of-way, easements and the like for utilities or for other purposes consistent with the use of the affected common area or Neighborhood facility shall not be considered an encumbrance, sale or transfer within the meaning of this Subsection;

(b) Abandon or terminate this Declaration [requires sixty-seven percent (67%)];

(c) Modify or amend any material or substantive provision of this Declaration or the Bylaws pertaining to the rights of any or all holders of a first mortgage of record encumbering any Lot;

(d) Materially amend any provisions of this Declaration, or to add any material provisions thereto, which establish, provide for, govern or regulate any of the following:

(1) Voting rights of Members;

(2) Assessments, assessment liens, or subordination of such liens;

(3) Reserves for maintenance and repair and replacement of any common areas and Neighborhood facilities;

(4) Insurance or fidelity bonds;

(5) Rights to use any common areas and Neighborhood facilities;

(6) Responsibilities for maintenance and repair of any common areas and Neighborhood facilities;

(7) Interests in any common areas and Neighborhood facilities;

(8) Reduction, conveyance, encumbrance, dedication, transfer, or exchange of all or any part of any common area or Neighborhood facility;

(9) Leasing of Lots and/or the dwellings thereon;

(10) Imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey his Lot;

(11) Establishment of self-management by the Association;

(12) Provisions of this Declaration and the Bylaws which are for the express benefit of any holder of a first mortgage of record encumbering any Lot; or

(e) Restore or repair any common area or Neighborhood facility after a partial condemnation or damage due to an insurable hazard except in substantial conformance to the original plans and specifications thereof and in accordance with this Declaration; or

(f) Reallocate the interests of the Members in any common area or Neighborhood facility partially condemned or partially destroyed.

ARTICLE XII

ADDITIONAL PROVISIONS

Section 1. Incorporation by Reference on Resale. In the event any Owner sells, assigns, transfers or otherwise conveys the title to a Lot or otherwise conveys the right to use or occupy a Lot, any deed, lease or instrument of conveyance purporting to effect such conveyance or transfer shall contain a provision, or shall be deemed to contain a provision, incorporating by reference the covenants, conditions, restrictions, servitudes, easements, charges and liens set forth in this Declaration.

Section 2. Amendment. Subject at all times to all other limitations set forth in this Declaration, this Declaration may be amended as follows:

(a) At any time when there is at least one Class B Member: By recording in the office of the Chancery Clerk an instrument of amendment executed by the Declarant and executed by Lot Owners (Class A and B) that collectively own at least fifty per cent (50%) of all Lots subject to this Declaration.

(b) At any time when there is no Class B Member: By recording in the office of the Chancery Clerk an instrument of amendment executed by Lot Owners that collectively own at least sixty-seven per cent (67%) of all Lots subject to this Declaration; or

(c) Until December 31, 2017, provided that such instrument of amendment does not adversely modify or amend any material or substantive provision of this Declaration, by recording in the office of the Chancery Clerk an instrument of amendment executed by the Declarant and, if the Declarant so chooses, by any number of Lot Owners other than the Declarant.

Any amendment to this Declaration effected as provided in subsection (c) of this Section shall so state that the Declarant does not consider such instrument to adversely modify or amend any material or substantive provision of this Declaration. If executed by one or more Lot Owners in addition to the Declarant, same shall be affirmation that these owners do not consider such

instrument to adversely modify or amend any material or substantive provision of this Declaration.

Any amendment(s) made by the Declarant for the purpose of facilitating the approval of this Declaration by, and/or to cause the provisions of this Declaration to comply with Seller's Guidelines established by, the Federal National Mortgage Association (or other organization comparable thereto) shall not be deemed to adversely modify or amend a material or substantive provision of this Declaration. However, should the mortgagee of a mortgage created prior to such amendment deem otherwise, the amendment shall not be applicable to the Lot(s) burdened by the lien securing such mortgage until such mortgage is satisfied or foreclosed.

The above to the contrary notwithstanding, should an amendment to any provision of this Declaration materially or substantively affect any requirement imposed on the Declarant by a governing authority having jurisdiction as a prerequisite for its approval of the development, construction, improvement, use and occupancy of Chestnut Hill or any Lot therein, such amending instrument shall first be approved by such governing authority prior to it being effective, which approval must either be filed in the office of the Chancery Clerk or spread among the minutes of the governing authorities.

The above to the contrary notwithstanding, should an amendment to any provision of this Declaration materially or substantively affect any alphabetically designated parcel of land delineated on the Plat and owned by a person other than the Association, such amending instrument shall first be approved by such person prior to it being effective, which approval must be filed in the office of the Chancery Clerk.

The execution by the Declarant of any such instrument of amendment must be acknowledged in a manner provided by law. The execution of any such instrument by a corporation, governing authority, limited liability company, trust, estate or partnership must be acknowledged in a manner provided by law. The execution of any such instrument by a natural person may be attested by a subscribing witness provided such attestation is acknowledged in a manner provided by law.

An amending instrument shall be recorded in the office of the Chancery Clerk and cannot be effective prior to it being so recorded. Unless a later date shall be specified in any such instrument, any amendment hereto shall be effective on the date of recording of the instrument of amendment.

Section 3. Duration. The covenants, conditions and restrictions of this Declaration shall run with and bind the land now and hereafter subject to this Declaration and constituting the Property. The covenants, conditions and restrictions of this Declaration shall inure to the benefit of and be enforceable by the Association, the Declarant and/or the Owner or mortgagee of any Lot, and by their respective legal representatives, heirs, successors and assigns, until December 31, 2037, after which date these covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years each, unless terminated at the end of any such period by an instrument recorded in the office of the Chancery Clerk at least one (1) year prior to the end of such period. Such instrument terminating the covenants, conditions and restrictions of this Declaration shall be executed, acknowledged and/or subscribed in the same

manner as provided herein for an instrument of amendment when there is no Class B Member. However, should such termination be effective prior to December 31, 2017, such instrument of amendment must also be executed by the Declarant and the governing authority having jurisdiction for regulating land use by zoning.

Section 4. Enforcement. The provisions hereof may be enforced, without limitation, by the Association, the Declarant or the Owner or mortgagee of any Lot within Chestnut Hill, and by his respective legal representatives, heirs, successors and assigns. If any provision of this Declaration is breached or violated or threatened to be breached or violated by any Owner or other person, then each of the other Owners, the Declarant and/or the Association, jointly or severally, shall have the right, but not the obligation, to proceed at law or in equity to compel a compliance with, or to prevent the threatened violation or breach of, any provision of this Declaration. Any person entitled to file or maintain a legal action or proceeding for the actual or threatened violation or breach of any provision of this Declaration shall be entitled to recover attorneys' fees and other costs and expenses attributable to such action or proceeding, and the Association shall be entitled to recover and receive any other amounts specified herein.

Except as provided hereinafter, the Association, the Declarant or an aggrieved Owner shall have a right of action against the Association or Owner of any Lot for failure to comply with (i) the provisions of this Declaration, (ii) the Bylaws of the Association, or (iii) decisions of the Association which are made pursuant to authority granted the Association in this Declaration or said Bylaws.

If any structure or other improvement located on any portion of the Property, including any Lot, violates any provision of this Declaration, and if the violation is not corrected within thirty (30) days after written notice of such violation, then the Declarant and/or the Association (but not an Owner), jointly or severally, shall have the right, but not the obligation, to enter upon any portion of the Property, including any Lot, to correct, remedy, remove or abate such structure or other improvement at the cost and expense of the Owner of the Lot where such structure or improvement is located or at the cost and expense of whoever otherwise causes such violation and/or to deem the existence of such structure or improvement a violation of this Declaration and thereafter authorize such legal proceedings as are herein provided to correct, remedy, remove or abate same. Any such entry to correct, remedy, remove or abate same shall not be or be deemed to be a trespass. Any structure or element thereof, any improvement and any other matter related to a dwelling on a Lot which is found to be in violation of a requirement or other provision of this Declaration and which was approved or otherwise deemed to have been approved by the Architectural Review Committee and which has been continuing or in existence for one (1) year from the initial occupancy of such dwelling or the subsequent completion of such structure, improvement or matter, after such one (1) year period, shall not be deemed to be a violation of this Declaration subject to being corrected, remedied, removed or abated by enforcement hereunder, unless such approval by the Committee was fraudulently obtained.

Enforcement of these covenants, conditions and restrictions may be by any proceeding at law or in equity against any person who breaches or violates or threatens to breach or violate any provision of this Declaration, either to restrain or enjoin violation or to recover damages, or both, and against any Lot to enforce any lien created by this Declaration. Such proceeding may

be (i) to recover damages for any such breach or violation, (ii) to collect any amounts payable by any Owner to the Association, including Assessments, attorneys' fees, costs of collection, late charges, overhead charges or other amounts incurred by the Association to perform or discharge any obligation or duty of an Owner under this Declaration or otherwise specified in this Declaration, and (iii) to enforce any lien created by this Declaration.

There shall be and hereby is created and declared to be a conclusive presumption that any violation or breach or attempted violation or breach of any of the within declared covenants, conditions or restrictions cannot be adequately remedied by an action at law exclusively for recovery of monetary damages. Each person who becomes an owner of a Lot comprising part of Chestnut Hill, by acquiring title to a Lot, by taking possession of a Lot, by accepting a deed or lease to a Lot, or by accepting a similar instrument of conveyance transferring to him the right to use or occupy a Lot, whether or not said instrument shall so state, shall be deemed to have waived the right to, and agreed not to, assert any claim or defense that injunctive relief or other equitable relief is not an appropriate remedy.

The failure or forbearance for any period of time by the Association, the Declarant or the Owner of any Lot to enforce any covenant, condition, restriction or provision of this Declaration which it is entitled to enforce shall not be deemed a waiver of the right to do so thereafter at any time, including any future time. Such failure or forbearance shall not bar or affect the enforcement of any and all provisions of this Declaration.

Section 5. Enforcement By Governing Authority Having Jurisdiction. Should at any time the governing authority having jurisdiction for regulating land use by zoning determine (i) that the Association has failed to act and is failing to act in furtherance and achievement of the purposes for which the Association was created and organized or (ii) that the Declarant is acting without proper regard for the requirements, standards, purposes and intents set forth herein, the governing authority, in its discretion, may intervene in order to provide for the preservation of the values and amenities in Chestnut Hill, to provide for the maintenance of common areas and Neighborhood facilities or to provide for the administration and enforcement of the covenants, conditions and restrictions set forth herein. On such determination the governing authority shall have the same right to enforce the provisions of this Declaration as has the Owner of any Lot. The privilege to enforce the provisions hereof hereby granted the governing authority is in addition to and not in lieu of any authority the governing authority has by law. The exercise of the right to enforce the provisions hereof hereby granted is at the sole discretion of the governing authority having jurisdiction.

Section 6. Limitation of Liability. Neither the Declarant or the Association shall be liable for any failure of any service to be furnished by the Association or paid for out of the common expense fund, or for injury or damage to person or property caused by an activity occurring on or within a common area or Neighborhood facility or arising from a common area or Neighborhood facility, or from any wire, pipe, storm drain, conduit, or the like. The Declarant and the Association shall not be liable to any Member for loss of or damage to any articles, by theft or otherwise, which may happen on or be left or stored upon a common area or Neighborhood facility. No diminution or abatement of assessments, as herein elsewhere provided for, shall be claimed or allowed for inconvenience or discomfort arising from the

making of repairs or improvements to a common area or Neighborhood facility, or from any action taken by the Association to comply with any of the provisions of this Declaration or any required insurance policy or to comply with any law, ordinance, order, regulation or directive of any governmental authority having lawful jurisdiction.

Section 7. Successors of Declarant. All or any portion of any and all rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant hereunder, or any part of them, may be assigned and otherwise transferred only and exclusively by the Declarant, with or without notice to the Association. All or any portion of any and all rights, reservations, easements, interests, exemptions, privileges and powers may be assigned by the Declarant to any successor by recording in the office of the Chancery Clerk an instrument of assignment. Should the Declarant be a natural person and die without assigning or otherwise transferring same, they shall be deemed to have been transferred on his death to the administrator or executor of his estate. Should the Declarant be a corporation, limited liability company, trust, estate or partnership and terminate or dissolve without assigning or otherwise transferring same, they shall (1) transfer with Declarant's ownership of the greater part of any real property within Chestnut Hill and/or within lands subject to annexation. Should the Declarant die, terminate or dissolve without having any interest in any real property within Chestnut Hill and/or within lands subject to annexation and without assigning or otherwise transferring same, the rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant hereunder shall cease and any provision hereof requiring action or participation by the Declarant shall be interpreted as the Board of Directors of the Association deems best furthers the purposes hereof. Should the Declarant

Section 8. Flood Hazard. No part of any Lot within Chestnut Hill is situated within a boundary of a regulatory floodway and/or flood hazard area as same are shown on a Federal Emergency Management Agency Flood Insurance Rate Map. Article III of this Declaration sets forth certain minimum elevations for the lowest habitable floor of dwellings to be erected on Lots within Chestnut Hill. Flood plain management and development ordinances and building codes may additionally affect or restrict the construction of dwellings and utilization and maintenance of lands. Other than providing the notice hereby given, neither the Declarant nor the Association makes any representation as to the location of any Lot with respect to any flood prone area and/or any regulatory floodway or flood hazard area which now or hereafter may exist or be designated by any governmental agency or entity.

Section 9. Suitability. Neither the Declarant nor the Association shall be liable for the physical condition or suitability of any Lot for any purpose, including without limitation, the homogeneity, bearing capacity and suitability of soil material thereon.

Section 10. Release of Claims for Damages. Each person who becomes an owner of any Lot within Chestnut Hill, by taking possession of a Lot or accepting a deed or similar instrument transferring to him such Lot, whether or not said instrument shall so state, shall be deemed to have released the Declarant and the Association from any and all claims for damages as a result of the location and condition of said Lot, including without limitation, damages which thereafter may be suffered by Owner or his heirs, successors and assigns as a result of movement of soil, the flow of rain water or irrigation water runoff, the overflow of established drainage ways, or the

failure to maintain said drainage ways by the persons or agencies responsible therefor, if such persons or agencies are other than the Declarant or Association.

Section 11. Condemnation and Total or Partial Casualty Loss of any Common Area or Neighborhood Facility. In the event of a taking or acquisition of all or any part of any common area or Neighborhood facility by a condemning authority, or in the event of a total or partial casualty loss of any common area or Neighborhood facility, the award or proceeds of settlement or insurance allocable to the Lot interests shall be payable to the Association to be held in trust for Owners and their mortgagees as their interests may appear. The Board of Directors of the Association shall and hereby is deemed as the attorney-in-fact for the Association for the purpose of representing the Association and Owners in any condemnation proceeding or in negotiations, settlements and agreements.

Section 12. Notices. Any notice required under the provisions of this Declaration to be sent to the Declarant, to any officer, director or Member of the Association, to the Board of Directors or to a committee of the Association, or to any Owner of a Lot shall be deemed to have been properly served when mailed by regular mail, postage prepaid, with the U.S. Postal Service to the last known address of such person or entity which appears on the records of the Association or among the records of the Chancery Clerk or Tax Collector of Madison County at the time of such mailing. If such officer, director, Member, Owner or committee chairman maintains a dwelling within Chestnut Hill and is known to be residing therein, such notice may be sent to the street address within Chestnut Hill of the Lot on which such dwelling is maintained. Any notice delivered by an officer of the Association or its Management Agent or by a bona fide delivery service shall also be considered as a notice properly served. The records of the Association shall be brought current within seven (7) days preceding the mailing or delivery of such notice.

Section 13. Partition. The Common Areas and Neighborhood Facilities shall remain undivided, and no lot owner or any other person shall bring an action for partition or division in whole or in part thereof without the written consent of the number of Lot Owners as required to amend this Declaration pursuant to Article XII, Section 2.

Section 14. Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any portion of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of this Declaration are declared to be severable.

Section 15. Interpretation. The provision of this Declaration shall be liberally interpreted and construed to effectuate the purpose of creating a uniform plan for the development, improvement, use and occupancy of Lots within Chestnut Hill.

Section 16. Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration.

Section 17. Captions and Gender. The captions contained in this Declaration are for convenience only and are not a part of this Declaration and are not intended to limit or enlarge

the terms and provisions of this Declaration. Whenever the context so requires, the male shall include all genders and singular shall include the plural.

Section 18. Exhibits. All Exhibits which are referred to in this Declaration are a part of and are hereby incorporated into this Declaration by reference.

IN WITNESS WHEREOF, on this the 24th day of September, 2007, Chestnut Developers, LLC, a Mississippi limited liability company, acting through its duly authorized Manager, has caused this Declaration to be executed and does deliver this Declaration as the act and deed of said Chestnut Developers, LLC.

Chestnut Developers, LLC
A Mississippi limited liability company

By: 
Thomas D. Landrum, Manager

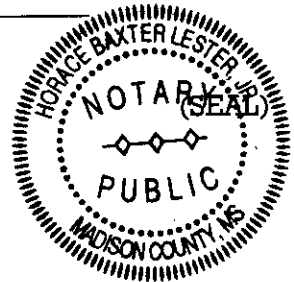
ACKNOWLEDGEMENTS AND OTHER RECORDING REQUIREMENTS

STATE OF MISSISSIPPI
COUNTY OF MADISON

Personally appeared before me, the undersigned authority in and for said state and county, on this the 24th of September, 2007, within my jurisdiction, the above and within named Thomas D. Landrum, who acknowledged that he is Manager of the within named Chestnut Developers, LLC, a Mississippi limited liability company, and that for and on behalf of said limited liability company, and as its act and deed he executed the above and foregoing Declaration after first having been duly authorized by said limited liability company so to do.

Horace Baxter Lester Jr
Notary Public

My Commission Expires: 11-14-09



Address of Declarant:

Chestnut Developers, LLC, a Mississippi limited liability company
601 Crescent Blvd., Suite 100, Ridgeland, Mississippi 39157
Telephone: (601) 898-4710

Prepared by:

153⁰⁰
11/16/11 Horace B. Lester, Jr.; 860 East River Place, Suite 205; Jackson, Mississippi 39202-3442
Telephone: 601-353-3255

Indexing Instructions:

In Madison County, Mississippi

1476 Lots 1 - 9 (inclusive) and 59 - 64 (inclusive) and Parcels B and C of Chestnut Hill Part 1A
(Plat Cabinet E Slide 67B)

1478 Lots 10 - 24 (inclusive) and 50 - 58 (inclusive) and Parcel D and ~~_____~~ of Chestnut Hill Part 1B
(Plat Cabinet E Slide 75A+B)

SE1/4 SE1/4 of Section 8, T8N, R1E, and

NE1/4 NE1/4, SE1/4 NE1/4, SW1/4 NE1/4, NE1/4 SE1/4, SE1/4 SE1/4, SW1/4 SE1/4, NW1/4 SE1/4 of Section 17,
T8N, R1E

PROPERTY SUBJECT TO THE COVENANTS, CONDITIONS AND RESTRICTIONS
OF THE DECLARATION

Chestnut Hill Part 1A

Begin at the corner common to Sections 8, 9, 16 and 17, Township 8 North, Range 1 East, Madison County, Mississippi, said section corner being marked by a long existing concrete monument with aluminum cap.

From said point of beginning, run thence South 00° 05' 51" East along the east line of said Section 17 for a distance of 1,859.45' to a point; run thence North 89° 13' 04" West for a distance of 80.45' to a point; run thence South 00° 46' 56" West for a distance of 135.00' to a point; run thence South 89° 13' 04" East for a distance of 82.52' to a point; run thence South 00° 05' 51" East along the east line of said Section 17 for a distance of 419.50' to a point; run thence North 89° 57' 27" West for a distance of 63.28' to a point; run thence South 15° 04' 30" East for a distance of 19.21' to the point of curvature of a curve to the right subtending a central angle of 41° 33' 00" and having a radius of 330.00 feet; run thence southwesterly along this curve to the right clockwise for an arc distance of 239.31 feet (chord bearing and distance: South 05° 42' 00" West, 234.10 feet) to the point of tangency of this curve which is also the point of curvature of a curve to the right subtending a partial central angle of 02° 11' 23" and having a radius of 565.00 feet; run thence southwesterly along this curve to the right clockwise for an arc distance of 21.59 feet (chord bearing and distance: South 27° 34' 11" West, 21.59 feet) to a point; run thence North 66° 09' 22" West for a distance of 419.29' to a point; run thence South 89° 46' 12" West for a distance of 853.29' to a point; run thence North 00° 16' 15" West for a distance of 2,081.36' to a point; run thence North 74° 39' 30" East for a distance of 128.64' to a point; run thence South 54° 36' 48" East for a distance of 130.53' to a point; run thence North 12° 23' 29" East for a distance of 294.13' to a point; run thence North 00° 10' 43" West for a distance of 284.66' to a point; run thence North 00° 46' 10" East for a distance of 402.53' to a point on a curve to the right subtending a partial central angle of 37° 17' 54" and having a radius of 370.00 feet with the radius point of this curve being South 06° 48' 20" East of this point; run thence southeasterly along this curve to the right clockwise for an arc distance of 240.86 feet (chord bearing and distance: South 78° 09' 23" East, 236.63 feet) to the point of tangency of this curve which is also the point of curvature of a curve to the left subtending a central angle of 26° 29' 14" and having a radius of 330.00 feet; run thence southeasterly along this curve to the left counterclockwise for an arc distance of 152.56 feet (chord bearing and distance: South 72° 45' 04" East, 151.20 feet) to the point of tangency of this curve; run thence South 85° 59' 41" East for a distance of 68.07' to a point; run thence North 07° 08' 57" East for a distance of 60.09' to a point on a curve to the left subtending a central angle of 45° 29' 53" and having a radius of 23.00 feet with the radius point of this curve being North 04° 00' 19" West of this point; run thence northeasterly along this curve to the left counterclockwise for an arc distance of 18.26 feet (chord bearing and distance: North 71° 15' 23" East, 17.79 feet) to the point of tangency of this curve; run thence North

48° 30' 26" East for a distance of 92.02' to a point on a curve on the west right-of-way line of Mississippi Highway 463, as said right-of way line is now (September, 2007) laid out and established 50' west of the center thereof, said curve subtending a central angle of 12° 55' 15" and having a radius of 1,217.51 feet with the radius point of this curve being North 50° 47' 04" East of this point; run thence along said west right-of-way of Mississippi Highway 463 as follows: run thence southeasterly along this curve to the left counterclockwise for an arc distance of 274.56 feet (chord bearing and distance: South 45° 40' 33" East, 273.98 feet) to the point of tangency of this curve; run thence South 51° 44' 28" East for a distance of 146.78' to the point of curvature of a curve to the right subtending a central angle of 13° 28' 53" and having a radius of 1,095.92 feet; run thence southeasterly along this curve to the right clockwise for an arc distance of 257.86 feet (chord bearing and distance: South 46° 48' 43" East, 257.27 feet) to a point on the east line of said Section 8; run thence South 00° 02' 33" West along the east line of said Section 8 for a distance of 65.49' to the point of beginning.

The above described parcel of land contains 83.680 acres, more or less, and is situated in the Southeast Quarter of the Southeast Quarter (SE1/4 SE1/4) of Section 8 and in the Northeast Quarter of the Northeast Quarter (NE1/4 NE1/4), in the Southeast Quarter of the Northeast Quarter (SE1/4 NE1/4) and the Northeast Quarter of the Southeast Quarter (NE1/4 SE1/4) of Section 17, both sections being in Township 8 North, Range 1 East, Madison County, Mississippi. The reference meridian for the survey of the parcel of land described in this legal description is based on the Mississippi State Plane Coordinate System, West Zone NAD83(93) established by observation of the "Fan Reset" triangulation station by Ricky L. Nelson, P.L.S. The concrete monument with aluminum cap marking the corner common to Sections 8, 9, 16 and 17, Township 8 North, Range 1 East, Madison County, Mississippi, has grid coordinates of North: 1107874.0721, East: 2334802.2961, the scale factor is 0.999951672731 and the convergence angle to True North is plus (clockwise) 00° 04' 00".

And

Chestnut Hill Part 1B

Commence at the corner common to Sections 8, 9, 16 and 17, Township 8 North, Range 1 East, Madison County, Mississippi, said section corner being marked by a long existing concrete monument with aluminum cap, and said section corner being also the point of beginning of the legal description of that certain 326.45 acre parcel of land conveyed by Philwood, L.P., to Chestnut Developers, LLC, by General Warranty Deed filed for record in the office of the Chancery Clerk of Madison County, Mississippi, in Canton, Mississippi, as Instrument 515358 and in Book 2102 beginning at Page 590 thereof, reference to which is hereby made for all purposes, and run thence South 00° 05' 51" East along the east line of said Section 17 for a distance of 2,413.97' to the point of beginning of the legal description of the parcel of land that is described as follows, to-wit:

From said point of beginning, continue thence South 00° 05' 51" East along the east line of said Section 17 for a distance of 2,862.03' to a point in a fence at or near the southeast corner of said Section 17; following an existing fence located along and on or

north of and running generally parallel with the south line of said Section 17, run thence as follows: run thence North 89° 23' 48" West for a distance of 581.32' to a point; run thence South 89° 07' 49" West for a distance of 104.24' to a point; run thence South 89° 30' 07" West for a distance of 746.10' to a point; run thence North 89° 49' 49" West for a distance of 433.51' to a point; run thence South 89° 47' 48" West for a distance of 248.45' to a point; run thence North 89° 45' 16" West for a distance of 370.42' to a point; run thence South 88° 43' 21" West for a distance of 163.34' to a point; leaving said fence located along and on or north of and running generally parallel with the south line of said Section 17, follow along an existing fence located along and on or east of the west boundary of said 326.45 acre parcel of land, run thence as follows: run thence North 00° 09' 09" West for a distance of 404.13' to a point; run thence North 03° 10' 58" East for a distance of 84.90' to a point; run thence North 02° 00' 40" West for a distance of 152.31' to a point; run thence North 00° 09' 09" West for a distance of 230.47' to a point; run thence North 00° 35' 53" East for a distance of 192.40' to a point; run thence North 00° 21' 45" West for a distance of 323.09' to a point; run thence North 02° 51' 17" East for a distance of 226.23' to a point; run thence North 01° 24' 16" East for a distance of 167.81' to a point; run thence North 03° 10' 47" East for a distance of 378.77' to a point; run thence North 37° 15' 21" West for a distance of 65.65' to a point; leaving said fence located along and on or east of the west boundary of said 326.45 acre parcel of land and leaving the west boundary of said 326.45 acre parcel of land, run thence North 46° 02' 35" East for a distance of 320.24' to a point on a curve to the right subtending a partial central angle of 29° 04' 50" and having a radius of 400.00 feet with the center of this curve being North 16° 15' 09" East of this point; run thence northwesterly along this curve to the right clockwise for an arc distance of 203.02 feet (chord bearing and distance: North 59° 12' 26" West, 200.85 feet) to a point; run thence North 39° 39' 28" East for a distance of 60.35' to a point; run thence North 35° 53' 28" East for a distance of 341.26' to a point; run thence North 00° 01' 50" West for a distance of 498.36' to a point; run thence North 62° 23' 00" East for a distance of 720.11' to a point; run thence North 89° 58' 10" East for a distance of 381.01' to a point on the west boundary of said proposed Chestnut Hill Part 1A; run thence along the west and south boundary of said proposed Chestnut Hill Part 1A, as follows: run thence South 00° 16' 15" East for a distance of 930.51' to a point; run thence North 89° 46' 12" East for a distance of 853.29' to a point; run thence South 66° 09' 22" East for a distance of 419.29' to a point on a curve to the left subtending a partial central angle of 02° 11' 23" and having a radius of 565.00 feet with the center of this curve being North 61° 20' 07" West of this point; run thence northeasterly along this curve to the left counterclockwise for an arc distance of 21.59 feet (chord bearing and distance: North 27° 34' 11" East, 21.59 feet) to the point of tangency of this curve which is also the point of curvature of a curve to the left subtending a central angle of 41° 33' 00" and having a radius of 330.00 feet with the center of this curve being North 63° 31' 30" West of this point; run thence northeasterly along this curve to the left counterclockwise for an arc distance of 239.31 feet (chord bearing and distance: North 05° 42' 00" East, 234.10 feet) to the point of tangency of this curve; run thence North 15° 04' 30" West for a distance of 19.21' to a point; run thence South 89° 57' 27" East for a distance of 63.28' to the point of beginning.

The above described parcel of land contains 184.349 acres, more or less, and is situated in the following quarter-quarter sections of Section 17, Township 8 North, Range 1 East: the Southeast Quarter of the Northeast Quarter (SE1/4 NE1/4), the Southwest Quarter of the Northeast Quarter (SW1/4 NE1/4), the Northeast Quarter of the Southeast Quarter (NE1/4 SE1/4), the Southeast Quarter of the Southeast Quarter (SE1/4 SE1/4), the Southwest Quarter of the Southeast Quarter (SW1/4 SE1/4), the Northwest Quarter of the Southeast Quarter (NW1/4 SE1/4). The reference meridian for the survey of the parcel of land described in this legal description is based on the Mississippi State Plane Coordinate System, West Zone NAD83(93) established by observation of the "Fan Reset" triangulation station by Ricky L. Nelson, P.L.S. The concrete monument with aluminum cap marking the corner common to Sections 8, 9, 16 and 17, Township 8 North, Range 1 East, Madison County, Mississippi, has grid coordinates of North: 1107874.0721, East: 2334802.2961, the scale factor is 0.999951672731 and the convergence angle to True North is plus (clockwise) 00° 04' 00".

LANDS SUBJECT TO ANNEXATION

Any parcel of land situated in Sections 8 and 17, Township 8 North, Range 1 East, Madison County, Mississippi, which is situated South of Highway 463 and East of Highway 22, exclusive of the parcels of land described in Exhibit "A."

INITIAL COMMON AREAS

Chestnut Hill Road, Parcel B and Parcel C as each is shown on the record plat of Chestnut Hill Part 1A . Chestnut Hill Road is a Private Neighborhood street. Parcel B is the premises for part of the Neighborhood Entrance. Parcel C is a Lake Common Area.

Chestnut Hill Road and Parcel D as each is shown on the record plat of Chestnut Hill Part 1B. Chestnut Hill Road is a Private Neighborhood street. Parcel D is a Lake Common Area.

INITIAL NEIGHBORHOOD FACILITIES

The Chestnut Hill entrance and related facilities, including all the components, fixtures, items, pipes, wires and systems comprising or required for the columns, fences, lights, signs, sidewalks, pavements, curbs, gutters, trees, shrubs, grass, irrigation system, and other landscaping components within a median and/or along side of the street pavement of Highway 463 (outside of the boundaries of any Lot or Parcel) which exist or may hereafter exist within the right-of-way of said highway.

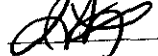
The Association shall treat each and all of same as Neighborhood Facilities and shall be responsible for the installation, operation, use, maintenance, improvement, repair, reconstruction and/or replacement of the components and elements of same.

CORNER LOTS

Each of Lots 63 and 64 of Chestnut Hill Part 1A is a Corner Lot.

PERIMETER LOTS

Each of Lots 59 through 63 (inclusive) of Chestnut Hill Part 1A and Lots 50 through 58 (inclusive) of Chestnut Hill Part 1B is a Perimeter Lot.

MADISON COUNTY MS This instrument was filed for record Sept. 24, 2007 at 3:35 P.M.
Book 2241 Page 283
ARTHUR JOHNSTON, C. C.
BY:  D.C. 