

Disclaimer: The Covenants and Restrictions (C&Rs) provided here are for reference purposes only and may not reflect the most current or accurate information. We strongly recommend contacting your Homeowners Association (HOA) for the latest updates and clarifications. Wright Realty assumes no liability for errors, omissions, or discrepancies in the C&Rs. It is the responsibility of the buyer to verify all details with the HOA.

↓CONTINUE BELOW TO COVENANTS & RESTRICTIONS↓

BY-LAWS
OF
THE COVES LAKEHOMES OWNERS' ASSOCIATION

ARTICLE I.
PURPOSES AND OBJECTS

The name of this Association shall be the Coves Lakehomes Owners' Association, which shall be a non-profit organization or association wholly existing for the purpose of maintaining the grounds surrounding the Coves Subdivision, of maintaining the sewage lagoon and all appurtenances thereto, including any and all utilities systems serving the Coves Subdivision, for protecting the architectural integrity of the various structures built in the Coves Subdivision, and for promoting the peaceful enjoyment by the owners of the various structures presently built or to be built in the future in the Coves Subdivision.

The project is located at Pickwick Embayment, County of Tishomingo, State of Mississippi, and more particularly known as the Yellow Creek area of Pickwick Lake. This association and these By-Laws are written in conformity with the Mississippi Condominium Law, being Section 89-2-1 to Section 89-9-37, Mississippi Code Annotated (1972), and anything contained herein which is in direct conflict with the aforesaid Statutes is hereby declared to be void.

ARTICLE II.
MEMBERS

Members shall consist of those individuals acquiring through Warranty Deed or Lease any of the family units, or homes, in the subdivision and the mere act of title, possession or occupancy of any of the units, or homes, will signify that these By-Laws and the provisions of same are hereby accepted, ratified and will be complied therewith, at all times. All present or future owners, tenants or future tenants, or any other person that might use the facilities of any of the units in the subdivision in any manner, shall be subject to these By-Laws, all applicable Mississippi Statutes, and any Amendments to these By-Laws that may be deemed advisable and passed by the governing authorities of the Coves Lakehomes Owners' Association. Additionally, any owner of a lot, on which there is not located a home, or unit, shall be a member of this association; however, said lot owner shall only vote on issues concerning the lots in the subdivision and said lot owners shall

not be allowed to vote or have any voice in matters pertaining to the units, or homes. Membership in this association shall terminate on such member's ceasing to be a fee simple owner of a home, or unit, or of a building site or lot in or on the property described herein.

ARTICLE III.

QUORUM, VOTING, MAJORITY, PROXIES

SECTION I.

A Quorum shall be, except as otherwise provided in these By-Laws, the presence in person or by Proxy of a majority of owners. This shall include lot owners only for the purposes of voting upon matters pertaining only to lots or building sites. Lot owners shall not be considered in counting a majority of owners for purposes of determining matters concerning units, or homes.

SECTION II.

Voting shall be on a percentage basis and a percentage of the vote to which the owner is entitled shall be the percentage assigned to the family unit or units in his or her deed. Therefore, a husband and wife owning one unit shall be entitled to one-half (1/2) vote each. Under no circumstances, shall there be more than one (1) vote per unit.

SECTION III.

The term "majority of owners" shall mean those owners of units, or homes holding more than fifty percent (50%) of the votes in accordance with the percentages assigned in the deeds.

SECTION IV.

Votes may be cast in person or by proxy. Proxies must be filed with the secretary of the association at a designated appointed time prior to each meeting. Such proxies shall be in writing, shall be signed by the person giving said proxy, and shall be notarized by a person authorized to so do. No proxy shall be valid after two (2) months from the date of its execution, unless otherwise provided for in said proxy.

ARTICLE IV.

ADMINISTRATION OF ASSOCIATION

SECTION I.

The owners of the units, or homes, shall constitute the

Coves Lakehomes Owners' Association, who shall have the responsibility of administering the association, approving any annual budget, establishing and collecting any monthly assessments, and arranging for the management of the association pursuant to any agreement containing provisions relating to the duties, obligations, removal, and compensation of any managing agent, if any. Except as otherwise provided, decisions and resolutions of the association shall require approval by a majority of the owners.

SECTION II.

The principal office of the association shall be at the business or residence of the President of the association during his or her term of office. However, the association shall, if it is deemed necessary, specify any place within the State of Mississippi or the State of Tennessee as the principal office of the association from time to time.

ARTICLE V. MEMBERSHIP MEETINGS

SECTION I.

Membership meetings of the association shall be held at the principal office of the association or at such other suitable place convenient to the owners as may be designated by the Board of Directors from time to time.

SECTION II.

The first annual meeting of the association shall be held in the calendar year of 1982. Thereafter, the annual meeting shall be held in the calendar year at a time to be selected by the Board of Directors. There shall be elected by secret ballot a Board of Directors at such annual meeting in accordance with the requirements of Article VI. of these By-Laws. The membership may also transact any and all other business of the association as may properly come before the association.

SECTION III.

Special meetings shall be called by the President, by resolution of a majority of the Board of Directors, or by a Petition signed by a majority of the Homeowners, or unitowners, at any time for any purpose. No business shall be transacted at any special meeting except such as is stated in the notice given to each member, unless by consent of two-thirds (2/3) of the owners present, either in person or by proxy.

SECTION IV.

Notice of any regular or special meeting shall be mailed by the secretary of the association, stating the purpose thereof as well as the time and place of the meeting, to each owner of record, at least five (5), but not more than ten (10) days prior to each meeting. The mailing of notice shall be considered completed by a certification by the secretary that such notice was deposited in the United States Mail, postage prepaid, to the person questioning same.

SECTION V.

At any meeting wherein a quorum cannot be attained, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time that the original meeting was called.

SECTION VI.

The order of business at all association meetings shall be as follows:

- (A) Roll Call
- (B) Proof of notice of meeting or waiver of notice.
- (C) Reading of minutes of preceding meeting.
- (D) Officers reports.
- (E) Committee reports.
- (F) Old or unfinished business.
- (G) New business.
- (H) Election of directors and officers (if applicable.)

ARTICLE VI.

BOARD OF DIRECTORS

SECTION I.

The affairs of the association shall be managed by a Board of Directors, subject to instructions of the members of the association at a regular meeting, or subject to the approval of the membership as expressed by a vote of the membership. Said Board of Directors shall be composed of not less than three (3) nor more than five (5) persons, all of whom must be owners of homes, or units, in the project. Any husband and wife who own a unit, or home, as tenants by the entirety, with the right of survivorship, shall each individually be deemed as owner for the purposes of this section. The Board of Directors shall have the powers and duties necessary for the administration of the association's affairs and may do any and all acts and

things that are not directly prohibited by the statutes of the State of Mississippi, or these By-Laws, and that are not in direct conflict with the owners of the homes, or units.

SECTION II.

In addition to any duties imposed by statutes or by these By-Laws or by resolution of the association, the Board of Directors shall be responsible for the following:

- (A) The care, upkeep, and surveillance of the subdivision and homes, or units, and common areas and facilities and the restricted common areas and facilities.
- (B) The collection of any and all assessments from the owners to the association.
- (C) The employment and/or dismissal of any and all personnel necessary for the maintenance and operation of the subdivision, common areas and facilities and the restricted common areas and facilities.

SECTION III.

The term of office of each of the directors shall be for a term of one (1) year. At the expiration of the initial term of office of each director, his successor shall be elected to serve a term of one (1) year. The directors shall hold office until their successors have been elected and hold their first meeting. The initial Board of Directors shall be elected at the first annual meeting of the association, and shall serve for the period of one (1) year.

SECTION IV.

Any vacancy occurring in the Board of Directors caused by any reason other than the removal of a director by the vote of the association shall be filled by a vote of the majority of the remaining directors, even though they may constitute less than a quorum. Each director elected in such manner shall be elected to fill a vacancy for the unexpired term of his predecessor in office.

SECTION V.

At any regular or special meeting duly called, any one or more of the directors may be removed with or without cause by a majority of the owners, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the owners shall be given an opportunity to be heard at said meeting.

SECTION VI.

The first meeting of the newly elected Board of Directors shall be held within ten (10) days of the election at such place as shall be fixed by the Board of Directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order to legally constitute such meeting, provided a majority of the entire Board of Directors shall be present. Regular meetings of the Board of Directors shall be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least annually. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone, or any other method of personal communication, at least ten (10) days prior to the day named for such meeting.

SECTION VII.

Special meetings of the Board of Directors may be called by the president upon five (5) days notice to each Director given personally or by mail, telephone, or other personal means of communication; said notice shall state the time, place, and purpose of the meeting. Special meetings of the Board of Directors shall likewise be called by the president in a like manner and upon like notice at the written request of at least two-thirds (2/3) of the Board of Directors.

SECTION VIII.

Before any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such notice shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall be a waiver of notice by him or her of the time and place of said meeting.

SECTION IX.

A majority of the directors shall constitute a quorum for the transaction of business at any and all meetings of the Board of Directors, and the acts of the quorum shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there shall be less than a quorum present, the Board of Directors present may adjourn the meeting from time to time.

ARTICLE VII.

OFFICERS

SECTION I.

The principal officers of the association shall be a president, a vice-president, and a secretary/treasurer, all of whom shall be elected by and from either the Board of Directors or the members. The Directors may appoint such other officers as in their judgment may be necessary to carry out the business of the association. The Board of Directors shall further have the authority to appoint such committees as they may deem advisable and necessary to carry out the business of the association.

SECTION II.

All officers of the association shall be elected annually by the Board of Directors or the members at the annual meeting and shall hold office for the term of one (1) year, or until their successors have been elected and hold their first meeting.

SECTION III.

On an affirmative vote of a majority of the members of the Board of Directors or of the members of the association, any officer may be removed, either with or without cause, and his successor shall be elected at any regular meeting of the Board of Directors or members of the association, or at any special meeting of the Board of Directors or members of the association called for such a purpose.

SECTION IV.

The president shall be the chief executive officer of the association. He or she shall preside at all meetings of the association and of the Board of Directors. He or she shall have all of the general powers and duties that are usually vested in the office of the president of an association, including but not limited to, the power to appoint committees from among the owners from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the association's affairs.

SECTION V.

The vice-president shall take the place of the president and perform his or her duties whenever the president shall be

absent or unable to act. If neither the president nor the vice-president is able to act, the Board of Directors shall appoint some other person from the Board to do so on an interim basis. The vice-president shall also perform such other duties as shall from time to time be imposed upon him or her or shall be delegated to him or her by the Board of Directors.

SECTION VI.

The Secretary/Treasurer shall keep all the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association, shall have charge of such books and papers as the Board of Directors may direct, shall have the responsibility for association funds and securities, shall be responsible for keeping full and accurate accounts of all receipts and disbursements belonging to the association, shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of, the association in such depositories as may from time to time be designated by the Board of Directors, and shall, in general, perform all the duties incident to the secretary/treasurer.

ARTICLE VIII.

OBLIGATIONS AND ASSESSMENTS OF OWNERS

SECTION I.

All owners shall hereafter be obligated to pay annual assessments imposed by the association to meet all association expenses, which may include, but which are not limited to, maintenance of the grounds, water/sewage/electricity service and maintenance, garbage/trash collection, repair and reconstruction work in common areas and facilities, a maintenance reserve, and for any other purposes deemed advisable by the membership of the association.

SECTION II.

Annual dues shall be established, if deemed advisable and necessary, by a majority action of the Board of Directors or by a majority action of the members of the association. Such amounts, due dates, and any other matters pertaining to annual dues shall be determined from time to time by a majority vote of the Board of Directors. However, no increase in annual dues shall be approved without prior approval of two-thirds (2/3) of the members of the association.

SECTION III.

Special assessments may be levied upon members of the association by a majority vote of the Board of Directors and a majority vote of the members of the association. Such assessments shall be voted upon by the Board of Directors at a regular or specially called meeting for same and shall subsequently be voted upon by members of the association at a regular or specially called meeting for same.

SECTION IV.

When any member shall be in default in the payment of dues and assessments for a period of thirty (30) days from the date of which such dues or assessments becomes payable, that member shall, for purposes of voting, not be considered a member in good standing of the association. Additionally, such member shall be deleted from the active membership list and placed on an inactive membership list and such member shall not be reinstated until he or she has paid the balance of the dues and assessments in full. Any members, failing to pay any assessments or dues, after fifteen (15) days written notice of such delinquency given to that member by the association, shall have the amount of the delinquency placed as a lien upon such members unit, or home, in the subdivision in favor of the association, and the association shall have the right to record a notice of such lien in the office of the Chancery Clerk of Tishomingo County, Mississippi, and proceed thereon in accordance with all applicable statutes of the State of Mississippi for the foreclosure and enforcement of said lien. Additionally, the association shall have the option of proceeding with an action for the collection of such lien against such member in any court of competent jurisdiction in the State of Mississippi.

SECTION V.

Any member who shall terminate his or her membership by sale of his lot or unit, or home, shall be entitled to assign to the buyer of such lot, unit, or home, the benefit of the paid-up dues for the remainder of said year. Any such purchaser of a lot, unit, or home, shall receive credit for the amount of paid-up dues made by his predecessor for the remainder of the fiscal year. In no event shall any member be refunded any paid-up dues or assessments upon termination of his membership by sale of his lot, unit, or home.

ARTICLE IX.
ARCHITECTURAL CONTROL

SECTION I.

No member, owner, or any other individual person of entity may alter or change in any manner the exterior of any unit or home without the prior written approval of the Board of Directors of the association. Any approval by the Board of Directors of the association may be reversed and overturned by a called special meeting of the members of the association and a majority vote of all members of the association against the prior action of the Board of Directors. Any and all requests for changes or alterations of an exterior of a unit or a home shall be made to the Board of Directors and shall not be considered by the Board of Directors unless, in their opinion, it would be a change which would harmonize with the overall structure and landscape of all units, lots, or homes in the subdivision.

SECTION II.

Each and every owner shall promptly perform any and all maintenance and repair work within or without his own unit which, if omitted, would affect the entire association or any part of a building, unit, or home, belonging to any other member. Any repairs to the internal installations of a unit, or home, such as water, lights, gas, power, sewage, telephones, air conditioners, sanitary installation, doors, windows, and any and all other accessories belonging to the unit area shall be at the owner's or member's expense. Any owner shall reimburse the association for any expenditures incurred in repairing or replacing any common area and facility damaged through his own fault or through fault of his invitees or guests.

SECTION III.

All units shall be utilized for residential purposes only. Any member or owner shall make structural modifications or alterations in his unit only after notifying the association in writing.

SECTION IV.

No owner or member shall place or cause to place in the common areas and facilities any furniture, packages or objects of any kind. Such areas shall be used for no other purpose than for normal transit through same.

SECTION V.

Any owner or member shall grant the right of entry to the managing authority, if any, or to any other person authorized by the Board of Directors or the members of the association in case of any emergency originating in or threatening his unit, whether the owner is present at the time or not.

SECTION VI.

No owner or member of the association shall lease, rent, or allow in any way their unit to be utilized by anyone other than a member of their immediate family at any time. This will not prohibit a member or owner of a unit from having invited guests to utilize a unit in conjunction with the owner or member, but will and does prohibit the leasing, renting or using in any manner of a unit by those other than members of the immediate family when the principal owner is not present.

ARTICLE X.
CODE OF CONDUCT

The Board of Directors or the membership of the association shall from time to time promulgate any and all rules and/or codes of conduct for members of the association, their invitees, and guests. Such rules or codes of conduct shall be posted in conspicuous places throughout the units, or homes of the subdivisions or shall be mailed to each member of the association within ten (10) days after approval of same. It shall be the duty of each member to determine the code or rules of conduct of the association and to abide by same. Violation of any or all of a code or rule of conduct shall result in expulsion from membership in the association and shall further result in such other consequences as deemed advisable and appropriate by a majority vote of the membership of the association.

ARTICLE XI.
INSURANCE

Each owner or member of the association shall certify annually to the association that he has adequate fire insurance and liability insurance on his unit, or home. Such certification shall be made within thirty (30) days after the beginning of a new fiscal year and shall be made to the president of the association by a copy of the insurance policy of each respective member. If the insurance policy of the member shall be for a period longer than one (1) year, it shall be sufficient for

said member to provide the association's president with a copy of said insurance policy at the beginning of the term of the said policy and to certify by letter at the beginning of each fiscal year that said policy is still in effect. Thereafter, it shall be sufficient for said member to certify to the president a copy of the new insurance policy when the former insurance policy expires.

ARTICLE XII.

AMENDMENTS

Any proposed amendments to these By-Laws may be submitted in writing at any meeting of the members of the association. Such proposed amendments shall be discussed at the meeting of the members following the meeting at which the proposed amendments were submitted, and shall be voted upon by the members of the association at a date that shall not be earlier than the second meeting following the initial introduction of the proposed amendments. Such proposed amendments must be signed by a majority of the members of the association, shall be read to the meeting by the secretary, and shall be printed upon ballots distributed to all members either by mail, or in person. Additionally, any amendment shall be submitted to the members of the association by a majority vote of the Board of Directors and shall be voted upon in the aforesaid manner. Any proposed amendments shall become effective when approved by a majority of the members of the association. Any proposed amendments, when approved, shall go into effect immediately.

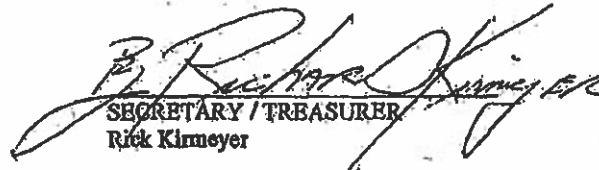
STATE OF MISSISSIPPI } CLERK OF DISTRICT COURT
TISHOMINGO COUNTY } OFFICE
I certify that this instrument was filed for the
Record at 11:45 o'clock A.M.
on the 14 day of Feb 2013
at my office, and was recorded in book
1250 page 561-566
By [Signature] Clerk

CERTIFICATE OF ADOPTION OF BY-LAWS

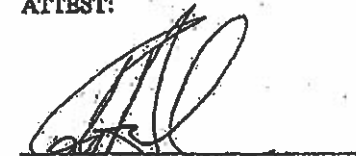
The undersigned hereby certify that they are the duly elected and acting secretary/treasurer and president of The Coves Lakehomes Owners' Association, an unincorporated non-profit association, duly organized and existing under the applicable laws of the State of Mississippi.

The foregoing By-Laws, comprising twelve (12) pages, constitute a restatement, without amendment, of the original By-Laws of the association as duly adopted at the first annual membership meeting of the association and Board of Directors, duly held at Pickwick Lake Embayment, Tishomingo County, Mississippi at 10:00 o'clock A.M. on March 13, 1982.

IN WITNESS WHEREOF, the undersigned have hereto subscribed their names in their respective capacities as elected officers of The Coves Lakehomes Owners' Association on the 15th day of August, 2002.


SECRETARY / TREASURER
Rick Kimmeyer

ATTEST:


PRESIDENT
John M. Howard, Jr.


VICE-PRESIDENT
Buddy Prude

SETTLEMENT AGREEMENT

This Settlement Agreement made and entered into as of January 28, 2000, by and between PDC LAND COMPANY ("PDC") and THE COVES SUBDIVISION HOMEOWNERS ASSOCIATION (the "HOA").

In consideration of mutual covenants and agreements, the receipt and sufficiency of which is hereby acknowledged, the parties mutually agree as follows:

1. (a) PDC Land Company ("PDC"), at its expense, will ^{pay} and maintain the common access road (the "Access Road") extending from County Road #382 to the Point Property [that is, the land lying immediately south of the existing end of the Access Road and Lot 28 of The Coves Subdivision], the Access Road and the Point Property being as shown on survey by Scott Engineering as built Tennessee-Tombigbee Marina dated September 28, 1999 (the "Survey"), a copy of the pertinent portion of said Survey being attached hereto as Exhibit "A". Said Access Road shall not be expanded and shall prohibit any parking on the Access Road by marina tenants, lot owners, guests, or other persons. PDC will, at its expense, put in curb, guard rail and landscape west of the Access Road. The landscaping shall be in accordance with a landscape plan prepared by a qualified landscape architect selected and compensated by PDC (the "Landscape Plan"). The Landscape Plan shall be furnished to William N. Griffin, President of The Coves Subdivision Homeowners Association (the "HOA"), for Griffin's comments and suggestions, but PDC shall have no obligation to alter the Landscape Plan as prepared by the qualified landscape architect. The HOA will permit the installation of the sewer line in the Access Road right-of-way, with the sewer line to be maintained solely at the cost and expense of PDC or the utility district, if any.

(b) PDC, at its cost, will landscape and maintain the Point Property. PDC will be responsible to have such area of the Point Property paved, striped and marked to maintain a maximum of eighteen (18) parking spaces as outlined on the attached Exhibit "B". Such parking spaces shall be limited to such spaces as are paved and marked if less than eighteen (18) spaces.

(c) PDC, at its cost and expense, will provide for low level lighting along the Access Road and the parking area to be located on the Point Property.

(d) PDC will select and install, at its expense, a security gate across the Access Road to control entry to and exit from the Lots 19-28 of The Coves Subdivision and the Point Property. The security gate shall be located at the location labeled as "Gate #1" on attached Exhibit "A" if possible, the parties having determined that the driveways to Lots 1-2 of River Cliff Subdivision commence north of such Gate #1. In the event that the security gate cannot be located at the Gate #1 location, the security gate shall be installed at the location labeled as "Gate #2" on attached Exhibit "A". Said security gate shall limit the access to a maximum of eighteen (18) parking spaces set forth in Paragraph 1(b) associated with the marina improvements. The security gate will be used only by homeowners of Lots 19-28 of The Coves Subdivision and their guests, the tenants that lease slips



In the boat dock attached to the Point Property and their guests, and PDC, subject to the limitation of eighteen (18) parking spaces aforesaid on the Point Property. The parking on the Point Property shall be exclusively for the tenants that lease slips in the boat dock attached to the Point Property and their guests and PDC, and the homeowners of The Coves Subdivision shall NOT use the Point Property for parking at any time.

2. PDC will be responsible for selecting all landscaping (subject to the Landscape Plan referred to in Paragraph 1(a)), materials, equipment and designs in connection with the work it agrees to undertake. All work will be of good workmanship and quality and in keeping with The Coves Subdivision area.

3. PDC will, at its expense, repave the driveways (direct from the Access Road to the garage or concrete pad) of Lots 19-28 of The Coves Subdivision at the same time as the Access Road is repaved; provided, however, only those driveways of such lots whose owners approve this Settlement Agreement and agree to be bound by its terms shall be repaved.

4. PDC will, at its expense, remove the utility meters not in use from all light poles adjacent to the Access Road and Point Property.

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5. (a) Owners of the homes in The Coves Subdivision will connect to the new sewer treatment plant (the "New Treatment Facility") now under development by PDC. Said connection shall be paid in full by PDC or the utility district, if any, at no cost to the homeowners. Homeowners shall be responsible to pay no more than \$15.00 per month as a monthly charge for the New Treatment Facility system use from date of connection until such time as fifty (50) homeowners are connected to the New Treatment Facility system. Thereafter, such homeowners shall pay monthly charges for sewer service at the same fees and charges assessed to other homes connected to the New Treatment Facility. Maintenance of the New Treatment Facility systems will be borne by PDC or the utility district, if any, until such time as the New Treatment Facility system is utilized by fifty (50) homeowners. The Coves Subdivision homeowners will sign documents, if requested, to establish a sewer district or other entity to own and operate the New Treatment Facility system. The HOA and The Coves Subdivision homeowners who join in this Settlement Agreement agree to support PDC's efforts to establish a sewer district or other entity to own and operate the sewer system and agree not to oppose establishment of a sewer district or other entity. HOA, as an entity, shall not be responsible for any failure to cooperate relative to individual homeowners within The Coves Subdivision.

(b) PDC and the HOA agree that the Tenn-Tom Marina will connect to and utilize the existing sewer system (the "Lagoon System") with approval of The River Cliff Subdivision Homeowners Association (the "River Cliff HOA"). PDC will pay all costs per month for the sewer service furnished by the Lagoon System to the Marina to be agreed on by both HOAs.

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6. PDC has, at its cost, had an environmental inspection made of the existing Lagoon System and property jointly owned by the HOA and by River Cliff HOA. A copy of the report arising out of such environmental inspection shall be promptly furnished to the HOA. The HOA and The Coves Subdivision homeowners who join in this Settlement Agreement will, upon PDC's request, convey to PDC or another entity of PDC's choosing, all of the Lagoon System and property along with easements and sewer lines and other equipment. Upon becoming owner of the Lagoon System and property, PDC or the entity receiving the Lagoon System and property will be responsible for any costs and expenses for the use and maintenance of the Lagoon System and property thereafter and shall have the right to cause the existing lagoon to be decommissioned and replaced by the New Treatment Facility. The completion and operation of the New Treatment Facility, together with an updated and then current environmental inspection of the Lagoon System, satisfactory to PDC and its engineers and reflecting no environmental problem or adverse condition, shall be a condition precedent to PDC's acceptance of the Lagoon System.

7. The Coves Subdivision homeowners who join in this Settlement Agreement and their families and guests will be allowed to become members of or use of the marina club and pool which is planned, for the same fees and/or charges assessed to members, boat or other condo owners.

8. The HOA, together with The Coves Subdivision homeowners who join in this Settlement Agreement, will give up any claim to the Point Property by quit claim deed based upon an accurate metes and bounds legal description of the Point Property in accordance with the Survey attached hereto as Exhibit "A". Said legal description shall be such area crosshatched on the Survey provided by PDC lying south of the existing Access Road as noted on said Exhibit "A". The HOA, together with The Coves Subdivision homeowners who join in this Settlement Agreement, shall grant to PDC, its successors, assigns, members, and guests, a perpetual and non-exclusive easement for ingress, egress, maintenance, construction, and replacement on, over, and across the Access Road. Similarly, PDC shall grant to the HOA and to The Coves Subdivision homeowners who join in this Settlement Agreement, their successors and assigns, a perpetual and non-exclusive easement for ingress and egress on, over, and across the Access Road.

9. PDC agrees to restrict the use of the Point Property for the sole and exclusive use of the existing nine (9) marina slip improvements and agrees that no additions will be made which will increase the traffic to the Point Property. PDC agrees to restrict the Point Property so that no additional improvements will be made to the property other than for parking and for maintenance and replacement of the existing improvements.

10. PDC agrees to pay for a portion of the legal expenses associated with this settlement incurred on behalf of the HOA, such portion to be an amount not to exceed Five Thousand Dollars (\$5,000.00); provided, however, that not more than two (2) homeowners in The Coves Subdivision fail to join in this Settlement Agreement. In the event that more than two (2) homeowners in The Coves Subdivision fail to join in this Settlement Agreement, the portion of such legal expenses to

be paid by PDC shall be reduced by \$500.00 per homeowner who fails to join in this Settlement Agreement.

11. The lawsuit filed by the HOA in Cause No. 99-0184 of the Chancery Court of Tishomingo County, Mississippi, will be dismissed. PDC and XYZ Corporation, their owners and officers, will be released from the claims asserted in the lawsuit.

12. The restrictive covenants applicable to the four (4) lots in The Coves Subdivision now owned by PDC (that is, Lots 11-15) will be removed from those lots and new restrictions imposed which would limit construction on Lots 11-15 to residential use. Said restrictions on Lots 11-15, if subsequently changed or modified, shall be proposed to the HOA for acceptance thereof.

13. A written agreement setting forth the obligations and agreements above will be prepared and agreed to by the parties. PDC and the Cove's Association agree that an order will be entered in the lawsuit filed by HOA in Tishomingo County which will provide for dismissal of the lawsuit and claims asserted and which will confirm PDC's ownership of the Point Property. The parties will execute all documents necessary to carry out this Settlement Agreement.

14. This Settlement Agreement is subject to and conditioned upon acceptance and approval by River Cliff HOA for cancellation, sale, transfer and assignment of the existing Lagoon System and related sewer system property. Should River Cliff HOA fail to accept same, such portions of this Settlement Agreement shall become null and void.

15. This Settlement Agreement is subject to obtaining at least a majority approval of The Coves Subdivision homeowners.

In witness whereof, the undersigned have agreed to this Settlement Agreement and agree to be bound by the terms and conditions hereof.

PDC LAND COMPANY

THE COVES SUBDIVISION HOMEOWNERS ASSOCIATION

By: _____
Title: _____
Date: _____

By: [Signature]
Title: President
Date: 1/29/2000

be paid by PDC shall be reduced by \$500.00 per homeowner who fails to join in this Settlement Agreement.

11. The lawsuit filed by the HOA in Cause No. 99-0184 of the Chancery Court of Tishomingo County, Mississippi, will be dismissed. PDC and XYZ Corporation, their owners and officers, will be released from the claims asserted in the lawsuit.

12. The restrictive covenants applicable to the four (4) lots in The Coves Subdivision now owned by PDC (that is, Lots 11-15) will be removed from these lots and new restrictions imposed which would limit construction on Lots 11-15 to residential use. Said restrictions on Lots 11-15, if subsequently changed or modified, shall be proposed to the HOA for acceptance thereof.

13. A written agreement setting forth the obligations and agreements above will be prepared and agreed to by the parties. PDC and the Cove's Association agree that an order will be entered in the lawsuit filed by HOA in Tishomingo County which will provide for dismissal of the lawsuit and claims asserted and which will confirm PDC's ownership of the Palat Property. The parties will execute all documents necessary to carry out this Settlement Agreement.

14. This Settlement Agreement is subject to and conditioned upon acceptance and approval by River Cliff HOA for cancellation, sale, transfer and assignment of the existing Lagoon System and related sewer system property. Should River Cliff HOA fail to accept same, such portions of this Settlement Agreement shall become null and void.

15. This Settlement Agreement is subject to obtaining at least a majority approval of The Coves Subdivision homeowners.

In witness whereof, the undersigned have agreed to this Settlement Agreement and agree to be bound by the terms and conditions hereof.

FIDELAND COMPANY

THE COVES SUBDIVISION HOMEOWNERS ASSOCIATION

By: [Signature]
Title: Managing Director
Date: 1/28/2000

By: [Signature]
Title: President
Date: 1/28/2000

AGREEMENT

copy
C O P Y
FOR YOUR RECORD

This Agreement made and entered into this 23rd day of April, 2000, by and between PDC LAND CO. LLC (PDC) and THE COVES SUBDIVISION HOMEOWNERS ASSOCIATION (HOA).

WHEREAS, PDC and HOA have entered into a settlement agreement dated January 28, 2000 (Settlement Agreement); and

WHEREAS, said Settlement Agreement provides for various matters relative to improvements to property located on or about The Coves Subdivision located in Tishomingo County, Mississippi; and

WHEREAS, as a part of said Settlement Agreement the parties have executed and/or delivered various agreements, including, without limitation, the following:

- a. Quit Claim Deed, Easement and Restrictive Covenant
- b. Amendment to Restrictive Covenants The Coves Subdivision
- c. Easement Usage Agreement

WHEREAS, the parties hereto desire that all provisions of the Settlement Agreement dated January 28, 2000, a copy of which is attached hereto, shall remain as a continuing obligation and covenant on the part of the parties as hereinafter provided.

NOW THEREFORE, in consideration of the premises and Ten Dollars (\$10.00) cash in hand paid and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. The Settlement Agreement dated January 28, 2000, a copy of which is attached hereto as Exhibit A, shall remain in full force and effect until such time as all provisions as provided for therein have been complied with.

2. PDC agrees to substantially perform its material obligations of Paragraphs 1(b), 1(c), 1(d), 4, and 10 of the Settlement Agreement by June 1, 2001, except to the extent, if any, prevented or interfered with by HOA or its members.

3. In the event either of the parties shall fail to comply with the terms and conditions of the Settlement Agreement not heretofore provided for in agreements a, b and c above by and between the parties, then in that event it shall be lawful for any persons or person owning lots in the Coves Subdivision or the Homeowners Association to prosecute any proceedings at law or in equity against Grantor and either to prevent the Grantee from so doing or to recover damages for such violations. A

prevailing party shall be entitled to reimbursement of court costs and reasonable attorney fees.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

THE COVES SUBDIVISION
HOMEOWNERS ASSOCIATION

PDC LAND CO, LLC

By: *[Signature]*
Title: *President*

By: _____
Title: _____