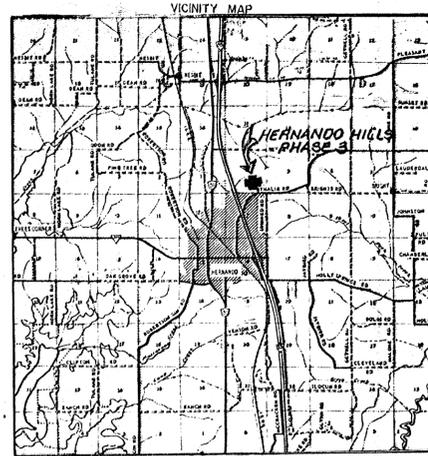


PHASE 3 HERNANDO HILLS SUBDIVISION

17.80 ACRES ZONED AR IN THE SOUTH-EAST QUARTER OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 7 WEST, DESOTO COUNTY, MISSISSIPPI



PROTECTIVE COVENANTS:

The following restrictive covenants shall apply to all of the land in HERNANDO HILLS SUBDIVISION as shown on the plat, located in Sections 6 & 7, Township 3 South, Range 7 West, DeSoto County, Mississippi;

1. No lot shall be used for any purpose other than single family residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one building, a private garage for not more than three vehicles and separate detached buildings incidental use. Two or more lots may be combined and the utility easements (unless in use) will be automatically revoked. In the event such lots are combined under one ownership for use as a single lot, no part of the combined lot may be sold or conveyed. No single lot may be subdivided into two or more lots for the purposes of building another dwelling.

2. All dwellings or other structures on the lots must be in compliance with the requirements of the DeSoto County Planning Commission.

3. No structure of a temporary nature such as trailers, basements, tents, sheds, garage, barn, motor home, or other out buildings shall at any time be used, either temporarily or permanently, as a residence.

4. No dwelling shall have a carport or garage opening toward the street where lot dimensions cause difficulty otherwise.

5. No noxious or offensive trade or activity may be carried on upon any lot nor shall anything be done thereon which may be, or become a nuisance or annoyance to the neighborhood. No business or trade of a commercial nature may be carried on upon any lot. All lots and houses are to be for residential use only.

6. No shell-type, modular-type or underground home will be permitted or erected in this subdivision. All houses must be of new construction. No house may be moved into the subdivision from another area except by written permission of the developer, Hernando Hills Development Company or its appointed successor.

7. No building shall be permitted on any lot where the heated area of the main structure, exclusive of open porches and garages, is less than 1,800 square feet on the ground floor.

8. No signs of any kind shall be displayed to the public view on any lot except one small sign advertising the property during the construction and sale.

9. No oil drilling, oil development operations, refining, gravel mining, or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, funnels, gravel excavations or shafts be permitted upon or in any lot. The developer of the subdivision shall retain all mineral rights for the land in HERNANDO HILLS SUBDIVISION, for the purpose of retaining the royalty on said minerals if these minerals are developed on adjacent property.

10. No animals, livestock, or poultry of any kind or description, except the usual household pets, shall be kept on any lot; provided, however, that no household pet may be kept on any lot for breeding or commercial purposes. All household pets shall at all times be suitably leashed or penned, and no household pet shall be allowed at any time to wander or roam the subdivision unattended. No household pet shall ever be allowed on the Golf Course Property, whether attended or not. Upon any violation of these covenants, Developers, or the owners or lessees of the Golf Course Property may take such reasonable steps as may be necessary to capture, remove, and hold such pet by or for any governmental or non-governmental pet control agency or society. In connection with the foregoing provision, neither the Developers, nor the owners or lessees of the Golf Course Property, shall be in any way responsible to the owner or owners of such pet or any harm to such pet or for the loss of use and enjoyment of such pet resulting from such capture, removal, or holding of such pet.

11. No trash, garbage, hazardous waste, or other refuse shall be dumped, stored, or accumulated on any lot. Trash, garbage or other waste shall not be kept on any lot except in sanitary containers or garbage compactor units. Garbage containers shall be kept in a clean and sanitary condition, and shall be placed so as not to be visible from any road, common area, the Golf Course Property, or within sight distance of any other lot at any time except during normal refuse collection. No outside burning of woods, leaves, trash, garbage, or household refuse shall be permitted.

12. No vehicle of any kind shall be kept in the subdivision unless it displays a current license plate and current inspection sticker, except for tractors used for property maintenance only. No junk car, truck or mechanical device that is kept within the right-of-way of the existing street shall be subject to removal by the property authorities without the permission of the owner.

13. No vehicle, including but not limited to, recreational vehicles, camping trailers, house trailers, produce trailers, boats or any accessory trailers can be parked or stored on any lot unless same is under the carport. In the garage or other outbuilding, or to the rear of the main residence. No tractor trailer can be parked on any lot or on the street, and no trailer without a tractor can be parked on any lot or on the street.

14. No chain link fences may be used. No fence shall be constructed on any lot nearer to any street line than the house line nearest to such street. All fences, including fences for back yards and swimming pools, must be approved by the Developers prior to construction.

15. Construction of any dwelling shall be completed within 18 months from commencement of construction.

16. All gardens must be planted to the rear of any main residence with only landscape materials such as trees, shrubs, and plants allowed in front of the main residence. All persons owning lots in this subdivision shall be required to keep their lots reasonably clean and the yards and landscaping neat.

17. No building shall be erected, placed or altered on any lot in this subdivision until the building plans, specifications and plot plan, showing the locations of such building, shall have been approved in writing as to conformity and harmony with existing structures in this subdivision and as to location of building with respect to topography and finished ground elevation by a representative of Hernando Hills Development Company or its appointed successor.

18. An easement to permit the doing of every act necessary, proper, and incidental to the playing of golf on the Golf Course Property is hereby granted and established and shall continue to exist for so long as any portion of the Golf Course Property adjoining any lot or lots in the Subdivision shall continue to be used and maintained as, or in conjunction with, a golf course or golf courses. Such acts shall include, but not be limited to: (1) the recovery of golf balls from lots adjoining the Golf Course Property by persons on foot lawfully using the adjoining golf course, provided such golf balls can be recovered without damaging any flowers, shrubbery, or the property in general; (2) the flight of golf balls over and upon such lots; (3) the use of necessary and usual equipment upon such golf course; (4) the usual and common noise level created by the playing of the game of golf; and (5) all other common and usual activities associated with the game of golf, and with all of the normal and usual activities associated with the maintenance and operation of a golf course. The owner of each lot which may adjoin the Golf Course Property, by acceptance of the deed to or other conveyance of such lot, assumes all of risk of loss, damage, or injury to persons or property in or upon such lot arising out of the use of and activities upon the Golf Course Property, and no suit, claim, or action shall be made or brought against Developers or the owner or owners of the Golf Course Property, or any servant, agent, or employee of any of them on account of, or arising out of, such use or activities or out of the exercise of such rights by any person or persons entitled thereto, whether or not such use or exercise of such rights by any person or persons is performed, or be claimed to have been performed, in a negligent manner; provided however, that the foregoing shall not bar or be deemed to bar against such lot owner from making or bringing suit, claim or action against any persons or entity (other than Developers or the owner or owners of the Golf Course Property, their respective successors and assigns, or the servant, agent or employee of any of them) arising out of negligent act or omission of such other person or entity.

19. Developers reserve unto themselves, their successors and assigns, the right to use, dedicate, and/or convey to the State of Mississippi, to DeSoto County, to any other municipal or governmental entity or authority and/or to any appropriate public utility company or companies, rights-of-way or easements on, under, or upon the ground to erect, maintain, and use utilities, electric, and telephone poles, wires, cables, conduits, storm sewers, sanitary sewers, sanitary sewers, water main, and other suitable equipment, radio and television cables or wires, gas, sewer, water, or other public conveniences or utilities on, in and over the easements along the rear and side property lines of each lot as shown.

20. Drainage flow shall not be constructed nor be diverted from drainage swales, storm sewers, and/or easements as shown on any plat or other instrument of record hereinafter recorded in which reference is made to these restrictions. Developers may cut drainways for surface water wherever and whenever such action may appear to Developers or the Board to be necessary in order to maintain reasonable standards of health, safety, and appearance. These easements and rights expressly include the right of developers to cut any trees, bushes, or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health and appearance. The provision hereon shall not be construed to impose any obligation upon Developers to cut or maintain any such driveway or easement.

21. Other easements for drainage, utilities, pedestrians, and sidewalks may be hereinafter created as shown by any plat or instrument hereinafter recorded by Developers.

22. The owner or grantee of any lot which is subject to these restrictions, by acceptance of the deed or other instrument conveying an interest in or title to such lot, or by the execution of a contract for the purchase thereon, whether from Developers or from a subsequent owner of such lot, shall accept, and shall be deemed to have accepted, such deed or other contract upon and subject to each and all of these restrictions and the arrangements herein contained, all of the same being covenants running with the land.

Upon which time the City of Hernando brings proceedings to annex area that includes Hernando Hills subdivision, no persons or party claiming under these covenants shall protest or in any way shall resist said annexation.

OWNERS' CERTIFICATE

We, HERNANDO HILLS DEVELOPMENT COMPANY and NEW SOUTH MORTGAGE CORPORATION, and W. A. SANDERS, JR., and W. A. SANDERS, III, owners of the property shown hereon, hereby adopt this as our plan of subdivision and dedicate the rights-of-way for roads as shown on the plat of the subdivision to the public use forever and reserve for the public utilities the utility easements shown on the plat. We certify that HERNANDO HILLS DEVELOPMENT COMPANY and NEW SOUTH MORTGAGE CORPORATION and W. A. SANDERS, JR. and W. A. SANDERS, III are the owners in fee simple of the property and that no taxes have become due and payable. This the 17th day of August, 1989.

HERNANDO HILLS DEVELOPMENT COMPANY
Billy G. May
Billy G. May
W. A. Sanders, Jr.
W. A. Sanders, Jr.

NEW SOUTH MORTGAGE CORPORATION
Hal D. Crenshaw
Hal D. Crenshaw
W. A. Sanders, III
W. A. Sanders, III

NOTARY'S CERTIFICATE

STATE OF MISSISSIPPI COUNTY OF DESOTO

This day personally appeared before me the undersigned authority in and for said County and State, BILLY G. MAY of HERNANDO HILLS DEVELOPMENT COMPANY and HAL D. CRENSHAW of NEW SOUTH MORTGAGE CORPORATION and W. A. SANDERS, JR. and W. A. SANDERS, III, who acknowledged that they signed and delivered the foregoing plat for the purpose therein mentioned. Given under my hand and official seal on this the 16th of August, 1989.

MY COMMISSION EXPIRES: MARCH 20, 1990
My commission expires: *James Seaman*
NOTARY PUBLIC

CERTIFICATE OF SURVEY

This is to certify that I have drawn the plan of subdivision survey by myself and deeds of record, and that the plat represents the information, and that it is a true and correct copy to the best of my knowledge and belief.
Denny S. Rutherford
DENNY S. RUTHERFORD, E.

Approved by the DESOTO COUNTY PLANNING COMMISSION on the 27 day of April, 1989.

J. J. Kendrick
CHAIRMAN
A. H. Thomas
ATTEND

Approved by the DESOTO COUNTY BOARD OF SUPERVISORS on the 3 day of May, 1989.

W. C. Davis
PRESIDENT
W. C. Davis
CLERK OF THE BOARD
W. D. Taylor, D.C.

STATE OF MISSISSIPPI
COUNTY OF DESOTO

I hereby certify that the subdivision plat shown hereon was filed for record in my office at 4:10 o'clock p.m., on the 18th day of August, 1989 and was immediately entered upon the index and duly recorded in Plat Book number 34, Page 12-13.

W. C. Davis
CHANCERY CLERK
W. D. Taylor, D.C.

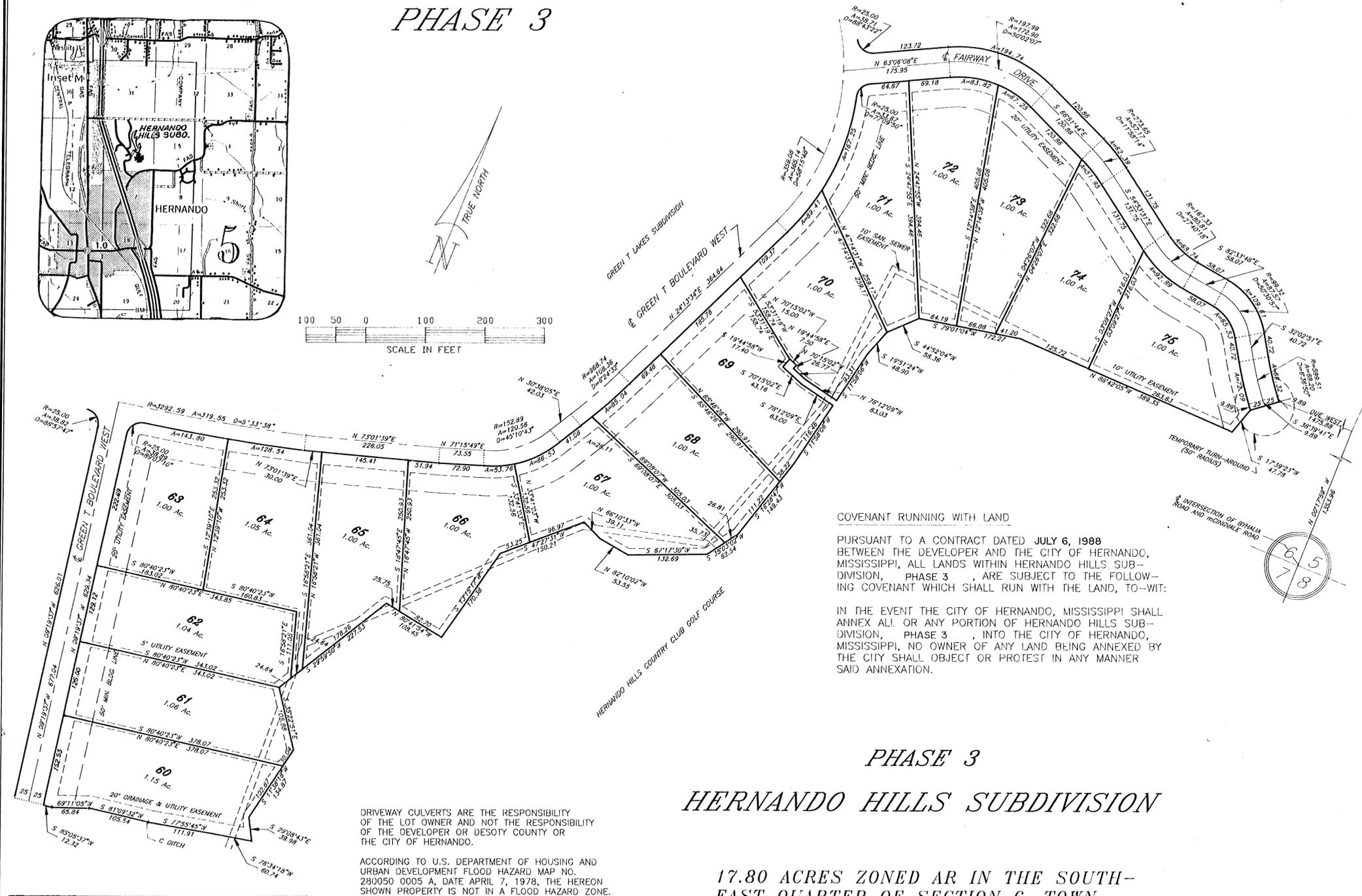
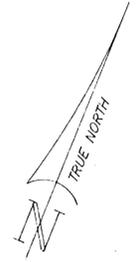
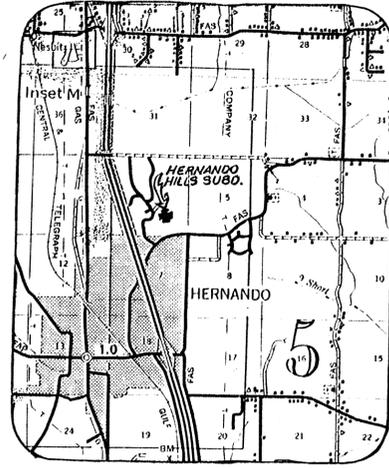
MORTGAGEE'S CERTIFICATE

We, NEW SOUTH BANK FOR SAVINGS, F.S.B., mortgagee of the property shown hereon, hereby adopt this as our plan of subdivision and dedicate the rights-of-way for roads, as shown on the plat of the subdivision to the public use forever and reserve for the public utilities the utility easements shown on the plat. We certify that NEW SOUTH BANK FOR SAVINGS, F.S.B. is the mortgagee in fee simple of the property and that no taxes have become due and payable. This the 17th day of August, 1989.

NEW SOUTH BANK FOR SAVINGS, F.S.B.
Hal D. Crenshaw
Hal D. Crenshaw, President

HERNANDO HILLS SUBDIVISION

PHASE 3



COVENANT RUNNING WITH LAND

PURSUANT TO A CONTRACT DATED JULY 6, 1988 BETWEEN THE DEVELOPER AND THE CITY OF HERNANDO, MISSISSIPPI, ALL LANDS WITHIN HERNANDO HILLS SUBDIVISION, PHASE 3, ARE SUBJECT TO THE FOLLOWING COVENANT WHICH SHALL RUN WITH THE LAND, TO-WIT:

IN THE EVENT THE CITY OF HERNANDO, MISSISSIPPI SHALL ANNEX ALL OR ANY PORTION OF HERNANDO HILLS SUBDIVISION, PHASE 3, INTO THE CITY OF HERNANDO, MISSISSIPPI, NO OWNER OF ANY LAND BEING ANNEXED BY THE CITY SHALL OBJECT OR PROTEST IN ANY MANNER SAID ANNEXATION.

PHASE 3 HERNANDO HILLS SUBDIVISION

17.80 ACRES ZONED AR IN THE SOUTH-EAST QUARTER OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 7 WEST, DESOTO COUNTY, MISSISSIPPI

DRIVEWAY CULVERTS ARE THE RESPONSIBILITY OF THE LOT OWNER AND NOT THE RESPONSIBILITY OF THE DEVELOPER OR DESOTO COUNTY OR THE CITY OF HERNANDO.

ACCORDING TO U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FLOOD HAZARD MAP NO. 280050 0005 A, DATE APRIL 7, 1978, THE HEREON SHOWN PROPERTY IS NOT IN A FLOOD HAZARD ZONE.

UNLESS OTHERWISE NOTED ALL LOT CORNERS ARE MONUMENTED WITH HALF-INCH STEEL BARS.

**ELLIOTT & BRITT
ENGINEERING, P.A.**
GREENBROOK PLAZA, SUITE 10
107 STATE LINE ROAD EAST
YOUTHASKAN, MISSISSIPPI 39571