

**OAKHURST HOMEOWNER'S ASSOCIATION**

**BY-LAWS**

**ARTICLE I**

**DEFINITIONS**

Unless the context otherwise specifies or requires, the terms defined in Article I hereunder shall, for all purposes of these By-Laws, have the meaning herein specified.

1. **Articles.** The term "Articles" shall mean the Articles of Incorporation of the Oakhurst Homeowner's Association (the Homeowner's Association), which may be filed in the office of the Secretary of State of the State of Mississippi, a true copy of which is on file at the principal office of the Homeowners Association, together with such amendments to the Articles as may from time to time be properly made.

2. **Association.** The term "Association" shall mean Oakhurst Homeowner's Association or Homeowner's Association.

3. **Board.** The term "Board" shall mean the Board of Directors of the Homeowner's Association.

4. **By-Laws.** The term "By-Law" shall mean this instrument as it may be amended from time to time pursuant to the provisions of this instrument.

5. **Common Areas.** "Common Areas" shall mean those areas which are owned by the Homeowner's Association and do not belong to any lot, which are to be devoted to recreation, conservation, and other community functions, which areas the Grantors intend to convey to the Homeowner's Association and areas concerning which easements have or will be conveyed to the Homeowner's Association for the benefit of all property owners.

6. **Common Charges.** The term "Common Charge" or "Common Expense" shall be those common expenses incurred for the operation of the Common Areas within Grand Oak Boulevard, Oakleigh Gardens, Villas of Oakhurst, Oak Meadow, Part One, The Estates of Oakhurst and Oakmont, Part One, as set forth in Article VIII of this instrument appurtenant to individual living units.

7. **Declaration.** The term "Declaration" shall mean the Declaration of Covenants, Conditions and Restrictions for Grand Oak Boulevard, Oakleigh Gardens, Villas of Oakhurst, Oak Meadow, Part One, The Estates of Oakhurst, and Oakmont, Part One made by the Grantor and incorporated by reference herein and such amendments to such Declaration as may from time to time be properly made.

8. **Fiscal Year.** The term "Fiscal Year" shall mean the calendar year, unless changed or modified by the Board of Directors of the Homeowner's Association.

9. **Grantor.** The term "Grantor" shall mean Smith and Stevens, LLC or its successors in title to unsold portions of Grand Oak Boulevard, Oakleigh Gardens, Villas of Oakhurst, Oak Meadow, Part One, The Estates of Oakhurst, and Oakmont, Part One.

10. **Homeowner's Association.** The term "Homeowner's Association" shall mean Oakhurst Homeowner's Association.

11. **Improvement.** The term "Improvement" shall include buildings, outbuildings, garages, carports, driveways, fences, walls, stairs, deck, poles, signs, tennis courts, and all structures of every type and kind.

12. **Lot.** The term "Lot" shall mean the land and improvements thereon conveyed by Deed from the Grantor to the Lot owner, including lots unbuilt upon owned by the Grantor.

13. **Lot Open Areas.** "Lot Open Areas" shall mean all areas conveyed to a Lot owner, except that covered by building(s), garage, patio, balcony, terraces or enclosed fenced-in areas.

14. **Member.** The term "Member" shall mean any person, corporation, partnership, joint venture or other legal entity which is a member of the Homeowner's Association.

15. **Owner.** The term "Owner" shall mean the person or persons owning a Lot within Grand Oak Boulevard, Oakleigh Gardens, Villas of Oakhurst, Oak Meadow, Part One, The Estates of Oakhurst, and Oakmont, Part One, and for the purposes of voting shall include both Class A and Class B members.

16. **Person.** The term "Person" shall mean an individual, corporation, unincorporated association, partnership, joint venture, trustee, conservator, administrator, or any entity which has the right to hold title to real property.

17. **Plan.** The term "Plan" shall mean the plats for Grand Oak Boulevard, as shown by the map or plat thereof on file and of record in the office of the Chancery Clerk of Hinds County at Raymond, Mississippi, in Plat Cabinet A at Slide 74; Oakleigh Gardens and Villas of Oakhurst, as shown by the maps or plats thereof on file and of record in the office of the Chancery Clerk of Hinds County at Raymond, Mississippi, in Plat Cabinet A at Slide 75; and Oak Meadow, Part One, The Estates of Oakhurst, and Oakmont, Part One, as shown by the maps or plats thereof on file and of record in the office of the Chancery Clerk of Hinds County at Raymond, Mississippi, in Plat Cabinet A at Slide 77, including any modifications thereof duly recorded with said county.

18. **Property.** The term "Property" shall mean the land, buildings, and all other improvements thereon (excluding individual residences) and the common areas held by the Homeowner's Association or areas concerning which easements have been granted to the Homeowner's Association and all other rights, easements, and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith, except that property granted to each lot owner in his individual deed and concerning which no easements has been reserved by the Grantor either conveyed or to be conveyed to the Homeowner's Association.

19. **Oakhurst Subdivision Development.** The term "Oakhurst Subdivision Development" shall mean all of the real estate described in Article II of this instrument and shown on the Master Plan thereof along with any land and improvements subsequently added thereto.

20. **Oakhurst Subdivisions Restrictions.** The terms "Oakhurst Subdivisions Restrictions" shall mean the Protective Covenants contained in the Declaration and any supplementary Declaration of the Oakhurst Subdivisions Development.

21. **Oakhurst Subdivisions Rules and Regulations.** The term "Oakhurst Subdivisions Rules and Regulations" shall mean the rules and regulations adopted by the Homeowner's Association's Board of Directors pursuant to Declaration, any supplementary Declarations and these By-Laws, as they may be amended.

22. **Residential Areas.** The term "Residential Areas" shall mean individual residences and appurtenant garages, patios, fenced-in areas, balconies and terraces.

## ARTICLE II

### GENERAL

**SECTION 1. The Property:** The property located in Hinds County, Mississippi, and more particularly described in the Grand Oak Boulevard, Oakleigh Gardens, Villas of Oakhurst, Oak Meadow, Part One, The Estates of Oakhurst, and Oakmont, Part One, recorded in the records of said county including subsequent modification thereof duly recorded shall be residential subdivision developments and shall be known as Grand Oak Boulevard, Oakleigh Gardens, Villas of Oakhurst, Oak Meadow, Part One, The Estates of Oakhurst, and Oakmont, Part One,. The Grantor is the creator of this subdivision.

**SECTION 2. The Oakhurst Homeowner's Association:** The Oakhurst Homeowner's Association (the Association) has been organized to perform the functions described herein except for those to be performed by others as set forth herein. The Association is charged with the duties and has the powers prescribed by law and set forth in the Articles, By-Laws and Declaration. Neither the Articles nor the By-Laws shall, for any reason be amended or otherwise changed or interpreted so as to be inconsistent with the Declaration.

The Association is an organization owned by the Owners of Lots in Grand Oak Boulevard, Oakleigh Gardens, Villas of Oakhurst, Oak Meadow, Part One, The Estates of Oakhurst, and Oakmont, Part One, and used by them to manage and regulate the Oakhurst Subdivisions Development. Each Owner shall have the same proportion of interest in the Association as the number of Lots owned by him bears to the total number of Lots in the Oakhurst Subdivisions Development, except as provided in Article III.

Each Owner, upon becoming an Owner, and by virtue of being such an Owner, and for so long as he is such an Owner, shall be deemed a member of the Homeowner's Association. Upon becoming a member of the Association, the rights, duties, privileges, immunities and liabilities of being an Owner, as a Member of the Association, shall be those set forth in and shall be exercised in accordance with the Declaration, the Articles of Incorporation, these By-Laws and the Rules and Regulations as the foregoing may be amended or adopted by the Association, as provided therein.

Membership in the Homeowner's Association shall not be transferred, pledged or alienated in any way except upon transfer of title of a Lot and then only to the transferee of title, except in the instance of suspension as provided hereunder. Any attempt to make a prohibited transfer shall be null and void.

**SECTION 3. Provisions of By-Law Applicable:** The provisions of these By-Laws are applicable to the Oakhurst Subdivisions Development and to the use and occupancy thereof. The provisions of these By-Laws shall automatically become applicable to any property which may be added to the Oakhurst Subdivisions Development by act of the Grantor or of the Association.

**SECTION 4. By-Laws Applicable to Present and Future Owners.** All present and future Owners, mortgages, lessees, and occupants or residents and their employees, and any other person(s) who may use the facilities of Grand Oak Boulevard, Oakleigh Gardens, Villas of Oakhurst, Oak Meadow, Part One, The Estates of Oakhurst, and Oakmont, Part One, in any manner, are subject to the By-Laws, the Rules and Regulations, all covenants, agreements, restrictions, easements and Declarations of record,

and any supplementary Declarations. The acceptance of a deed or conveyance or the entering into a lease or the act of occupancy of a residence shall constitute an agreement that all of the above documents, restrictions, and conditions, as they may be amended from time to time, are accepted, ratified and will be complied with.

**SECTION 5. Office of Oakhurst Homeowner's Association:** The office of the Oakhurst Homeowner's Association shall be located in Hinds County, Mississippi, or such other locations as may be selected from time to time by the Board and of which the Owners and listed mortgagees have been given written notice.

**SECTION 6. Certificates of Membership:** The Board may provide for the issuance of membership certificates in a form which it shall determine, evidencing membership in the Homeowner's Association. Such certificates shall be consecutively numbered and shall contain the name and address of the member, the number of shares deemed to be held by said member. The date of issuance of the certificates shall be entered in the records of the Homeowner's Association by the Secretary.

**SECTION 7. Documents Available for Review:** Copies of these By-Laws, the Declaration and any supplementary Declaration, the Oakhurst Subdivisions Rules and Regulations, as they may be amended from time to time, shall be made available for inspection by Owners and their authorized agents during reasonable business hours.

### ARTICLE III

#### MEMBERSHIP, VOTING RIGHTS AND SHARES

**SECTION 1. Membership:** Every person who is an owner of record of a fee interest in any Lot which is subject by covenants of record to assessment by the Association shall be a member of the Homeowner's Association provided that any such person or entity who holds such interest merely as a security for performance of an obligation shall not be a member.

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

A. **Class A** - Class A members shall be all those owners of Lots with the exception of the Grantor. A "Class A" member shall be entitled to one vote for each Lot in which he/she holds the interest required for membership as described in Section 1 above. When more than one persons holds such interest in any such Lot, all such persons shall be considered members; however, the vote for such membership shall be exercised as they among themselves determined, provided that in no event shall more than one vote be cast with respect to any such Lot. Such vote shall be voted as an entirety as provided in Article V, Section 6 of these By-Laws.

B. **Class B** - Class B members shall be the Grantor and shall be entitled to three votes for each lot it owns, whether built upon or not. The Class B membership, and all rights appurtenant to such membership, shall cease when the Grantor no longer owns Lots. At any time after the Class B membership shall cease, if Grantor subsequently plats additional property, as provided in the Declaration, then the status of the Developer as a Class B Member shall be fully reinstated for so long as it continues to own Lots.

**SECTION 3. Shares:** For the purposes of dissolution, or distribution of assets only, Class A and B members shall be deemed to hold one equal share of the assets of the Homeowner's Association for each Lot in which they hold interest required for membership, provided that when more than one person shall hold such interest in any ownership, all such persons shall determine among themselves the distribution of such shares, provided that there shall be no more than one share with respect to any Lot.

#### ARTICLE IV

##### BOARD OF DIRECTORS

**SECTION 1. Directors:** The number of Directors which shall constitute the whole Board shall be at least five (5) and not more than seven (7). Until succeeded by Directors elected by the membership, the Directors need not be Lot owners. Upon expiration of the term of each member of the first Board, the successors to such member of the Board, elected by the members of the Association, shall be Lot owners. In the event that a corporation or other legal entity is a member of the Homeowner's Association, it may designate one or more persons who shall be eligible to serve as Director on its behalf.

**SECTION 2. Election of Directors.** Subject to the provisions of these By-Laws concerning the first Board, at each Annual Meeting of the Homeowner's Association or at a Special Meeting called for this express purpose, the members shall elect Directors to fill such vacancies as may exist on the Board. There shall be no cumulative voting. The candidates receiving the highest number of votes, up to the number of Directors to be elected shall be deemed elected.

**SECTION 3. Resignation:** Any Director may resign at any time by giving written notice to the President or to the Secretary.

**SECTION 4. Power and Duties of the Board:** The Board shall have the powers and duties necessary for the administration of the affairs of the Oakhurst Homeowner's Association which are enabled by law, the Declaration, or by these By-Laws. Without limiting the generality thereof, the Board shall have the power and obligation to perform the following non-exclusive lists of duties:

A. Provision for the operation, care, upkeep, and maintenance of the Common Areas.

B. Determination of the common expenses required for the affairs of the Oakhurst Homeowner's Association including the operation and maintenance of the property and the allocation of income and expenses, such to any limitations imposed by action of the Oakhurst Homeowner's Association.

C. Collection of the common charges from the owners, including the right to enforce these collections by methods described elsewhere in the By-Laws and the Declaration.

D. Opening of bank accounts on behalf of the Homeowner's Association and designating the signatories required therefor.

E. Leasing, managing and otherwise dealing with such land and facilities as may be provided for as Common Areas for the use and benefit of the Homeowner's Association's members.

F. Owning, conveying, encumbering, leasing and otherwise dealing with Lots conveyed to it or purchased by it as a result of enforcement of a lien for common expenses, or otherwise.

G. Obtaining insurance for general liability, fire, theft, casualty lost for the Property, as provided in Article IV, Section 6 of the Declaration.

H. Making of repairs, additions, improvements to or alteration of the Property in accordance with the other provisions of these By-Laws and as described in the Declaration.

I. Enforcement of obligation of the individual lot owners as provided herein and in the Declaration.

J. Adoption of Rules and Regulations relating to the use, upkeep or preservation of the common areas and facilities within Grand Oak Boulevard, Oakleigh Gardens, Villas of Oakhurst, Oak Meadow, Part One, The Estates of Oakhurst, and Oakmont, Part One.

K. The Directors shall have the right to designate and set aside portions of the common areas under their control for the collection and reception of mail for individual residences; central disposal and collection site for trash and other refuse; storage area for tools, equipment and supplies as used in the maintenance and upkeep of the property; or for any purposes which they, in their discretion, deem to be in the best interest of Oakhurst Subdivisions Development as a whole.

**SECTION 6.** The First Board and Subsequent Board: The Board shall be designated by the Grantor and shall consist of five (5) members who shall serve until the First Annual Meeting. At each such annual meeting, members of the Board shall be elected by the membership of the various classes of membership to fill vacancies on the Board and/or vacancies created by expiration of a term, and all such successors to the First Board, who are elected upon the expiration of a term shall serve as provided in the Articles of Incorporation.

**SECTION 7.** Removal of Directors. Except for the members of the initial Board, Directors may be removed for cause and a successor elected by an affirmative vote of the majority of members of each class of membership. However, removal of members of the initial Board prior to the expiration of their respective terms shall require unanimous vote of all members of the Homeowner's Association, including the Grantor, if it shall own any lots.

**SECTION 8.** Vacancies in the Board. Vacancies in the Board caused by any reason other than the removal of a Director under Section 7 of this Article, shall be filled by vote of a majority of the remaining Directors from his class of membership at a special meeting of the Board held for that purpose, which meeting shall be held promptly after the occurrence of any such vacancy, even though the Directors present at such meeting may constitute less than a quorum, and each person so elected shall be a Director until the next annual meeting of the Homeowner's Association, or until a Special Meeting of the Homeowner's Association is duly called and held for the express purpose of electing a Director to fill the vacancy until the expiration of the term. Except for members of the First Board, no Class A Director shall continue to serve as such if, during his term of office, he shall cease to be a Lot owner.

**SECTION 9. Board Meeting Following First Annual Meeting.** Following with ten (10) days after the First Annual Meeting of the Homeowner's Association, there shall be a meeting of the Board of Directors at such time and place as shall be fixed by the owners at the meeting at which such Board shall be been elacted, and no notice shall be necessary to the newly elected Director(s) in order legally to constitute such meeting provided a majority of the whole Board shall be present there at.

**SECTION 10: Regular Meetings.** Regular meetings of the Board of Directors may beheld at such time and place as shall be determined from time to time by a majority of the members of the Board. Notice of regular meetings of the Board shall be given to each Director, by mail, at least three (3) business days prior to the day named for such meeting.

**SECTION 11. Special Meetings.** Special meetings of the Board may be called by the President on three (3) business days' notice to each Director given by mail, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) Directors.

**SECTION 12. Waiver of Notice of Meetings.** Any Director may at any time waive notice of any meeting of the Board in writing and such waiver shall be deemed equivalent to the giving of such notice.

**SECTION 13. Quorum.** At all meetings of the Board, a majority of the members thereof shall constitute a quorum for the transacting of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board. If at any meeting of the Board, there shall be less than a quorum present, a majority of those persons may adjourn the meeting from time to time.

**SECTION 14. Fidelity Bonds.** Unless otherwise vote by the owners, the Board shall attempt to obtain adequate fidelity bonds for all officers and employees of the Homeowner's Association handling or responsible for the Homeowner's Association funds. The premium on such bonds shall constitute a common expense.

**SECTION 15. Compensation of Board.** No member of the Board shall receive any compensation from the Homeowner's Association for acting as such, except reimbursement of necessary and duly incurred expenses.

**SECTION 16. Non-Liability of Directors.** The Directors shall not be liable to the members of the Homeowner's Association for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith, the owners shall indemnify and hold harmless each Director against all contractual liability to others arising out of contracts made by the Board on behalf of the Homeowner's Association unless any such contract shall have been made in bad faith or contrary to true provisions of the Declaration or contrary to these By-laws. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Homeowner's Association. The original Board is specifically authorized to contract for goods or services with the Grantor, or employees or affiliates of the Grantor whether or not such persons are then members of the Board and no such contracting shall be deemed to involve a conflict of interest. It is also intended that the liability of any owner arising out of any contract made by the Board out of the aforesaid indemnity in favor of the Directors shall be limited to such proportion of the

total liability thereunder as the number of Lots owned by him bears to the total number of Lots in Grand Oak Boulevard, Oakleigh Gardens, Villas of Oakhurst, Oak Meadow, Part One, The Estates of Oakhurst, and Oakmont, Part One. Every agreement made by the Board or its agents on behalf of the Homeowner's Association shall provide that the Directors are acting only as agents for the owners and shall have no personal liability thereunder (except as Owners), and that each owner's liability thereunder shall be limited to that proportion which the number of Lots owned by him bears to the total number of Lots in Grand Oak Boulevard, Oakleigh Gardens, Villas of Oakhurst, Oak Meadow, Part One, The Estates of Oakhurst, and Oakmont, Part One.

**SECTION 17. Records.** The Board shall cause to be kept detailed records of the actions of the Board and of its employees, if any, minutes of the meeting of the Board, minutes of the meetings of the owners and financial records and books of account of the Homeowner's Association.

**SECTION 18. Annual Report.** An annual report of the receipts and expenditures of the Homeowner's Association shall be made at the end of each fiscal year by an independent, disinterested, certified public accountant. The Board shall cause this report to be made and a copy of said report to be sent to each owner promptly after it is made. In addition, a copy of said report shall be kept on file at the office of the Homeowner's Association and shall be made available for inspection by Owners and their authorized agents during reasonable business hours.

**SECTION 19. Filing of Tax Returns.** The Board shall cause to be filed with the appropriate governmental agencies appropriate tax returns on a timely basis as returned by law.

## ARTICLE V

### OWNERS MEETINGS

**SECTION 1. Annual Meetings: Election of Directors.** On                     , the Board shall call the First Annual Meeting of the Owners to be held during the month of                     . Thereafter, Annual Meetings shall be held on the anniversary date of such meeting, in each succeeding year, the date of the Annual Meeting may be changed by a proper amendment to these By-laws. At such meetings, Directors shall be elected by ballot of the owners, in accordance with the requirements of Article IV of these By-laws. The owners may also transact such other business of the Homeowner's Association as may properly come before them. For purposes of this Article, the term Owner shall include both Class A and Class B members as defined Article III hereof.

**SECTION 2. Location of Annual Meetings.** Meetings of the owners shall be held at the principal office of the Homeowner's Association, or at such other suitable place convenient to the owners as may be designated by the Board.

**SECTION 3. Special Meetings.** It shall be the duty of the President to call a special meeting of the owners as directed by the Board or upon petition signed by at least one-third (1/3) of the owners, delivered to the Secretary.

**SECTION 4. Notice of Meetings.** It shall be the duty of the Secretary to mail or deliver a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each owner of record, at least ten (10) days prior to such meeting. The mailing or delivery of



a notice in the manner provided in these By-laws shall be considered notice served. Notice of a meeting need not be given to an owner if a written waiver thereof executed before, during or after the meeting by such owner or his duly authorized attorney or agent, if filed with the records of the meeting.

**SECTION 5. Quorum.** Except as provided otherwise in these By-laws, the presence in person or by proxy of a majority of owners shall constitute a quorum at all meetings of the owners. If any meeting of owners cannot be held because a quorum has not attended, a majority in interest of the owners who are present at such meeting, either in person or by proxy, shall adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called for.

**SECTION 6. Voting.** The Owner(s) of each Lot, whether built upon or not owned by the Grantor, or some person designated by such Owner(s) to act as proxy on his or their behalf, who need not be an owner, shall be entitled to cast their vote appurtenant to such Lot at any meeting of owners. The designation of any, proxy shall be made in writing to the Secretary and shall be revocable at any time upon written notice to the Secretary by the owner(s) so designating. Any or all Owners may be present at any meeting of the owners and may vote or take any other action as an owner either in person or by proxy. Each owner (including the Grantor, if the Grantor shall then own one or more Lots) shall be entitled to cast one vote at all meetings of the owners, which vote shall be weighted by multiplying it by the number of Lots owned by such owner, and the vote of the Grantor shall be weighted by multiplying it by three times the total number of lots, whether built upon or not, owned by it. The votes attributable to each must be voted as an entirety and if owners of any Lot shall be unable to agree on the vote to be cast on any issue their right to vote on that issue shall be deemed to have been waived. Any Lot owned by the Association and controlled by the Board of Directors or its designee shall not be entitled to vote and shall be excluded from the total number of ownership in Oakhurst Subdivisions Development when computing the proportionate interest of all other owners for voting purposes, excepting those held by the Grantor prior to initial sale.

**SECTION 7. Majority Defined.** As used in these By-laws, the term "majority of owners" shall mean those Owners having more than fifty percent (50%) of the total authorized votes of all owners present in person or by proxy and voting at any meeting of the owners, determined in accordance with provisions of Section 6 of this Article. The vote of the majority of owners present at a meeting at which a quorum shall be present shall be binding upon all owners for all purposes except when a higher percentage vote is required by law, the Declaration, or these By-laws.

## ARTICLE VI

**SECTION 1. Principal Officers of the Homeowner's Association.** The principal officers of the Homeowner's Association shall be the President, the Vice President, the Secretary and the Treasurer. The President and Vice President shall be elected by and form the Board. Except as provided in the Articles with respect to the initial Secretary/Treasurer, the Treasurer and Secretary shall be chosen by the members of the Homeowner's Association at the Annual Meeting. Any vacancies which may occur in these latter two offices shall be filled by the Board. The successors so chosen shall serve until the next Annual Meeting of the Homeowner's Association or until a Special Meeting properly and duly called for this purposes. The Secretary and Treasurer need not be members of the Homeowner's Association. The Board may appoint an Assistant Treasurer, an

Assistant Secretary and such other officers as in its judgment may be necessary.

**SECTION 2. Officers Chosen by Board.** Those officers of the Homeowner's Association to be chosen by the Board shall be elected annually at a meeting of the Board described in Article IV of these By-laws, and shall hold office at the pleasure of the Board and until their successors are elected.

**SECTION 3. Removal of Officers Chosen by Board.** Upon the affirmative vote of the majority of the Board at a regular or special meeting thereof called for that purpose, any officer chosen by said Board may be removed, either with or without cause, and his successor elected. However, only the members of the Homeowner's Association, at an Annual Meeting or a Special Meeting duly called expressly for such purpose, may remove an officer chosen by the members.

**SECTION 4. President.** The President shall be the chief executive officer of the Homeowner's Association. He shall preside at all meetings of the Owners and the Board. He shall have all of the general powers and duties which are incidental to the Office of President under the Mississippi Nonprofit Homeowner's Association Law, including but not limited to the power to appoint committees from among the Owners from time to time, as he may in his discretion decide are appropriate to assist in the conduct of the affairs of the Homeowner's Association. He is elected by the Board.

**SECTION 5. Vice-President.** The Vice President shall take the place of the President, and shall perform his 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 shall appoint some other member of the Board to act in place of the President, on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board or by the President. The Vice-President is elected by the Board.

**SECTION 6. Secretary.** The Secretary shall keep the minutes of all meetings of the Owners and of the Board; shall have charge of such books and papers as the Board may direct; and shall perform all of the duties incidental to the Office of Secretary under the Mississippi Nonprofit Homeowner's Association Law, and as described elsewhere in the By-Laws or Declaration. The Secretary is elected by the members of the Homeowner's Association and need not be an owner.

**SECTION 7. Treasurer.** The Treasurer shall have the responsibility for funds of the Homeowner's Association and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board in such depositories as may from time to time be designated by the Board and he shall perform all duties incidental to the Office of Treasurer under the Mississippi Non Profit Homeowner's Association Law. No payment voucher shall be paid unless and until approved by the Treasurer, or in his absence the Assistant Treasurer. The Treasurer is elected by the members of the Homeowner's Association and need not be an Owner. The Assistant Treasurer is appointed by the Board.

**SECTION 8: Execution of Document for the Board.** All agreements, contracts, deeds, leases, check, and other instrument of the Association shall be executed by such officer or officers

of the Homeowner's Association or by such other person(s) as may be authorized by the Board.

**SECTION 9. Compensation of Officers.** No officer shall receive any Compensation from the Homeowner's Association for acting as such, except for reimbursement of necessary and duly incurred expenses.

**SECTION 10. Resignation.** Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

## ARTICLE VII

### NOTICES

**SECTION 1. Notice Procedure.** Whenever under the provisions of the Declaration or the By-laws, notice is required to be given to the Board or an Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, either by mail, by depositing the same in a post office or letter box in a postpaid sealed wrapper, addressed to the Board or Owner, respectively, at such address as appears on the books of the Homeowner's Association. Notice shall be deemed given as of the date of mailing or by delivery to such person's address, provided that such mailing is made in the State of Mississippi.

**SECTION 2. Waiver of Notice.** Whenever any notice is required to be given under the provisions of the Declaration, the law, or these By-laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

## ARTICLE VIII

### OPERATION OF THE PROPERTY

**SECTION 1. Budget.** The Board shall from time to time, and at least annually, prepare a budget for the Association, and in connection therewith, determine the amount of common charges and allocate and assess each common charge among the owners according to their respective percentages of ownership in the Homeowner's Association. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required by, or which have been obtained by the Board pursuant to the provisions of these By-laws. The common expenses shall also include the amount charged for the operation, care, upkeep and maintenance of common areas within Regal Woods Estates Development, including, without limitation, any amount for working capital of the Association, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses of any prior year. The Common expenses may also include such amounts as may be required for the purchase by the Board on behalf of all the Owners, of any Lot whose owner has elected to sell or lease such Lot or of any Lot which has to be sold at foreclosure or other judicial sale, such purchase or lease to be in accordance with the provisions of this instrument. The Board shall advise all owners, promptly and in writing the amount of the common charge payable by each of them, respectively, as determined by the Board as aforesaid and

shall furnish copies of each budget on which such Charges are based to all owners and to their mortgagees. The Grantor will be required to pay common charges as stipulated in Article V, Section 9 of the Declaration.

**SECTION 2. Payment of common charges.** All Owners shall pay the common charges assessed by the Board pursuant to the provisions of these By-laws monthly in advance, or at such other time or times as the Board shall determine.

No Owner shall be liable for the payment of any part of the common charges assessed against his lot subsequent to a sale, transfer or other conveyance by him duly recorded in the conveyance records of Hinds County, Mississippi, including conveyance to the Board made in accordance with the provisions of Section 5 of this Article, together with the appurtenant interest as defined herein. Subject to the provisions of Section 3 of this Article, a purchaser shall be liable for the payment common charges assessed and unpaid against such Lot prior to the acquisition by him of such Lot, and mortgagee or other purchase of a Lot at a foreclosure sale of such shall be subject to, and shall be liable for a lien for the payment of common charges assessed both prior to and subsequent to the foreclosure sale.

**SECTION 3. Default.** In the event of default by an owner in the payment of the common charges, such owner shall be obligated to pay interest at the rate of ten percent (10) per annum on such common charges from the due date thereof, together with all expenses including attorney's fees, incurred by the Board in collecting same. The Board may seek to recover such common charges, interest and expenses by an action to recover the same brought against such owner, or by foreclosure of the lien which such unpaid charges have become on the Lot(s).

**SECTION 4. Power to Suspend Membership.** In the event of default by any Owner in the payment of the common charges, or any other amounts owed the Association, the Board shall have the power to suspend the owner's membership in the Association, and such suspension shall remain in effect only until such amounts as are owed are paid.

**SECTION 5. Foreclosure.** In any action brought by the Board to foreclose a lien on a Lot because of unpaid common charges, the Owner shall be required to, pay a reasonable rental for the use of this Lot, if such use continues after the foreclosure, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board acting on behalf of the owners, shall have the power to purchase such Lot at the foreclosure sale and to acquire, hold, lease, convey, mortgage (but not to vote the share(s) appurtenant thereto), or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosure or waiving the lien securing the same.

**SECTION 6. Statement of Unpaid common charges.** The Board shall promptly provide any Owner requesting same in writing with a written statement of all unpaid common charges due from such owner in form suitable for recording and the same when recorded in the conveyance records of Hinds County, Mississippi, shall operate to discharge the Lot from any other sums not included in such statement then unpaid, at least bonafide third parties relying on the statement.

**SECTION 7. Restrictions.** No immoral, improper, offensive or unlawful use shall be made of Grand Oak Boulevard, Oakleigh Gardens, Villas of Oakhurst, Oak Meadow, Part One, The Estates of Oakhurst, and Oakmont, Part One or any part thereof, and all

valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereover shall be observed. No nuisances shall be allowed in Grand Oak Boulevard, Oakleigh Gardens, Villas of Oakhurst, Oak Meadow, Part One, The Estates of Oakhurst, and Oakmont, Part One, nor shall, any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful enjoyment of the property.

**SECTION 8. Improvement Restriction.** No improvements, additions, alterations or other work which in any way alters the property from its natural or improved state existing on the date such was first conveyed in fee by their, shall be made or done except as provided herein or in the Declaration.

**SECTION 9. Cost Allotment of Improvements.** All improvements undertaken pursuant to this Section shall be subject to the written approval of the Board. If fifty percent (50%) or more, but less than seventy-five percent (75%) of the Owners agree to make an improvement common areas to areas concerning which an easement has been granted to the Association, the cost of such improvement shall be borne by the owners so agreeing. If seventy-five percent (75%) or more of the Owners agree to make an improvement to the Common Areas or to areas concerning which an easement has been granted to the Association, the cost of such improvement shall be considered a Common Expense. However, if such improvement shall cost in excess of ten percent (10%) of the then total value of the property, any Owner not so agreeing may appeal to the Chancery Court on such notice to the Board as the Court shall direct, for an order directing the purchase of this Lot by the Board at fair market value thereof as established by the Court. The cost of any such purchase shall be a common expense.

**SECTION 10. Rules and Regulations.** The use of individual lots and the common areas shall be subject to rules and regulations from time to time adopted by the Board, or the Homeowner's Association or as provided in the Declaration. Copies of said rules and regulations, shall be made available to each Owner prior to their effective date.

**SECTION 11. Water.** Water shall be provided to each individual Owner from the water system through his own individual water service, the cost of which shall be the individual responsibility of the owner of such connection. Water consumed on the common areas and on areas concerning which easements have been conveyed to the Association shall be provided for by the Association and the cost of providing such water shall be a common expense.

**SECTION 12. Electricity.** Electricity shall be supplied by the appropriate public utility company servicing the area directly to each owner through a separate meter and each Owner shall pay for electricity consumed or used in his residence. The electricity serving the common areas, or areas concerning which easements have been conveyed to the Association, shall be separately metered, and the Board shall pay for such electricity as a common expense.

**SECTION 13. Sewage Disposal.** Sewage disposal shall be the responsibility of each individual owner. Sewage disposal serving the community areas or areas concerning which easements have been conveyed to the Association, shall be separately metered, and the Board shall pay for such sewage disposal as a common expense.

## ARTICLE IX

### INSURANCE

**SECTION 1. Physical Damage.** All buildings and improvements, and all of the personal property owned by the Association, shall be insured for the benefit of the Association, the owners and mortgagees of Lots as their interest may appear against risk of physical damage as follows:

**A. Amounts:** Real Property shall be insured for an amount equal to not less than the agreed amount of its replacement costs; Personal Property shall be insured for an amount equal to its actual cash value. Prior to obtaining insurance on real property under this section, and at least annually thereafter, the Board of Directors shall obtain an appraisal from a qualified appraiser for the purposes of determining the replacement cost of such property.

**B. Insured Risks:** Insurance shall afford protection against loss or damage by reason of: (1) Fire and other perils normally covered by extended coverage; (2) Vandalism and malicious mischief; (3) Such other risk of physical damage as from time to time may be customarily covered with respect to buildings and improvements similar in construction, location and use as those on the property, including without limitation, builder's risk coverage for improvements under construction; and (4) Such other risks of physical damage as the Board of Directors may from time to time deem appropriate.

**C. Other Provisions.** The insurance shall include, without limitation, the following provisions: (1) Waivers by the insurer of rights of subordination, other than those based on fraud or criminal acts, against the Homeowner's Association and the Owners; (2) That the insurance shall not be affected or diminished by reason of any other insurance carried by an Owner or mortgagee of an individual residence; (3) That the insurance shall not be affected or diminished by any act or neglect of any Owner or any occupants or owners of any improvements when such act or neglect is not within the control of the Association; (4) That the insurance shall not be affected or diminished by failure of any Owner or any occupants or Owners of any improvements to comply with any warranty or condition when such failure to comply is not within the control of the Association; (5) Such deductible as to loss, but not coinsurance features, as the Board, in its sole judgment deems prudent and economical; (6) That the insurance may not be canceled or substantially modified (except for the addition of property or increases in amount of coverage) without at least thirty (30) days prior written notice to the named insured; (7) The standard mortgage clause, except that any loss otherwise payable to named mortgagees shall be payable in the manner set forth in subsection (10) hereof; (8) Adjustment of loss shall be made with the Board of Directors; (9) Proceeds for losses in excess of \$25,000 shall be payable to the Insurance Trustee; and, (10) The named insured shall be the Association for the benefit of the Owners.

**D. Evidence of insurance.** Certificates of insurance signed by an agent of the insurer together with copies of all endorsements thereto and proof of payment of premiums, shall be delivered to all mortgagees of Lots at the times such policies are issued, and at least ten (10) days prior to the expiration of any then current policies.

**E. Definitions.** As used in this Section, the term "all buildings and improvements" shall also, include, without limitation, all Common Areas and personal property of the

Association, and appurtenant structures, fixtures and installations initially installed by the Grantor, as shown on its Recorded Plat, and as from time to time may include annexations or additional property as provided in the Declaration, and replacements thereof; and may exclude fixtures, alterations, installations or additions situated within a portion of the properties used exclusively by an individual Owner and made or acquired at the expense of an individual Owner of that portion of the properties.

**SECTION 2. Liability Insurance.** The Board of Directors shall obtain and maintain public liability insurance for bodily injury and property damage in such limits as the Board of Directors may from time to time determine, insuring the Association, the Board of Directors, with respect to their liability arising from operation, maintenance or repair of the property, which is the responsibility of the Association, including, without limitation, liability arising from construction, operations, and also, insuring each owner including the Grantor with respect to its liability arising from ownership of the said Lots. Such liability insurance shall also cover cross-liability claims among Owners and the Association. The Board of Directors shall review such limits at least annually. The insurance provided under this section shall include, without limitation, the following provisions: (1) That the insurance shall not be affected or diminished by any act or neglect of any Owner or any occupants or Owners of any improvements when such act or neglect is not within the control of the Association; (2) That the insurance shall not be affected or diminished by failure of any improvements to comply with any warranty or condition where such failure to comply is not within the control of the Association; (3) Waivers by the insurer of rights of subordination, other than those based on fraud or criminal acts, against the Association or the Owners.

## ARTICLE X

### DAMAGE TO OR DESTRUCTION OF PROPERTY

**SECTION 1. Duty to Repair or Restore.** Any damaged portion of the Common Area shall be repaired or restored promptly by the Association as provided in this Article.

**SECTION 2. Estimate of Cost.** Promptly after damage to or destruction of some portion of the property; and thereafter as it deems advisable the Board of Directors shall obtain reliable and detailed estimates of the cost of repair or restoration. If such costs in the opinion of the Board of Directors may exceed \$5,000, the Board of Directors may retain the services of an architect or engineer or construction consultant to assist in the determination of such estimates and in the supervision of repair and restoration.

**SECTION 3. Collection of Construction Funds.** Construction funds may consist of insurance proceeds, condemnation awards, proceeds of assessments against Owners, payments by Owners for damage to or destruction of real or personal property or improvements thereto, and other funds received on account of or arising out of injury or damage to the property.

**A. Insurance Proceeds:** The Board of Directors shall adjust losses under physical damage insurance policies of the Association; such losses in excess of \$25,000 shall be payable to the Insurance Trustee.

**B. Assessments Against Owners:** If the insurance proceeds are insufficient to effect the necessary repair or restoration of the Common Areas, such deficiency shall be charged against all Owners

as a common expense. The proceeds of assessments for such common expenses shall be paid by the Board of Directors directly to the Vendor making the repairs or restoration if less than \$25,000 and shall be paid to the Insurance Trustee if in Excess of \$25,000.

C. **Payments by Owners:** Payments received from Owners pursuant to Section 5 (a) of this Article, shall be paid by the Board of Directors if in excess of \$25,000 to the Insurance Trustee, otherwise by the Board of Directors directly for the repairs to whomever makes the repairs.

D. **Payments by Others:** Any other funds received on account of or arising out of injury or damage to the property shall be paid by the Board of Directors to the Insurance Trustee if in excess of \$25,000, otherwise the funds shall be administered directly by the Board.

**SECTION 4. Plans and Specifications.** Any repair or restoration must be either substantially in accordance with the original architectural and engineering plans and specifications and shall also include such improvements and fixtures as may have been subsequently installed by the Association and as to which payment for such repair or reconstruction is forthcoming and specifications approved by the Board of Directors and a majority of the Owners and the holders of first mortgages encumbering fifty-one percent (51%) of the Lots subject to mortgages, and if the damaged property included buildings on Lots, by all of the Owners thereof, which approvals shall not be withheld unreasonably.

**SECTION 5. Disbursement of Construction Fund.** The Insurance Trustee shall deduct from the construction funds its actual costs, expenses and a reasonable fee for the performance of its duties, and shall disburse the balance in the following manner:

A. **Damage or Destruction not exceeding \$25,000.** Such proceeds are not payable to nor under the control of the Insurance Trustee, but shall be administered by the Board of Directors.

B. **Payment of Repair or Restoration.** The Trustee shall apply such balance to pay directly, and to reimburse the Association for the payment for the costs of repair or restoration of such common areas including the cost of temporary repairs for the projection of such community areas pending the completion of permanent repairs and restoration, upon written request of the Association in accordance with subsection 6(a) of this Article and upon presentation of any architect's certificate stating that the work represented by any such payment has been completed substantially.

C. **Contributions by Owners.** The Association shall maintain a separate account as to each Lot with respect to payments by an Owner pursuant to this Article, and expenditures of such payments. General expenses of administration, such as deductions by the Insurance Trustee for its costs, expenses and fees, shall be charged against the Association construction fund and against Owner's payments, in proportion to, the amounts of each. All portions of such payments by Owners not expended as herein provided shall be refunded to the Owner, and the mortgagees of their Lots as their interest may appear.

D. **Surplus Funds.** If, after payment of all repairs and restoration of the property, and the refund of any excess payments by Owners pursuant to subsection (c) of this Section, there remains any surplus funds, such funds shall be paid to Owners in proportion to their contributions resulting for assessments levied against them as herein provided; provided,



however, that no Owner shall receive a sum greater than that actually contributed by him. Any surplus remaining after such payments shall be paid to the Homeowner's Association and shall be part of its general income.

**E. Determination not to Repair or Restore.** If there is substantially or total destruction of all of the improvements in Oakhurst Subdivisions Development and ninety percent (90%) of the Owners vote not to proceed with repair or restoration, any balance of construction funds, after the refund of any payments by Owners pursuant to subsections (c) and (d) of this Section, shall be disbursed in accordance with the interest of Owners of the common areas as the number of Lots owned by each bears to the total number of Lots. In the event of dispute as to the fact of substantial total destruction, that issue shall be submitted to arbitration in accordance with the rules of the American Arbitration Association.

**SECTION 6. Certificates.** The Insurance Trustee may rely on the following certifications:

**A. By the Board of Directors:** The Board of Directors shall certify to the Insurance Trustee in writing as to the following matters: (1) whether or not damaged or destroyed property is to be repaired or restored; (2) whether or not, in the opinion of the Board, the costs of repair or restoration may exceed \$25,000; and, (3) the amount or amounts to be paid for repairs or restoration and the names and address of the parties to whom such amounts are to be paid.

**B. By Attorneys:** The Board of Directors shall furnish the Insurance Trustee, in the event that any payments are to be made to an Owner or mortgagee, with an Attorney's Certificate of Title based upon a search of the Hinds County Land Records from the date of the recording of the original Declaration stating the name of the Owner and the mortgagees.

**SECTION 7. Insurance Trustee to Administer Insurance Proceeds in Event of Loss.** The Board of Directors shall enter into and keep in force a trust agreement with a bank in the State of Mississippi with trust powers to receive, administer and disburse funds, provided losses are in excess of twenty-five thousand dollars (\$25,000) in each instance, pursuant to this Article. Such trust agreement shall incorporate the Declaration and By-laws by reference and shall provide that upon termination thereof, all money or funds held by the Insurance Trustee shall be turned over only to a successor Insurance Trustee which shall also be a bank in the State of Mississippi with trust powers designated Insurance Trustee pursuant to this Article. No amendment of the Declaration shall be binding on the Insurance Trustee until the Insurance Trustee receives notice of such amendment.

## ARTICLE XI

### MORTGAGE

**SECTION 1. Mortgage of Lots.** Each owner who mortgages his Lot shall notify the Board of the name and address of the mortgagee(s). The Board shall maintain such information in a book entitled "Mortgage of Lots".

**SECTION 2. Listed Mortgagee.** As used in these by-Laws, the term "Listed Mortgagee" shall mean a lender holding a first mortgage of record on a lot of which the owner affected has given the notice required in Section 1 of this Article. Such a

mortgagee shall remain a Listed Mortgagee until the Board receives written notice from the mortgagee of withdrawal of the listing or the mortgage is discharged of record.

**SECTION 3. Unpaid common charges.** The Board, whenever so requested in writing by a mortgagee of an individual Lot, shall promptly report any then unpaid common charges due from, or any default by, the Owner of the mortgaged Lot.

**SECTION 4. Notice of Default.** The Board when giving notice to an Owner of a default in paying common charges or other default shall serve a copy of such notice to each holder of a mortgage covering such Lot whose name and address has theretofore been furnished to the Board.

**SECTION 5. Examination of Books.** Each owner and each mortgagee shall be permitted to examine books of account of the Association at reasonable times on business days.

## ARTICLE XII

### AMENDMENTS TO BY-LAWS

These By-laws may be modified or amended by the affirmative vote of sixty-six and two-thirds percent (66-2/3%), or if such modification or amendment effects a provision requiring a larger percentage, such larger percentage, in common interest of all Owners, present in person or by proxy, at a meeting of such Owners duly held for such purpose.

## ARTICLE XIII

### CONFLICTS

In the event that any of these By-laws are in conflict with the provision of any statute, the Articles of Incorporation, or the Declaration, the provisions of said statute, Articles of Incorporation, or Declaration, as the case may be, shall control.

## ARTICLE XIV

### MISCELLANEOUS

**SECTION 1. Invalidation.** The invalidity of any part of these By-laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

**SECTION 2. Captions.** The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-laws or the intent of any provision thereof.

**SECTION 3. Gender.** The use of the masculine gender in these By-laws shall be deemed to include the feminine and neuter gender, and the use of the singular shall be deemed to include the plural, whenever the context so requires.

**SECTION 4. Waiver.** No restriction, condition, obligation or provisions contained in these By-laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which occur.

Duly Adopted by Oakhurst Homeowner's Association, this  
day of \_\_\_\_\_, 2001.

\_\_\_\_\_  
Secretary