

BY-LAWS OF DEERFIELD PROPERTY OWNERS ASSOCIATION

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.

Articles. The term "Articles" shall mean the Articles of Incorporation of the Deerfield Property Owners Association (the Association) which are filed in the office of the Secretary of State of Mississippi, a true copy of which is on file at the principal office of the Association, together with such amendments to the Articles as may from time to time be properly made.

Association. The term "Association" shall mean the Deerfield Property Owners Association.

Board. The term "Board" shall mean the Board of Directors of the Association.

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

Common Areas. The term "common area" shall mean all real property owned by the Association for the common use and enjoyment of the owners.

Common Charges. The term "common charge" or "common expense" shall be those common expenses incurred for the operation of the Common Area in Deerfield as set forth in Article VIII of this instrument.

Deerfield. The term "Deerfield" shall mean all of the real estate described in Article II of this instrument and shown on the Plan, or any land and improvements added thereto.

Covenants and Restrictions. The term "Covenants and Restrictions" shall mean the Covenants and Restrictions filed

in the office of the Chancery Clerk of Madison County, Mississippi affecting Deerfield.

Developer. The "Developer" shall mean J. D. Rankin.

Fiscal Year. The term "fiscal year" shall mean the calendar year, unless changed or modified by the Board of Directors of the Association.

Improvement. The term "improvement" or "structure" shall include buildings, outbuildings, garages, carports, driveways, fences, walls, stairs, decks, poles, signs, tennis courts and all structures of every type and kind.

Lot. Any platted parcel of land which may be purchased by any person.

Member. The term "member" shall mean any person, corporation, partnership, joint venture or other legal entity which is a member of the Association by virtue of owning a site in Deerfield.

Rules and Regulations. The term "Rules and Regulations" shall mean the rules and regulations as adopted by the Board pursuant to the covenants and this instrument, as they may be amended from time to time.

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.

Property. The term "Property" shall mean the land, buildings and all other improvements thereon (including the Common Areas held by the Association) or areas concerning which easements have been granted to the 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 owner in his individual deed and concerning which no easement has been reserved by the Grantors either conveyed or to be conveyed to the Association.

Owner. The term "Owner" shall mean the person(s) owning a site within Deerfield and for the purposes of voting shall include both Class A and Class B members.

Site. The term "site" shall mean any platted lot or parcel of land which may be purchased by any person.

## ARTICLE II

### GENERAL

SECTION 1. The Property. The property is located in Madison County, Mississippi. It is all that property known as Deerfield.

SECTION 2. The Deerfield Property Owners 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 the Covenants and Restrictions. 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 Covenants and Restrictions.

The Association is an organization owned by the owners of sites in Deerfield and used by thorn to manage and regulate Deerfield. Each owner of a lot shall have the same proportion of interest in the Association as the number of lots in Deerfield 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 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 Covenants and Restrictions, the Articles of Incorporation, and these By-Laws may be amended or adopted by the Association or by the Board, as provided therein.

Membership in the 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-Laws applicable. The provisions of these By-Laws are applicable to Deerfield 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 Deerfield.

SECTION 4. By-Laws Applicable to Present and Future Owners. All present and future owners, mortgagees, lessees, and occupants of lots and their employees, and any other person(s) who may use the facilities of Deerfield in any manner, are subject to these By-Laws, all covenants, agreements, restrictions, easements and declarations of record, and the Covenants and Restrictions. The acceptance of a deed or conveyance or the entering into a lease or the act of occupancy of a lot 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 The Association. The Office of The Association and the Board shall be located in Madison County, Mississippi or such other locations in this State as may be selected from time to time by the Board which the owners and listed mortgagees have been given written notice.

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

SECTION 7. Documents Available for Review. Copies of these By-Laws, the Articles of Incorporation, the Covenants and Restrictions and<sup>1</sup> Architectural Review Committee, as they may be amended from time to time, shall be made available for inspection by members of the Association and their authorized agents during reasonable business hours.

### ARTICLE III

#### MEMBERSHIP, VOTING RIGHTS, AND SHARES

##### SECTION 1. Membership.

(a) Every person who is an owner of record of a fee or undivided fee interest in any lot which is subject by the Covenants and Restrictions to assessments by the Association shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

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

(a) Class A - Class A members shall be all those owners of lots (with the exception of the Developer). A Class A member shall be entitled to one vote for each lot in which he holds the interest required for membership as described in Section 1 (a) above. When more than one person holds such interest in any such lot, all such persons shall be members, and the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such lot, and 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 Developer and shall be entitled to three votes for each lot, whether built upon or not (exclusive of Common Areas), in which the Developer holds the fee, provided that the Class B membership shall cease and become converted to Class A membership on the happening of either of the following events, whichever

occurs earlier; when the developer has sold seventy-five percent (75%) of all lots in Deerfield (exclusive of Common Areas), or

From and after the happening of these events, whichever occurs earlier, the Class B member shall be deemed to be a Class A member entitled to one vote for each lot, whether built upon or not, in which it holds the interest required for membership under Section 1(a) above.

However, in all events Class B members shall elect three (3) members of the Board of Directors until either (1) or (2) above occur.

SECTION 3. Shares. For purposes of dissolution, or distribution of assets only, Class A and D members shall be deemed to hold one equal share of the assets of the Association for each owner of a lot in which they hold interest required for membership, provided that when more than one person shall hold such interest in any lot, 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 five (5). Until succeeded by the Directors elected by the members, the Directors need not be 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 a lot owner. Except as provided in the Articles of Incorporation with respect to the first Board, Directors shall be elected on a staggered basis. In any event however, each Director shall hold office until such time as his successor has been elected. In the event that a corporation or other legal entity is a member of the 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 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 Clerk.

SECTION 4. Powers and Duties of the Board. The Board shall have the powers and duties necessary for the administration of the affairs of Deerfield and may do all such acts and things except as by law, or by the Covenants and Restrictions, or by these By-Laws, are reserved to the members of the Association acting at a properly called meeting. Such powers and duties of the Board shall include, but shall not be limited to the following;

(a) Provisions for the operation, care, upkeep and maintenance of the Common Areas, and lot open areas.

(b) Determination of the common expenses required for the affairs of Deerfield including, subject to the limitations imposed by the Association or by the Covenants and Restrictions, the operation and maintenance of the property and the allocation of income and expenses.

(c) Collection of the common charges from the owners, including the right to enforce these collections by methods described elsewhere in these By-Laws and the Covenants and Restrictions.

(d) Opening of bank accounts on behalf of the Association and designating the signatories required therefor.

(e) Leasing, managing and otherwise dealing with such Common Areas.

(f) Owning, conveying, encumbering, leasing and otherwise dealing with sites conveyed to it or purchased by it as the result of enforcement of a lien for common expenses, or otherwise.

(g) Obtaining of insurance for the Common Areas, etc.

(h) Making of repairs, additions, improvements to or alterations of the property and lots in accordance with the other provisions of these By-Laws and as described in the Restrictions and Covenants.

(i) Enforcement of obligations of the lot owners.

(j) Adoption of Rules and Regulations relating to the use, upkeep or preservation of Deerfield.

SECTION 5. Employment of Managing Agent. The Board may employ for Deerfield, a Managing Agent at a compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to all of the powers granted to the Board by these By-Laws.

SECTION 6. The First Board and Subsequent Boards. The first Board shall be designated by the developer and shall consist of five (5) members, of whom three (3) shall serve until the Third Annual Meeting of the owners held pursuant to Article V, Section 1 of these By-Laws, two (2) shall serve until the Second Annual Meeting held as aforesaid. At each such annual meeting, one or more members of the Board, as the case may be, shall be elected by the members of the Association to fill vacancies in 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 for three years. However, in all events, the Class B member shall elect at least three Board Members until the Class B membership is converted into Class A membership per these By-Laws.



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 the members of the Association. 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 Association including the developer.

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 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 Association, or until a Special Meeting of the 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 or the Board members elected by grantor, no Director shall continue to serve as such if, during his term of office, he shall cease to be a site owner.

SECTION 9. Board Meeting Following First Annual Meeting. Following the First Annual Meeting of the Association, there shall be a meeting of the Board within ten (10) days thereafter, at such time and place as shall be fixed by the owners at the meeting at which such Board shall have been elected, 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 thereat.

SECTION 10. Regular Meetings. Regular meetings of the Board may be held 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 Clerk 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, 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 present may adjourn the meeting from time to time.

SECTION 14. Fidelity Bonds. Unless otherwise voted by the Association, the Board shall attempt to obtain adequate fidelity bonds for all officers and employees of the Association handling or responsible for the 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 Association for acting as such, except for reimbursement of necessary and duly incurred expenses.

SECTION 16. Directors Not Liable. The Directors shall not be liable to the members of the Association for any mistake of judgment, negligence, or otherwise, except for

their own individual willful misconduct or bad faith. The Association shall and does indemnify and hold harmless each director against all, contractual liability to others arising out of contract made by the Board on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Covenants and Restrictions 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 Association. The original Board is specifically authorized to contract for goods or services with the grantors, or employee or affiliates of the grantors 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 sites owned by him bears to the total number of lots in Deerfield. Every agreement made by the Board or by the Managing Agent on behalf of the Association shall provide that the Directors or the Managing Agent as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder (except as a lot owner), 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 Deerfield.

SECTION 17. Records. The Board shall cause to be kept detailed records of the actions of the Board and of the Managing Agent, if any, minutes of the meetings of the Board, minutes of the meetings of the lot owners and financial records and books of account of the Association.

SECTION 18. Annual Report. An annual report of the receipts and expenditures of the 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 Association and shall be made available for inspection by members and their authorized agents during reasonable business hours.

## ARTICLE V

### ASSOCIATION MEMBERS' MEETINGS

SECTION I. Annual Meetings; Election of Directors. Within ninety (90) days after the Association is organized or one (1) year following the date of conveyance of the first site, whichever is sooner, the Board shall call the First Annual Meeting of the lot owners. 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 meeting Directors shall be elected by ballot of the members of the Association, in accordance with the requirements of Article IV of these By-Laws. The Association may also transact such other business of Deerfield Village as may properly come before them. For purposes of this Article the term member or owner shall include both Class A and Class B members as defined in Article III hereof.

SECTION 2. Location of Annual Meetings. The Annual Meetings shall be held at the principal office of Deerfield or at such 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 of the owners, delivered to the Clerk.

SECTION 4. Notice of Meetings. It shall be the duty of the Clerk 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 lot owner of record, at least five (5) but not more than 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 a lot owner if a written waiver thereof executed before, during or after the meeting by such lot owners or his duly authorized, attorney or agent, is 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 lot owners shall constitute a quorum at all meetings of the Association. If any meeting of the Association 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 developer 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 the vote appurtenant to such lot at any meeting. The designation of any proxy shall be made in writing to the Clerk, and shall be revocable at any time upon written notice to the Clerk by the owner(s) so designating. Any or all owners may be present at any meeting and may vote or take any other action as an owner either in person or by proxy. Each owner (including the grantors, if the grantors shall then own one or more lots) shall be entitled to cast one vote at all meetings which vote shall be weighed by multiplying it by the number of owners by such owner, and the vote of the developer shall be weighed by multiplying it by three times the total number of lots, whether built upon or not, owned by them, until such

time as Class B membership is converted to Class A membership as provided in Article III, Section 2, of these By-Laws. However, in all events, the developer shall always be entitled to elect at least three (3) directors until the Class B membership is terminated. The votes attributable to each member must be voted as an entirety and if owners of a lot shall be unable to agree on the vote to be case on any issue their right to vote on that issue shall be deemed to have been waived. Any lot owned by the Board or its designee shall not be entitled to vote and shall be excluded from the total number when computing the proportionate interest of all other owners for voting purposes, excepting those lots held by the grantors.

SECTION 7. Majority Defined. As used in these By-Laws the term "majority of members" 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 determined in accordance with the 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 Covenants and Restrictions or these By-Laws.

## ARTICLE VI

### OFFICERS

SECTION 1. Principal Officers of the Corporation. The principal officers of the Association shall be the President, Vice-President, Secretary and the Treasurer. The President and Vice-President shall be elected by and from the Board. Except as provided in the Articles with respect to the initial. Treasurer and Secretary, the Treasurer and Secretary shall be chosen by the members of the 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 Association or until a Special Meeting properly and duly called for this purpose. The Secretary and Treasurer need not be members of the 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 Association to be chosen by the Board shall be elected annually at a meeting of the Board described in Article IV, Section 7 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 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 Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are incidental to the office of President of a stock corporation under the Corporation Law of Mississippi, 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 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 Association and of the Board; shall have charge of such books and papers as the Board may direct; and shall perform all, the duties incidental to the office of Secretary of a stock corporation under the Corporation Laws of Mississippi, and as described elsewhere in these By-Laws or the Covenants and Restrictions. The Secretary is elected by the members of the Association and need not be a site owner.

SECTION 7. Treasurer. The Treasurer shall have the responsibility for all funds 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 monies and other valuable effects in the name of the Board or the Managing Agent 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 of a stock corporation organized under the Corporation Law of the State of Mississippi. 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 Association and need not be a lot owner. The Assistant Treasurer is appointed by the Board.

SECTION 8. Execution of Documents for the Board. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by such officer or officers of the 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 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 Covenants and Restrictions or the By-Laws, notice is required to be given to the Board, any managing agent or lot 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, such Managing Agent or lot owner, respectively, at such address as appears on the books of the 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 Covenants and Restrictions, 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 Deerfield and in

connection therewith, determine the amount of common expenses of Deerfield and allocate and assess each common charge among the owners of lots according to their respective needs of various typos of lots within the subdivision. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be, 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 the entire subdivision, 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 or lease by the Board on behalf of all the members, any lot which is to be sold at foreclosure or other judicial sale, such purchase or lease to be in accordance with the provisions of Article XII of this instrument.

The Board shall advise all lot owners promptly and in writing of the amount of the common charges 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 lot owners and to their mortgagees. The developer will be required to pay common charges in full on any lot owned by him.

There shall be assessed on a semi-annual basis at a uniform rate the assessments for all residences.

SECTION 2. Payment of Common Charges. All lot 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 lot 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 records of the Chancery Clerk including conveyance to the Board made in accordance with the provisions of Article XII of these By-Laws, together with the appurtenant interest, as defined in Article XII hereof. Subject to the provisions of Section 3 of this Article a purchaser of a lot shall be liable for the payment of common charges assessed and unpaid against such lot prior to the acquisition of him of such lot, and a mortgagee or other purchaser of a lot at a foreclosure sale of such lot 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 any lot owner in the payment of the common charges, such site owner shall be obligated to pay interest at the rate of eight percent (8%) 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 lot owner, or by foreclosure of the lien which such unpaid charges have become on the lot.

SECTION 4. Power to Suspend Membership. In the event of default by any lot owner in the payment of the common charges, or any other amounts owed the Association, the Board shall have the power to suspend the lot 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 lot owner shall be required to pay a reasonable rental for the use of his lot, if such, 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 foreclosing or waiving the lien securing same.

SECTION 6. Statement of Unpaid Common Charges. The Board shall promptly provide any lot owner requesting same 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 Chancery Clerk's office of Madison County; Mississippi shall operate to discharge the lot from any other sums not included in such statement then unpaid, at least as to bonafide third parties relying on such statement.

SECTION 7. Maintenance.

(a) All maintenance and replacement of and repairs to any lot, whether structural or non-structural, ordinary or extraordinary and to the doors and windows, electrical, plumbing, heating, air conditioning, water and sewer facilities and fixtures belonging to a lot owner and not a part of the Common Areas or of the areas concerning which easements have been conveyed to the Association, shall be done by the lot owner at the lot owner's expense, except as otherwise specifically provided herein; provided that all repair, replacement, painting, or decorating of the exterior of any lot, including, but not limited to doors, windows, trim, clapboards, shingles, roofs, brickwork, terraces, patios, garage exteriors, porches, decks, balconies shall be done by the Board or its appointee as a common charge.

(b) All maintenance, repair and replacements to the Common Areas as defined in the plan or in the covenants or to those areas concerning which easements have been conveyed to the Association, and the painting and decorating of the exterior of the lot shall be done by the Board or its appointee and shall be included as a common expense of the Association, except to the extent that same are necessitated by the negligence, misuse or neglect of a lot owner, in which case such expense shall be charged to such lot owner in the same manner as a common charge and enforceable in the same manner as a common charge.

SECTION 8. Restrictions.

(a) No nuisances shall be allowed in Deerfield nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with their right of quiet enjoyment.

(b) No immoral, improper, offensive or unlawful use shall be made of any lot or area by Deerfield or any part thereof, and all valid laws, zoning, By-Laws and regulations of all governmental bodies having jurisdiction thereover shall be observed.

(c) No portion of a lot (other than the entire site) may be rented, and no transient may be accommodated therein.

(d) No signs, plaques or communication of any description shall be placed on the exterior of any lot or Common Area by a lot owner.

SECTION 9. Improvement Restriction. No improvements, additions, alteration or other work which in any way alters the exterior appearance or structure of any lot from its natural or improved state existing on the date such lot was first conveyed in fee by the grantors, shall be made or done except as hereinafter provided.

SECTION 10. Cost Allotment of Improvements.

(a) If fifty percent (50%) or more but less than seventy-five percent (75%) of the lot 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 borne by the site owners so agreeing.

(b) Seventy-five percent (75%) or more of the lot owners may agree to make an improvement to the Common Areas or to areas concerning which an easement has been granted to the Association, and assess the cost thereof as a common expense, but if such improvement shall cost in excess of ten percent (10%) of the then total value of Deerfield any lot owner not so agreeing may apply to the Chancery Court of Madison County, Mississippi on such notice to the Hoard as the Court shall direct, for an order directing the purchase of this lot by the Board at fair market value thereof as approved by the Court. The cost of any such purchases shall be a common expense.

(c) All improvements undertaken pursuant to this Section 10 shall be subject to the written approval of the Board.

SECTION 11. Right of Access. A lot owner shall grant a right of access to his lot to the Managing Agent and/or any other person authorized by the Board or the Managing Agent for the purpose of making inspections or for the purpose of correcting any conditions originating in his lot and threatening another lot or a Common Area, or for the purpose of performing installations, alterations, or repairs to the parts of the lot over which said persons have control and/or responsibility for maintenance. Requests for such access must be made in advance and entry must be at a time reasonably convenient to the lot owner. In case of an emergency such right of entry shall be immediate whether the lot owner is present or not.

SECTION 12. Rules and Regulations. The use of the lot and the Common Areas shall be subject to rules and regulations from time to time adopted by the Board and to rules and regulations from time to time adopted by the Association; copies of said rules and regulations shall be made available to each lot owner prior to their effective date.

SECTION 13. Water. Water shall be provided for by each individual lot owner through his own individual water service, the cost of which shall be the individual responsibility of the owner. 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 14. Electricity. Electricity shall be supplied by Mississippi Power and Light Company serving the area directly to each lot through a separate meter and each lot owner shall pay for electricity consumed or used in his lot. 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 15. Sewage Disposal. Sewage disposal shall be the responsibility of each individual lot owner; the developer shall, before transferring the fee to any lot, see to it that said site is connected with the sewer system.

#### ARTICLE IX

#### INSURANCE

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

(a) Amounts--As to real property, for an amount equal to not less than the agreed amount of its replacement cost; as to personal property, for an amount equal to its actual cash value. Prior to obtaining any 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 purpose of determining the replacement cost of such real property.

(b) Risks Insured Against--The 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.

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, the Managing Agent (at the discretion of the Board), with respect to their liability arising from operation, maintenance or repair of Deerfield which is the responsibility of the Association including, without limitation, liability arising from construction operations, and also insuring each site owner including the grantors with respect to his liability arising from ownership of the said lot. 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:

(a) 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;

(b) That the insurance shall not be affected or diminished by failure of any improvements to comply with any warranty or condition when such failure to comply is not within the control of the Association; and

(c) Waivers by the insurer of rights of subrogation, 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 portion of Deerfield owned by the Association which are damaged or destroyed 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 buildings, 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 cost 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 estimated 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 owner, payments by owners for damage to or destruction of lots or improvements thereto, and other funds received on account of or arising out of injury or damage to the buildings, etc.

(a) Insurance Proceeds - The Board of Directors shall adjust losses under physical damage insurance policies of the Association.

(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.

(c) Payments by Others - Any other funds received on account of or arising out of injury or damage to the buildings, etc. shall be administered directly by the Board.

SECTION 4. Plans and Specifications. Any repair or restoration must be substantially in accordance with the architectural and engineering plans and specifications for the original buildings.

#### ARTICLE XI

##### 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 provisions requiring a larger percentage, such larger percentage) in common interest of all lot owners, present in person or by proxy, at a meeting of such owners duly held for such purpose.

#### ARTICLE XII

##### CONFLICTS

In case any of these By-Laws are in conflict with the provisions of any statutes, the Articles of Incorporation or the Covenants and Restrictions as the case may be, shall control.

#### ARTICLE XIII

##### MISCELLANEOUS

SECTION 1. Invalidity. 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 provisions 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 Deerfield Property Owners Association, Inc.  
this the 11 day of July, 1980.

Barbara Pace  
Secretary