

**PROVIDENCE PROPERTY OWNERS ASSOCIATION, INC.
MADISON COUNTY, MISSISSIPPI
CORPORATE BY-LAWS**

**ARTICLE I
Name - Location -Purpose**

Section 1: Name and Location. These are the By-laws of the Mississippi not-for-profit corporation named:

PROVIDENCE PROPERTY OWNERS ASSOCIATION, INC.

The corporation is referred to herein at times as the “Association.” The principal office of the Association is located at 113 Park Circle Drive, Flowood, Mississippi 39232, or such other place as the Board of Directors may designate from time to time.

Section 2: Purpose of Organization. The Association, subject to the rights of the Members, shall be responsible for the exclusive management and control for the benefit of the Members of the Common Areas conveyed to it and all improvements thereon (including furnishings and equipment related thereto), and shall keep the same in good, clean and attractive order and repair. The Association shall have other rights and responsibilities as set forth in these By-laws and in the Declaration (hereafter defined).

**ARTICLE II
Definitions**

Section 1: Declarant. “Declarant” as used herein, means Landmark of Madison, LLC, a Mississippi limited liability company, its successors or assigns, who is also called the “Developer.”

Section 2: Project. The word “Project” and the word “Community” as used herein, mean that certain residential subdivision community known generally as “Providence” subdivision being developed by the Declarant in Madison County, Mississippi. Part One(A) of the subdivision is on file in Plat Cabinet D, Slot 177 of the records of the Chancery Clerk of Madison County, Mississippi. Part One (B) is on file in Plat Cabinet D, Slot 183; Part Two is on file in Plat Cabinet E, Slots 43A & B. Other phases or parts may be platted in the future.

Section 3: Declaration. “Declaration,” as used herein, means that certain instrument entitled “Declaration of Covenants, Conditions and Restrictions for Providence Subdivision, dated October 27, 2004, filed for record in the Office of the Chancery Clerk of Madison County, Mississippi, on

October 27, 2004, and recorded in the land records in Book 1847 at Page 249, and that certain First Amendment to the Declaration of Covenants, Conditions and Restrictions for Providence Subdivision, dated December 2, 2004, filed for record in the Office of the Chancery Clerk of Madison County, Mississippi, on December 16, 2004, and recorded in the land records in Book 1863 at Page 249; and, as supplemented by subsequently filed Supplementary Declarations or similar amendments and modifications.

Section 4: Governing Documents. Governing Documents shall mean and refer to the Declaration, all Supplementary Declarations or amendments and modifications, the Articles of Incorporation and By-laws of the Association, as the same may be amended from time to time, and, insofar as consistent with the foregoing, the rules and regulations of Association as entered in its minutes.

Section 5: Board of Directors. “Board of Directors,” as used herein, means the Board of Directors of the Association.

Section 6: Articles. “Articles,” as used herein, means the Articles of Incorporation of the Association, as amended from time to time.

Section 7: President, Vice President, Secretary and Treasurer. The words “President,” “Vice President,” “Secretary,” “Treasurer,” as used herein, mean, respectively, the President, Vice President, Secretary and Treasurer of the Association.

Section 8: Other Definitions. Unless a different meaning is apparent from the context, all other expressions used herein shall have the same meaning as they are defined to have in the Declaration, except that the word “herein” as used in these By-laws, shall mean in these By-laws.

ARTICLE III Organization

Section 1: Organization. The Association is a not for profit corporation organized and existing under applicable laws of the State of Mississippi, charged with the duties and invested with the powers prescribed by law and set forth in its Articles of Incorporation, Bylaws and the Declaration, as such may be amended from time to time; provided, that neither the Articles nor By-laws, shall for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with the Declaration.

Section 2: Subsidiary Association. The Association shall have the right to form one or more subsidiary associations, for any purpose or purposes deemed appropriate by a majority vote of its Board of Directors. Without limiting the generality of the foregoing, one or more subsidiary associations may be formed for the operation and maintenance of any specific area or function within

the Subdivision; however, such subsidiary association shall be subject to this Declaration and may not take any action to lessen or abate the rights of the Members.

Section 3: Purpose of Association. For the purpose of preserving the values and amenities of the community, the Association has been formed to have the powers and duties of owning, operating, maintaining and administering the common areas, facilities and services within Providence Subdivision, administering and enforcing the covenants, conditions and restrictions contained in the Declaration and imposing the associated charges and assessments in payment therefor by all Lot Owners. The "Common Areas" shall mean and refer to all real property including the pool, clubhouse, park areas, entrances and related improvements now or hereafter acquired by or otherwise available to the Association for the use and benefit of its members.

ARTICLE IV Membership and Voting Rights

Section 1: Membership. The Members of the Association shall be and consist of every person, corporation, partnership, joint venture or other legal entity who is an owner of record of a Lot in "Providence" and who is included in the definition of an Owner in Article I of the Declaration. Members shall include all fee simple Owners of Lots in Providence. Membership shall be appurtenant to the Lot giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except as provided in the Governing Documents.

Section 2: Member's Rights. Every Lot Owner shall have a right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every Lot, subject to the Governing Documents. Any Owner may delegate, in accordance with the By-laws or Declaration, his right to enjoyment to the Common Areas and facilities to the members of his family, his guests, or his tenants, who reside on the Property, subject to such general regulations as may be established by the Association

Section 3: Class of Members. The Association shall have two classes of Members.

Class A. Class A Members shall be all Owners of Lots with the exception of the Developer, who is the Declarant.

Class B. Class B Member shall be the Declarant. The Class B Membership, and all rights appurtenant to such membership, shall cease when ninety percent (90%) of the lots are deeded to homeowners, or on January 1, 2010, whichever occurs first. However, at any time after the Class B Member shall cease, if the Developer subsequently plans to develop the Expansion Property or annexes property to the Subdivision as permitted by Article II of 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. Upon the sale or other disposition of all of the property, including all Expansion Property, either as Lots, Streets, Common Areas and Facilities or for private use; or upon the Declarant's abandonment of the development of the Community, the Class B Membership shall terminate. The previous sentence shall not apply to, nor shall the Class B Membership terminate upon the sale, assignment, or other disposition of all or part of the Community by the Declarant to a Person acquiring such Property for resale if concurrent with such sale, assignment, or disposition, the Declarant also assigns its rights as Declarant to the Person acquiring the Community.

Section 4. Voting Rights. Except as otherwise provided in the Articles or in the Declaration, the voting rights of the Members shall be as follows:

Class A Members. Each Class A Member shall be entitled to one vote for each Lot in which such Member holds the interest required for membership. When more than one person holds such interest or interests in any 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.

Class B Member. The Class B Member shall be entitled to three votes for each Lot in which such Member holds the interest required for membership.

Section 5: Action by Members. Whenever any provision of the Declaration or the By-laws requires a vote of a specified percentage of the voting power of each class of Members, such provision shall require a separate vote by the specified percentage of the voting power of the Class A Members and by the specified percentage of the voting power of the Class B Member. Whenever any provision of the Declaration requires a vote of a specified percentage of the voting power of the Members, such provision shall require a vote by the specified percentage of the combined voting power of all Members.

Section 6: Memberships Appurtenant to Real Property. The membership of both Class A Members and Class B Member shall be appurtenant to the ownership of a Lot. A membership shall not be held, assigned, transferred, pledged, hypothecated, encumbered, convey or alienated in any manner except in conjunction with and as an appurtenance to the ownership, assignment transfer, pledge, hypothecation, encumbrance, conveyance, or alienation of the Lot to which the membership is appurtenant.

Section 7: Voting Conflicts Between Members. If the ownership to a particular Lot is of record by more than one Member, the one vote appurtenant to such Lot may be exercised by anyone of the such Members, unless the other Members who own an interest in such Lot shall object prior to the completion of voting upon the particular matter under consideration. In the event of any such objection, the vote appurtenant to such Lot shall not be counted, unless the Members

unanimously agree on the vote prior to completion of voting upon the particular matter under consideration.

Section 8: No Pre-Emptive Rights. The Members of the Association simply by virtue of being such Members shall have no preemptive rights to acquire any additional memberships which the Association may issue from time to time.

Section 9: Membership Certificates. If the Board of Directors should consider it necessary or appropriate to issue membership certificates, or the like, each such membership certificate shall state (1) that the Association is organized under the laws of the State of Mississippi; and, (2) the name of the registered holder or holders of the membership represented thereby. Each membership certificate shall be in such form as shall be approved by the Board of Directors. Membership certificates shall be consecutively numbered, bound in one or more books, and shall be issued therefrom upon certification as to the transfer of title to the Lot to which such membership is appurtenant. Every membership certificate shall be signed by the President or Vice President and the Secretary or an Assistant Secretary.

Section 10. Lost Certificates. The Board of Directors may direct that a new certificate or certificates be issued in place of any membership certificate or certificates previously issued by the Association and alleged to have been destroyed or lost, upon the making of an affidavit of the fact by the person claiming the membership certificate to be lost or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the registered holder of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and to give the Association a bond in such sum as the Board of Directors may require as indemnity against any claim that may be made against the Association on account of the issuance of such new certificate.

ARTICLE V

Meetings of Members

Section 1. Place of Meeting. Meetings of the Members shall be held at the principal office or place of business of the Association, or at whatever other suitable place or places within the State of Mississippi as are reasonably convenient to the membership as may be designated by the Board of Directors from time to time.

Section 2. First Meeting. The first meeting of the Members shall be held at whatever time and place may be designated by the initial Board of Directors. The First Meeting may be combined with an Annual Meeting at the discretion of the Board of Directors.

Section 3: Annual Meetings. The annual meeting of the Members shall be held at a time to be determined in the month of July, August or September in each year. The Board of Director may reschedule the Annual Meeting to a later date upon written notice to the Members. At the Annual Meeting, there shall be elected by ballot the individuals who shall serve on the Board of Directors in accordance with the provisions of Article VI of these By-Laws, and officers of the Association in accordance with the provisions of Article VII of these By-law. The members also may transact such other business as may properly come before the meeting.

Section 4: Special Meetings. It shall be the duty of the President to call a special meeting of the Members whenever such is directed by resolution of the Board of Directors, or whenever such is requested by a petition presented to the Secretary after first having been signed by at least ten percent (10%) of the Members of each outstanding class of membership. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except such as is stated in the notice.

Section 5: Notice of Meetings. The Secretary shall mail a notice of each annual or special meeting, stating the purpose thereof, as well as the time and place where the meeting is to be held, to each Member of record, at his address as it appears on the membership roster of the Association or, if no such address appears, at his last known address, at least ten (10) but not more than sixty (60) days prior to such meeting. Any notice so mailed shall be considered as notice properly served. Attendance by a Member at a meeting of the Members shall be a waiver by him of the lack of notice or defective notice of the meeting, unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting and deliver to the Secretary a written objection thereto. Notice of any Annual or Special Meeting of the Members also may be waived in any other manner by any Member either prior to, at or after any such meeting.

Section 6: Roster of Membership. The Secretary shall maintain a current roster of the names and addresses of the Members of the Association. Each Member, upon becoming a Member, shall furnish the Secretary with his current mailing address, and thereafter shall notify the Secretary immediately in writing of any change or changes in his current mailing address. In giving notices required hereunder, the Association may rely on such Roster.

Section 7: Quorum and Voting Requirements.

The quorum and voting requirements required for any action referred to in the Declaration, except for (i) the levy of special assessments and (ii) the increase of annual assessments more than 5% in one year, shall be as follows:

At each meeting of the Members called, as herein provided, the presence of Members, or of proxies, entitled to cast not less than thirty percent (30%) of all votes of each class of membership at the meeting shall constitute a quorum.

However, as set forth in Section 8 of Article V of the Declaration, any meeting called for the purpose of increasing the annual assessment more than 5% over the prior year, or any meeting called for the purpose of authorizing and approving a special assessment, shall require the presence of Members, or of proxies, entitled to cast not less than sixty percent (60%) of all votes of each class of membership in order to constitute a quorum. If the quorum is not met, then another meeting may be called and at the subsequent meeting the required quorum will only be one-half of that previously required (30% of the Members or proxies).

Section 8: Adjourned Meetings. If at any particular meeting of the Members, the number of Members present should be less than or should fall below the number required for a quorum with respect to anyone or more of the then outstanding classes of membership (considered separately), and if such deficiency is brought to the attention of the presiding officer by a proper call or request for a determination of quorum (which call and the results thereof shall be shown on the Minutes of the meeting), no further business may be transacted at such meeting until the proper quorum is present. If such event occurs, the presiding officer shall adjourn the meeting to a later date. If the later date, time and place is announced before adjournment, no further notice shall be necessary. If no such announcement is made, the adjourned meeting may be reconvened only upon notice required hereunder for a special meeting of the Members. Such subsequent meeting shall be held not more than thirty (30) days following the initial meeting at which the quorum requirements were not met.

Section 9: Voting. At every meeting of the Members, the Members shall have the voting rights specified in Governing Documents. The affirmative vote of the Members having at least fifty-one percent (51%) of the total number of votes represented at the meeting, in person or by proxy, shall be necessary to decide any question properly brought before the meeting, unless the question be one as to which, by provision of law, the Articles, the Declaration, or these By-laws, a different vote is required, in which case such provision of law, the Articles, the Declaration, or these By-laws shall govern and control. If any membership is owned by a corporation, the vote or votes for such membership may be cast by an individual designated in a certificate signed by the President or any Vice President of the corporation and attested by the Secretary or any Assistant Secretary of such corporation and filed with the Secretary of the Association prior to or during the meeting at which the vote is to be cast. The vote or votes for any membership which is owned by a trust or a partnership may be cast by any trustee of the trust or any partner of the partnership, as the case may be, shall object prior to the completing of voting upon the particular matter under consideration, the presiding officer of the meeting shall have no duty to inquire as to the authority of the individual casting any such vote or votes. No Class A Member who is shown by the books of the Association to be more than one hundred twenty (120) days delinquent in any payment due the Association shall be eligible to vote, either in person or by proxy. No such delinquent member shall be eligible to be elected to the Board of Directors or as an officer of the Association.

Section 10: Voting by Class. Whenever by law, the Articles, the Declaration, or these By-laws, any action is required to be taken by a specified percentage of each class of the Members of the Association; such action must be approved separately by the specified percentage of the votes of the Members of each outstanding class of membership, entitled to vote. Whenever by law, the Articles, the Declaration, or these By-laws, any action is required to be taken by a specified percentage of the Members of the Association, action must be approved by the specified percentage of the votes of all Members of the Association entitled to vote.

Section 11. Proxies. A Member may appoint only another Member, the Declarant or the Management Agent, if one exists, as his proxy. In no case may any Member other than the Declarant or the Management Agent cast more than five (5) votes on behalf of other Members by virtue of a proxy from such other Members. All proxies must be in writing and must be in such form as has been approved by the Board of Directors and must be filed with the Secretary prior to the appointed time of the meeting at which the proxy is to be exercised. Unless limited by its provisions to a shorter term, each proxy shall continue until (1) revoked by a writing properly filed with the Secretary; (2) the death or incapacity of the Member who gave the proxy; or, (3) the date one hundred eighty (180) days after the date of the proxy. All proxies shall automatically ceased when a Member conveys his/her Lot.

Section 12. Rights of Mortgagees. Any holder of a Recorded First Mortgage on any Lot who desires notice of the Annual and Special Meetings of the Members shall notify the Secretary to that effect by Registered Mail, Return Receipt Requested. Any such notice shall contain the name and post office address of such holder of a Recorded First Mortgage and the name of the individual at such address to whom notices of the Annual and Special Meetings of the Members should be directed. The Secretary shall maintain a roster of all holders of Recorded First Mortgages from whom such notices have been received and shall mail or otherwise cause the delivery of a notice of each Annual and Special Meeting of the Members to each such holders of a Recorded First Mortgage, in the same manner, and subject to the same requirements and limitations as are otherwise provided in this Article for notice to the Members. Any such holder of a Recorded First Mortgage shall be entitled to designate a representative to attend any Annual or Special Meeting of the Members. Such representative may participate in the discussion at any such meeting and may address the Members present at any such meeting, but shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Members upon request made in writing to the Secretary and payment of any copying charges.

Section 13. Order of Business. The order of business at all regularly scheduled meetings of Members shall be as follows:

- A. Roll call and certification of proxies;
- B. Proof of notice of meeting or waiver of notice of meeting;
- C. Reading and approval of minutes of preceding meeting;

- D. Reports of officers on the activities and financial condition of the Association any other reports of interest to the Members;
- E. Reports of committees, if any;
- F. Unfinished business;
- G. New business;
- H. Election of directors;
- I. Election of officers;
- J. Adjournment.

In the case of special meetings, Item (A) through (D) above shall be applicable, and thereafter the agenda shall consist of the items specified in the notice of the meeting.

Section 14: Rules of Order and Procedure. The rules of order and all other matters of procedure at all Annual and Special meetings of the Members shall be determined by the presiding office of such meeting.

ARTICLE VI

Board of Directors

Section 1: Authority. The affairs of the Association shall be managed and controlled by the Board of Directors of the Association which shall have all of the power and authority necessary or appropriate for such management control.

Section 2: Number and Qualifications. Prior to the first meeting of the Members, the Board of Directors shall consist of three individuals appointed by the Incorporator or Declarant. Thereafter, the Board of Directors shall consist of five individuals, who shall be elected as prescribed by these By-laws. Directors need not be Members of the Association.

Section 3: Classification of Directors. So long as there is a Class B Member, three Directors shall be appointed by the Class B Members and two Directors shall be elected by the Class A Members. One of the Directors elected by the Class A Members shall be designated as an Even-Year Director and the other such Director shall be designated as an Odd-Year Director. One of the Directors appointed by the Class B Member shall be designated as an Odd-Year Director and the other two such Directors appointed by the Class B Member shall be designated as Even-Year Directors.

Section 4: Election by Class of Membership. So long as Class B Membership exists, the Directors shall be elected or appointed by classes as set forth in Section 3 of this Article. The Class B Member shall be entitled to appointed the number of Directors which is one more than one-half of the Directors to be elected. The Class A Members shall be entitled to elect the remaining

Directors. Voting by each Class shall be in the manner set forth in Section 6 of this Article. At such time as no Class B Membership exists, the Directors shall all be elected by the Class A Members.

Section 5: Term of Office. At the first meeting of the Members, the Class A Members shall elect two Directors and shall designate which one is the Even-Year Director and which one is the Odd-Year Director. Thereafter, at the annual meeting of the Members in each even year, the Even-Year Director shall be elected and at the Annual Meeting of the Members in each odd year, the Odd-Year Director shall be elected. At the first meeting of the Members, the Class B Member shall appoint three Directors and shall designate which two are the Even-Year Directors and which one is the Odd-Year Director. Thereafter, at the annual meeting of the Members in each even year, the Even-Year Directors shall be appointed and at the Annual Meeting of the Members in each odd year, the Odd-Year Director shall be appointed. Each Director's term shall begin at the conclusion of the Annual Meeting at which he is elected and shall end at the conclusion of the Annual Meeting in which his replacement is selected as specified above.

Section 6: Election of Directors. The election of Directors shall be by written ballot, unless such be dispensed with for any particular election by unanimous consent of the Members present, in person, or by proxy, at the meeting during which the election is held. Such consent may be by voice vote. Each Member shall be entitled to vote the number of votes granted to such Member pursuant to Article IV, Section 4 hereof for each position on the Board of Directors for which such Member is entitled to vote. There shall be no cumulative voting.

Section 7: Change in Number. The number of Directors may be changed from time to time by appropriate amendment to these By-laws; however, there shall be no more than nine members of the Board of Directors unless approved by eighty percent (80%) of each Class of Members. Any decrease in the number of Directors shall not operate to shorten the term of any incumbent Director. If any change is made, the additional Directors shall be classified as Odd-Year Directors or Even-Year Directors as necessary to cause the classification to differ by one.

Section 8: Nomination. Nomination for election to the Board of Directors as a Class A Director shall be made from the floor at the Annual Meeting of the Members, or may be made in advance in writing to the Board of Directors or other suitable party.

Section 9: Powers and Duties. In the management and administration of the Association's affairs, the Board of Directors shall have the power, authority and duty to do all acts and actions, except acts and actions which by law, the Declaration, the Articles or these By-laws may be exercised only by or are reserved only to the Members. Such powers, authorities and duties of the Board of Directors to create, establish or approve policies or decisions relating to the management and administration of the Association's affairs include, but shall not be limited to, the following:

- (a) ***Real and Personal Property.*** To acquire, own, hold, improve, maintain, manage, lease, pledge, convey, transfer or dedicate real or personal property for the benefit of the Members in connection with the affairs of the Association, except the acquisition, mortgaging or disposal of Common Area and/or improvements shall be subject to the provisions of the Declaration.
- (b) ***Set Assessments.*** To establish, determine, assess, collect, use and expend the Assessments from the Members, and to file and enforce liens for such Assessments. To fix, levy and collect assessments as provided in these By-laws and the Declaration.
- (c) ***Set Budgets.*** Determine Common Expenses and set budgets and reserves. To authorize the payment of patronage refunds to the Members if and when the Board of Directors determines that the funds derived from Assessments are more than sufficient to satisfy all reasonably foreseeable financial needs or requirements of the Association during the current fiscal year, including funds for reserves.
- (d) ***Employment of Agents.*** To employ, enter into contract with, delegate authority to, and supervise such persons or entities as may be appropriate to manage, conduct and perform the business obligations and duties of the Association. To select, designate, train, hire, supervise and discharge personnel necessary or appropriate for the proper maintenance, care, upkeep, surveillance, services and efficient operation of the Common Areas and Common Facilities, and to establish the compensation and other benefits of or for such personnel.
- (e) ***Rule Making.*** To establish rules and regulations for the use of property as provided in the Declaration; to review, modify and approve architectural standards adopted by the Architectural Review Board; to adopt, promulgate and enforce such rules, regulations, restrictions and requirements as may be recommended by the Architectural Review Board pursuant to the Declaration or the Management Agent pursuant to the Declaration or as the Board of Directors may consider to be appropriate with respect to the Property, the Lots and any improvements on the Lots including dwellings, or the use, occupancy and maintenance of the Common Areas and Common Facilities, including, but not limited to, rules regulations, restrictions and requirements designed to prevent unreasonable interference with the use, benefit and enjoyment of the Common Areas and Common Facilities by the Members and other authorized Persons, or to govern activities which may be environmentally dangerous or hazardous, including the use or application of fertilizers, pesticides and other chemicals in or on the Property.
- (f) ***Easements, Licenses, Leases.*** To grant and convey easements to the Common Area as may become necessary. To lease and to grant licenses, easement, rights-of-way, and other rights of use in or option, sell, assign, exchange, trade, transfer, quitclaim, surrender, release, abandon, mortgage or encumber or otherwise convey all or any portion of the Common Areas and Common Facilities upon such terms, conditions and provisions as the Board of Directors considers to be

advisable, appropriate, convenient or advantageous for or to the Association, subject to any requirements or limitations herein or in the Declaration.

(g) ***Acquisition of Lots.*** To acquire Lots and to option, lease, sell, assign, exchange, trade, transfer, quitclaim, surrender, release, abandon, mortgage or encumber or otherwise convey any of such Lots upon such terms, conditions and provisions as the Board of Directors considers to be advisable, appropriate, convenient or advantageous for or to the Association.

(h) ***Management Agent.*** To retain or employ a Management Agent for such compensation and for the performance of such duties and services as established or prescribed by the Board of Directors from time to time.

(i) ***Contracts and Agreements.*** To negotiate, prepare, execute, acknowledge and deliver all contracts, agreements, commitments and other documents relating to the Association's affairs.

(j) ***Proceeding at Law.*** To prosecute, defend, appeal, settle, compromise or submit to arbitration, any suit, action, claim or proceeding at law or in equity or with or before any governmental agency or authority which involves or affects the Association, including Common Areas and Common facilities.

(k) ***Legal and Professional Agents.*** To retain or employ and pay the fees, expenses or other compensation of accountants, attorneys, architects, contractors, engineers, consultants or other Persons who may be helpful, necessary, appropriate or convenient in or to the Association's affairs, whether or not related to or affiliated with any Director or Officer of the Association or any Member or the Declarant.

(l) ***Borrow Funds.*** To borrow any funds required for the Association's affairs from any Person on such terms, conditions and provisions as may be acceptable to the Board of Directors, and to secure the repayment of any such loans by executing deeds of trust or by pledging or otherwise encumbering or subjecting to a security interest all or any portion of the assets of the Association, including the Common Areas and Common Facilities.

(m) ***Rules and Regulations.*** To establish rules, regulations, restrictions, requirements and fees and charges from time to time relating to the use of the recreational areas and amenities now or hereinafter located in or on the Common Areas or the Common Facilities.

(n) ***Title to Property.*** To accept title to any property, either alone or with co-tenants, as a Common Area or as Property owned by the Association for such purposes or on such terms as the Board of Directors may approve.

- (o) ***Appeals.*** To decide appeals relative to architectural review applications as provided herein;
- (p) ***Enforcement of Governing Documents.*** To perform such acts, as may be reasonably necessary or appropriate, including bring suit, causing a lien to be foreclosed or suspending membership rights, including but not limited to voting rights, to enforce or effectuate any of the provisions of the Governing Documents, subject to approval which may be filed and is pending;
- (q) ***Disputes.*** To determine matters of dispute or disagreement between Members with respect to interpretation or application of the Governing Documents, which determination shall be final and binding on all Owners.
- (r) ***Insurance.*** To purchase insurance upon the Common Areas and Common Facilities.
- (s) ***Common Areas.*** To maintain, repair, restore, reconstruct or demolish all or any portion of the Common Areas and Common Facilities after any casualty loss, and to otherwise improve the Common Areas and Common Facilities.

Section 10: Vacancies. Should the Director's position held by a Director elected by Class A Members become vacant, such vacancy shall be filled by appointment by majority vote of the remaining Directors within thirty (30) days of the vacancy. If no person is elected by the remaining Directors, the President shall call a special meeting of the Class A Members for the purpose of electing a replacement Director. The individual so elected shall serve as Director for the balance of the term of the Director whose position was vacated or until his successor has been elected and has been duly qualified. Should the Director's position held by a Director elected by Class B Members become vacant, such vacancy shall be filled by appointment by the Class B Members. The individual so appointed shall serve as Director for the balance of the term of the Director whose position was vacated or until his successor has been elected and duly qualified.

Section 11: Removal of Directors. At any special meeting of the Members duly called for such purpose, any Director may be removed from office, with or without cause, by the affirmative vote of two-thirds majority of the votes of the Class of Members who elected such Director and who are present and voting, in person or by proxy, at such meeting, with each Member to have the votes as set forth in Article IV, Section 4. In the event of such removal, a successor to the Director thus removed may be elected then and there to fill the vacancy thus created. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting called for the purposes of considering such removal. If any Director who is a Member becomes more than sixty (60) days delinquent in payment of any assessment owned to the Association, such Director may be removed from his office as a Director by a resolution adopted by a majority of the remaining Directors, unless such delinquency is paid within five (5) days of the adoption of the resolution. In the event of such removal, the vacancy shall be filled as set forth herein.

Section 12: Compensation. Except upon resolution of at least two-thirds (2/3) of each class of the Members of the Association, no compensation shall be paid to any Director for services as a Director. After the first annual meeting of the Members, no remuneration shall be paid to any Director who is also a Member for services performed by him for the Association in any other capacity unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before such services are undertaken. A Director may be reimbursed for actual out-of-pocket expenses necessarily incurred in connection with services as a Director.

Section 13: Organizational Meeting of the Directors. The first meeting of a newly constituted Board of Directors shall be held with sixty (60) days after the Annual Meeting of the Members at which the elected Directors were elected. Such first meeting shall be held at the principal office of the Association or at such other place as may have been fixed by the Members or Board of Directors. Notice shall be the same as for a regular meeting.

Section 14: Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given by the Secretary to each Director, personally or by mail, telephone, facsimile, email, or telegraph, at least three (3) days prior to the day fixed for such meeting.

Section 15: Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each Director, given personally or by mail, telephone, facsimile, email or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and upon like notice if requested in writing by at least one-half (½) of the Directors.

Section 16: Waiver of Notice. Before, at or after any meeting of the Board of Directors, any Director may waive, in writing, notice of such meeting, and such waiver shall have the same effect as if notice of the meeting had been properly and timely given to such Director. Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him of the time, place and purpose thereof unless at the beginning of the meeting the Director objects to the holding of the meeting because notice was not properly given. If all the Directors are present at any meeting of the Board of Directors, no notice shall be required and business of any type may be transacted at such meetings, unless at the beginning of the meeting a Director objects to the holding of the meeting because notice was not properly given.

Section 17: Attendance by Telephone. A Director unable to be physically present at a meeting shall nonetheless be counted present if a telephonic conference is arranged by which the Director may be heard and may hear the proceedings of the meeting.

Section 18: Quorum. At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the actions of the majority of the Directors present at any meeting at which a quorum is present shall be the actions of the Board of Directors. If at any meeting of the Board of Directors, including anyone or more adjourned meetings, there should be less than a quorum present, the majority of those present may adjourn the meeting to a later time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 19: Action without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all the members of the Board of Directors shall consent individually or collectively in writing to such action. Such written consent or consents shall be filed as part of the minutes of the Board of Directors.

Section 20: [Intentionally Deleted].

Section 21. Fidelity Bonds. All officers, directors and employees of the Association who regularly handle or otherwise are responsible for the funds of the Association may furnish adequate fidelity bonds or equivalent insurance against acts of dishonesty. The premiums on such bonds or insurance shall be paid by the Association.

Section 22: Committees. The Board of Directors, by Resolution adopted by a majority of the Directors, may appoint committees to perform such tasks and to serve for such periods as the Board may deem desirable. Such committees shall perform such duties and have such powers as may be provided in the Resolution. Each committee will be composed as required by law and shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors and such provisions as designated in the Declaration.

Section 23: Architectural Control Board. So long as the Declarant owns any property in the Community, or any of the Expansion Property, it shall appoint the members of the Architectural Control Board. After such time as the Declarant no longer owns a Lot or any of the Expansion Property, the Board of Directors shall appoint the Members of the Architectural Control Board.

ARTICLE VII

Officers

Section 1: Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Members. Only those individuals who are Members of the then current Board of Directors shall be eligible to serve as officers of the Association; however, a Director, merely by virtue of being a Director, shall not be considered an officer of the Association. In addition to the officers named above, the Board of Directors may elect, from among the members of the Board of Directors, one or more

Assistant Secretaries and one or more Assistant Treasurers and such other officers as in their judgment may be necessary or appropriate. The offices of Secretary and Treasurer may be filled by the same individual, and likewise, the offices of the Assistant Secretary and Assistant Treasurer maybe filled by the same individual.

Section 2: Election of Officers. The initial officers of the Association may be elected by the Board of Directors name in the Articles or designated by the Incorporator and such shall serve until the first meeting of the Members. Thereafter, the officers of the Association shall be elected annually at each Annual Meeting of the Members. Each officer so elected shall hold office until his successor has been elected at the next ensuing Annual Meeting of the Members, and has duly qualified. Each Member shall be entitled to vote the number of votes granted to such Member in Article IV, Section 4.

Section 3: Vacancies. Should the office hold by an officer become vacant, such vacancy shall be filled by appointment by a majority vote of the Board of Directors within thirty (30) days of the vacancy. If no person is elected by the Directors, a special meeting of the Members shall be called for the purpose of electing a replacement officer. The individual so elected shall hold the office to which elected until his successor has been elected at the next ensuing Annual Meeting of the Members, and has duly qualified.

Section 4: Removal of Officers. At any special meeting of the Members duly called for such purpose, any officer may be removed from office, with or without cause, by the affirmative vote of a two-thirds majority of the Members of each Class present and voting, in person or by proxy, at such meeting. In the event of such removal, a successor to the officer thus removed may be elected then and there to fill the vacancy thus created. Any officer whose removal has been proposed shall be given the opportunity to be heard at the meeting called for the purpose of considering such removal.

Section 5: President. The President shall be the chief executive office of the Association. He shall preside at all meetings of the Members and all meetings of the Board of Directors. He shall have all of the general authorities, powers and duties which are normally vested in the office of president of a corporation; provided, however, that such authorities, powers and duties, from time to time, and at any time, may be restricted or enlarged by the Board of Directors.

Section 6: Vice President. The Vice President shall take the place of the President, and shall have the authorities and powers and perform the duties of the President, whenever the President is unwilling or unable to act. If neither the President nor the Vice President is willing or able to act, the Board of Directors shall appoint another Director to act as the chief executive officer of the Association on an interim basis. The Vice president shall assist the President generally, and when acting for the President, shall have the same authorities. powers and duties as the President. The

authorities, powers and duties of the Vice President, from time to time and at any time, may be restricted or enlarged by the Board of Directors.

Section 7: Secretary. The Secretary shall keep the minutes of all meetings of the Members and the minutes of all meetings of the Board of Directors. The Secretary shall give notice of all annual and special meetings of the Members and all regular and special meetings of the Board of Directors. The Secretary shall have custody of the seal of the Association, if any. The Secretary shall have charge of the membership transfer books and of such other books and papers as the Board of Directors may specify. In addition, the Secretary shall have whatever other authorities, powers and duties, but only such authorities, powers and duties, as may be prescribed by the Board of Directors. If, at any one or more times, the Secretary is unwilling or unable to perform his duties, such duties may be performed by anyone or more individuals designated by the Board of Directors.

Section 8: Treasurer. The Treasurer shall have responsibility for the funds and securities of the Association, and shall have the responsibility for keeping, or causing to be kept, full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall have responsibility for causing the deposits of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as from time to time may be designated by the Board of Directors. In addition, the Treasurer shall have whatever other authorities, powers and duties, but only such authorities, powers and duties, as may be prescribed by the Board of Directors. If, at any one or more times, the Treasurer shall be unwilling or unable to perform any part of his duties, such duties may be performed by one or more other individuals designated by the Board of Directors.

ARTICLE VIII

Indemnification of Officers and Directors

Section 1: Indemnification. The Association shall indemnify every officer and director of the Association, and every person who may serve at the request of the Board of Directors as a director or officer of another association in which the Association owns an interest or shares of stock or of which the Association is a creditor, against all costs actually and reasonably incurred by any such officer, director or person in connection with the defense of any action, suit or proceeding, civil or criminal, to which any such officer, director or person is a party by reason of his being or having been such officer, director or person, provided that such indemnification shall not extend to any matters concerning which such officer, director, or person shall be adjudged in such action, suit or proceeding to be liable for gross negligence or misconduct in the performance of duty. Such indemnification shall include amounts payable as the result of the settlement of any such action, suite or proceeding, so long as any such settlement shall be approved in writing by the Board of Directors. No officer or director of the Association shall not be liable to the Members of the Association for any mistake of judgment, or otherwise, except as provided by law and except for such person's own individual willful misconduct or bad faith. The officers and directors of the Association shall have

no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association, and the Association shall indemnify and forever hold each such officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director of the Association, or former officer or director of the Association, may be entitled, whether by law, by resolution adopted by the Members after notice, or otherwise.

Section 2: Conflict and Identity of Interest. The Directors and officers shall exercise the powers and duties in good faith and with a view to the interest of the Association. No contract or other transaction between the Association and one or more of its Directors or officers, or between the Association and any corporation, firm or association in which one or more of the Directors or officers of this Association are directors or officers or are pecuniary or otherwise interested, shall be either void or voidable because such Director or Directors or officer or officers were present at the meeting of the Board of Directors or any committee thereof which authorized or approved the contract or transaction, or because his or their votes were counted for such purpose, if any, if the conditions specified in any of the following paragraphs exist:

- (a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or noted in the minutes of the Board, and the Board authorizes, approves, or ratifies such contract or transaction in good faith by a vote sufficient for such purpose; or
- (b) The fact of the common directorate or interest is disclosed or known to the Members, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for such purpose; or
- (c) The contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved or executed.

A common or interested Director may be counted in determining the presence of a quorum at any meeting of the Board of Directors or any committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote to authorize any contract or transaction with like force and effect as if he were not a common or interested Director.

ARTICLE IX

Management Agent

Section 1: Management Agent. If it so desires, the Board of Directors shall retain or employ a Management Agent at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors from time to time may authorize. The Management Agent shall perform such duties and services as the Board of Directors shall direct and authorize which may include, without being limited to, the following power and authority:

- (a) To establish and collect the Annual and Special Assessments, and enforce liens to secure the collection of such Assessments.
- (b) To provide for the maintenance, care, upkeep, surveillance, services and efficient operation of the Common Areas and Common Facilities.
- (c) To select, designate, train, hire, supervise and discharge personnel necessary or appropriate for the proper maintenance, care, upkeep surveillance, services and efficient operation of the Common Areas and Common Facilities.
- (d) To enforce and to recommend that the Board of Directors approve and enforce such rules, regulations, restrictions and requirements relating to maintenance, care, upkeep, surveillance, services and operation of the Common Areas and Common Facilities.
- (e) To provide such other services for the Association as may be requested by the Board of Directors, including legal and accounting services.

Any management agreement entered into by the Association and any Management Agent shall permit termination for cause by the Association upon thirty (30) days written notice to the Management Agent. The term of any such management agreement shall not exceed one (1) year, but may be renewable by mutual agreement for successive one-year terms.

ARTICLE X
Insurance and Casualty Losses

Section 1: Insurance. Except as to builder's risk and other insurance furnished by the Declarant or a Contractor during construction and reconstruction, the Board of Directors shall obtain and maintain, to the extent reasonably available, at least the following:

- (a) A hazard insurance policy on all of the Common Areas and Common Facilities providing protection against loss or damage by fire and all other hazards that are normally covered by the standard extended coverage endorsement, and all other perils customarily covered for similar types of projects, including those covered by standard "all risk" endorsements.
- (b) A comprehensive policy of public liability insurance in such amount and in such form as may be considered appropriate by the Board of Directors which policy may include a "severability of Interest Endorsement" or its equivalent, and which policy shall afford coverage with respect to whatever additional and special liabilities the Board of Directors may specify, including but not limited to, hired automobile liability, non-owned automobile liability, liability for property of others, liability incident to the ownership and use with respect to projects similar in construction, location and use;
- (c) Worker's compensation insurance to the extent necessary to comply with any applicable law;
- (d) Insurance affording fidelity coverage to protect the Association against dishonest acts on the part of officers and Directors of the Association, trustees of and for the Association, and employees and agents of the Association who handle or are responsible for handling of funds belonging to the Association, which fidelity coverage shall meet at least the following requirements:
 - (i) all such fidelity bonds and policies of insurance shall name the Association named insured, as the circumstances may require; and,
 - (ii) all such fidelity bonds and policies of insurance shall be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating budget of the Association, including reserves; and

- (iii) all such fidelity bonds and insurance shall provide that they may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written notice to any and all obliges and insured's named thereon; and
- (c) Such other policies of insurance, including insurance for other risks of a similar or dissimilar nature, as shall be considered appropriate by the Board of Directors in its discretion.

Section 2: [Intentionally Deleted]

Section 3: Insurance on Residences and Personal Property Insurance. Each Owner shall insure his Dwelling and other improvements on his Lot at all times against losses due to hazards which may be insured or covered under extended coverage provisions, including fire, windstorm, hail, explosion, riot, civil commotion, aircraft, vehicles, smoke, and other hazards. The Owner shall furnish the Association proof of such coverage, if requested.

By acceptance of a deed, or other conveyance document, each Owner irrevocably constitutes and appoints the Association as his true and lawful attorney in his name, place, and stead to repair, reconstruct, restore, or demolish the Dwelling or other improvements in the event the Owner fails or refuses to perform such obligations. In such event the Association may pay the cost and expense of such repair, reconstruction, restoration, or demolition. All such costs, expenses, and charges incurred or paid by the Association, including interest on any funds advanced by the Association or paid to lenders by the Association shall be (i) immediately due and payable to the Association by the Owners; (ii) a charge on the land and a continuing lien against the Lot; (iii) the continuing personal obligation of each Owner at the time of such damage or destruction and/or at any time during such repair, reconstruction, restoration, or demolition; and, (iv) considered to be a Special Assessment against such Lot.

Each Owner shall be responsible at his own expense and cost for his own personal insurance on the contents of his Dwelling and other improvements, including decorations, furnishings and personal property in or on such Dwelling or other improvements, and his personal property stored elsewhere on his Lot or the Property, and for his personal liability to Persons which is not covered by liability insurance for all Owners obtained by the Association and included in the annual maintenance Assessments.

Section 4: Casualty Damage - Reconstruction, Repair or Demolition. In the event of damages or destruction to any residence by fire or other casualty, the same shall be promptly repaired, replaced or reconstructed in substantial conformity with the original plans and specifications for same, or in conformity with new plans and specifications approved by the

Architectural Control Board, or any remaining structures shall be completely demolished and the Lot restored to its condition prior to construction.

ARTICLE XI

Fiscal Management

Section 1: Fiscal Year. The fiscal year of the Association shall begin on the first day of January of each year, except for the first fiscal year which shall begin on the date the Articles are filed with the Secretary of State of Mississippi. The commencement date of the fiscal year as herein established shall be subject to change from time to time by resolution of the Board of Directors, should the Board of Directors deem any such change or changes appropriate.

Section 2: Change of Principal Office. The principal office of the Association shall be at the location set forth in Article I of these By-laws. The Board of Directors may change the location of the principal office of the Association from time to time.

Section 3: Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer in accordance with generally accepted accounting practices, consistently applied. The same shall include books with detailed accounts, in chronological order, of receipts and expenditures and other transactions of and for the Association.

Section 4: Reporting. At the close of each fiscal year, the Association shall furnish the Members and any mortgagee requesting same with an annual financial statement, which shall set forth a summary of all pertinent financial data, including the income and disbursements of the Association. Such annual financial statement shall be furnished within ninety (90) days following the end of each fiscal year. Upon the favorable vote of fifty-one percent (51%) of the voting power of the Members, the books and records of the Association shall be audited by an independent certified Public Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards, consistently applied. Based upon such report, the Association shall furnish the Members and any mortgagee requesting same a copy of the audited financial report.

Section 5: Inspection of Books. The books and accounts of the Association, the vouchers accrediting the entries made thereupon and all other records maintained by the Association shall be available for examination by any Member and his or her duly authorized agents or attorneys, and by any holder of a Recorded First Mortgage on any Lot and its duly authorized agents and attorneys, during normal business hours and for purposes reasonably related to such Member's or First Mortgage Holder's respective interest and after reasonable notice to the Association. All such information shall be confidential information and shall not be disclosed.

Section 6: Execution of Corporate Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Association by either the President or Vice President, and all checks shall be executed on behalf of the Association by such officers, agents or other person as may be authorized from time to time by the Board of Directors.

Section 7: [Intentionally Deleted].

Section 8: Assessments. The Board of Directors shall determine and collect all Assessments as permitted or required in the Declaration. The Declarant shall not be subject to any Assessments. The Annual Assessment provided for herein shall commence on the first day of the month immediately following the conveyance of the first lot to an Owner and shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the first Annual Assessment against each Lot by a majority vote. Written notice of the Annual Assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an Officer of the Association setting forth whether the assessments on a specified Lot have been paid. The Annual Assessment may be collected in advance on a periodic pro-rata basis at the option of the Board of Directors.

ARTICLE XII

Assessments

Section 1: Creation of the Lien and Personal Obligation of Assessment. According to the Declaration, the Developer covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) Annual Assessments; (2) Special Assessments, such assessments to be established and collected as hereinafter provided; and, (3) Restoration Assessments incurred by Owners damaging Common Area properties or failing to maintain their Lot; such Assessments, together with interest thereon, late charges and costs of collection, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such Assessment together with interest, costs and reasonable attorney fees, shall also be the personal obligation of the Owner of such property at the time when the assessment fell due. No Owner may waive or otherwise escape liability for the Assessment provided for herein by non-use of the Common Areas or abandonment of his lot.

Section 2: Purpose of Annual Assessment. This assessment levied by the Association shall be used exclusively to provide services and to be used for the improvements and maintenance of the Common Areas within the community. An adequate reserve for replacements of facilities and equipment shall be established and funded from the Annual Assessment. The funds of this reserve shall be deposited separately in a financial institution account insured by the United States

Government. It may be used only for the replacement or improvements to the Common Areas or major repairs thereto warranted by their deterioration or through destruction from any cause.

Section 3. Common Expense & Minimum Services Provided. The specific services to be provided shall be decided upon by the Association's Board of Directors. As a minimum they will include:

- (a) The cost of all operating expenses of the Common Areas and facilities and services furnished;
- (b) The cost of necessary management and administration;
- (c). The amount of all taxes and assessments levied against the Association or upon any property which it may own or which it is otherwise required to pay;
- (d) The cost of adequate fire and extended liability insurance on all Common Areas and facilities and any other insurance the Association may effect;
- (e) The cost of maintaining, replacing, repairing and landscaping the Common Areas and facilities as the Association's Board of Directors determine to be necessary and proper;
- (f) The cost of funding all reserves established by the Association, including general operating reserve and a reserve for replacements; and,
- (g) All payments toward debts owed by the Association.

Section 5: Changes in Annual Assessment. Changes may be made in the Annual Assessment as follows:

A. From and after January 1 of the year immediately following the year or that part of the year in which the First Annual Assessment is imposed, the Annual Assessment may be increased by the Board of Directors each year not more than five percent (5%) above the prior Annual Assessment;

B. From after January 1 of the year immediately following the conveyance of the first Lot to an Owner who is not the Developer or a Participating Builder, the Annual Assessment may not be increased above the amount which can be set by the Board of Directors without the vote or written assent of two-thirds (2/3) of members at a meeting pursuant to the quorum requirements set forth in Article V, Section 7 of these By-laws; and,

C. The Board of Directors of the Association may, after consideration of current maintenance costs and future needs of the Association, fix the Annual Assessment for any year at a lesser amount than that for the previous year.

Section 6: Special Assessment. In addition to the Annual Assessment authorized above, the Association may levy, in any assessment year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, repair or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related thereto, provided that any such assessment shall have the vote or written assent of two-thirds (2/3) of each class of members at a meeting pursuant to the quorum requirements set forth in Article V, Section 7 of these By-laws.

Section 7: Restoration Assessment. The Association may levy a Restoration Assessment upon any Lot whose Owner damages or causes to be damaged any portion of the Common Areas, as provided in Article IV, Section 4 of the Declaration, and upon any Lot whose Owner fails to maintain such Lot, as provided in Article VII, Sections 9 and 15 of the Declaration. Restoration Assessments shall be limited to the amount necessary to meet the cost of restoration and the cost of collection thereof; and such shall constitute a lien against a Lot, recordable among land records.

Section 8: Notice and Quorum for any Action Authorized Under Sections 5(B) and 6 of Declaration. Any action authorized under Section 5(B) and 6 of the Declaration shall be taken at a meeting called for that purpose, written notice of which shall be sent to all Members not less than ten (10) days or more than thirty (30) days in advance of the meeting. At the meeting called for such purposes, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting (30% of Members or proxies).

Section 9. Uniform Rate of Assessment. Both Annual and Special Assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly, quarterly or yearly basis as determined by the Association's Board of Directors; such assessments shall be determined as follows:

A. Platted Lots with completed Living Units shall be assessed at one hundred percent (100%) of Assessment as established by the Association.

B. Vacant platted Lots or Lots with Living Units under construction shall be assessed at one hundred percent (100%) of Assessment as established by the Association and will commence six months from the date of conveyance of the Lot, or upon occupancy of the dwelling, whichever occurs first.

C. Vacant platted Lots owned by the Developer shall not be subject to Assessment by the Association.

D. No Assessment of any kind or nature shall be levied by the Association against any areas not platted or reserved for future development by this Declaration.

Section 10. Effect of Non-payment of Assessments: Remedies of the Association. Any Assessment not paid within thirty (30) days after the due date shall be considered delinquent and shall be subject to a late fee to be determined by the Board of Directors and also shall bear interest from the due date at a rate to be determined by the Board of Directors for each assessment period not to exceed the maximum rate which may be charged un applicable State and Federal laws. The Association may bring an action at law against the of Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Areas or abandonment of his Lot. Each Owner, by his acceptance of a conveyance of a Lot, hereby against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available, including judicial and non-judicial foreclosure by an action brought in the name of the Association in a like manner as a mortgage or deed of trust lien on real property, and such Owner hereby expressly grants to the Association power of sale in connection with said lien. The lien provided for in this Section shall be in favor of the Association and shall be for the benefit of all other Members.

Section 11: Subordination of the Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any Recorded First Mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall not extinguish the lien of such Assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability or for any assessments thereafter becoming due or from the lien thereof. The Owner of a Lot may create a second mortgage on the condition that any such second mortgage shall always be subordinate to all of the terms, conditions, covenants, restrictions, uses, limitations, obligations, liens for Assessments and other payments created by this Declaration, by the By-laws and Rules and Regulations of the Association. y expressly vest in the Association, or its agents, the right and power to bring all actions.

ARTICLE XIII Amendment

Section 1: Amendment by Members. Subject to any other applicable limitations set forth herein or in the Governing Documents, these By-laws may be amended by vote of each Class of Members if, and only if, the number of votes cast in favor of any particular amendment shall be equal to at least fifty-one percent (51%) of the total number of votes held by such class of Members of record at the time of the vote. Amendment of these By-laws may be considered at a special or annual meeting of Members if a description of the proposed amendment accompanied a proper notice of such meeting. Amendment of the By-laws may also be accomplished by a written proposal to Members, if such proposal is approved by the requisite number of Members, which approval shall

be given to the Board of Directors in written form. If any such amendment is approved in this manner, notice of such approval shall be provided to the Members within sixty (60) days of such approval, either in writing or by announcement at any annual or special meeting of the Members held within such sixty (60) day period. So long as Declarant owns any property in the community, or any of the Expansion Property, it must approve any amendment for it to be valid and binding.

Section 2. Amendment by Board of Directors. The Board of Directors may amend the By-laws without the consent of the Members, so long as the Declarant approves, for the purpose of:

- (a) complying with the laws and ordinances of any governmental entity having authority over the Property; or,
- (b) inducing any governmental entity or agency to make, purchase, sell, insure, or guarantee loans and/or first deeds of trust on any Lot.

Section 3: Proposal of Amendments. Amendments to these By-laws may be proposed by the Board of Directors or by petition signed by members having at least twenty-five percent (25%) of the total votes of all Members, which petition shall be delivered to the Secretary. A description of any proposed amendment shall accompany the notice of any annual or special meeting of the Members at which such proposed amendment is to be considered and voted upon.

ARTICLE XIV

Mortgages

Section 1: Notice to Board of Directors. Any Owner of any Lot who mortgages such Lot shall promptly notify the Board of Directors of the name and address of such Owner's mortgagee, and if requested so to do, shall file a conformed copy of such mortgage with the Board of Directors. The Board of Directors shall maintain a suitable roster pertaining to such mortgages.

ARTICLE XV

Common Facilities

Section 1: Rules and Regulations. The Board of Directors shall have full authority to make and publish any and all rules and regulations relating to the Common Facilities, the Clubhouse, Poole, and other improvements thereon, including but not limited to, all rentals and fees for use.

Section 2: Amendment of Rules and Regulations. The Board of Directors shall have full authority to amend such rules and regulations relating to the Common Facilities, at any time and from time to time as the Board of Directors shall determine.

ARTICLE XVI
Interpretation - Miscellaneous

Section 1: Conflict. The By-laws are subordinate and subject to all provisions of the Declaration, as amended and supplemented, and to the provisions of the Articles. All the words and expressions in these By-laws shall have the same meanings, respectively, as are attributed to them by the Declaration, except where such is clearly repugnant to the context. In the event of any conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control. In the event of any conflict between these By-laws and the Articles, the provisions of the Articles shall control.

Section 2: Notices. Unless another type of notice is herein elsewhere specifically provided for, any and all notices required by these By-laws shall be given in writing.

Section 3: Severability. Invalidation of any provision of these By-laws shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

Section 4: Waiver. No restriction, condition, obligation or provision of these B-laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same. Any waiver shall be effective only if in writing.

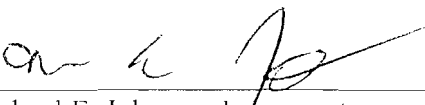
Section 5: Captions. The captions contained in these By-laws are for convenience only and are not apart of these By-laws and are not intended in any way to limit or enlarge the terms and provisions of these By-laws or to aid in the construction thereof.

Section 6: Gender, etc. Whenever in these by-laws the context so requires, the singular shall include the plural and the converse, and the use of any gender shall be deemed to include all genders.

Section 7. Governing Law. The operation of the Association and these By-laws shall be governed by and construed in accordance with the laws of the State of Mississippi.

THIS DOCUMENT executed as of the 29th day of May, 2009.

PROVIDENCE PROPERTY OWNERS ASSOCIATION, INC.



Michael E. Johnson, Incorporator