

Amended 7/21/2013

**AMENDED AND RESTATED BYLAWS
OF
ASHBROOKE OWNERS ASSOCIATION**

Ashbrooke Owners Association (the "Association") hereby amends and restates its Bylaws in full as set forth below. The following Amended and Restated Bylaws shall supersede all prior Bylaws adopted by the Association.

**ARTICLE I.
Name and Location**

Name and Location. These are the Bylaws of and for the Mississippi non-profit and non-share corporation named:

ASHBROOKE OWNERS ASSOCIATION

Said corporation is referred to herein at times as the "Association." The principal office and mailing address of the Association is located at 10 Canebrake Blvd., Flowood, Mississippi 39232.

**ARTICLE II.
Definitions**

The following words when used in these Bylaws shall have the following meanings:

- A. **Articles.** "Articles," as used herein, means the Articles of Incorporation of the Association.
- B. **Association.** "Association" shall mean and refer to Ashbrooke Owners Association, a non-profit corporation, incorporated under the laws of the State of Mississippi for the purpose of effecting the intents and objections herein set forth, and its successors and assigns.
- C. **Board of Directors.** "Board of Directors," as used herein, means the Board of Directors of the Association.
- D. **Common Area.** "Common Area" shall mean all real property (including the improvements thereon), or interest in real property, such as easements respecting certain lakes, and any additional property which is now or may hereafter be subjected to the Declaration, owned by the Association for the common use and enjoyment of the Owners.

E. **Declarant.** "Declarant," as used herein, means Gideon & Shoemaker, LLC, a Mississippi limited liability company; Stratford and Timber Homeowners Association, Inc., a Mississippi nonprofit corporation; and Cherry Hill Plantation Limited Partnership, a Mississippi limited partnership; or, as the Declarant is defined by the Declaration.

F. **Declaration.** "Declaration," as used herein, means that certain instrument entitled "Amended and Restated Declaration of Covenants, Conditions and Restrictions for Ashbrooke, a Community" filed for record in the office of the Chancery Clerk of Madison County at Canton, Mississippi in Book 2980 at Page 851, effective July 29, 2013, and as same may hereafter be supplemented or amended.

G. **Ashbrooke, A Subdivision.** Ashbrooke, a subdivision shall mean or refer to property as described in and attached hereto as Exhibit "A" to these Bylaws.

H. **Dwelling.** "Dwelling" shall mean a single family residential detached house.

I. **Eligible Mortgage Holder.** "Eligible Mortgage Holder" shall mean those holders of a first mortgage on a Lot who have requested, in writing, the Association to notify them on any proposed action that requires the consent of a specified percentage of eligible mortgage holders or of an Assessment or installment thereof, which shall become and remain delinquent for a period in excess of sixty (60) days.

J. **Lake.** Any body of water denoted and outlined on any plat of lots of Ashbrooke, a subdivision, or as described, set forth and provided for in the Declaration.

K. **Lot.** "Lot" shall mean and refer to any plot or tract of land shown upon the recorded subdivision plat of each subdivision, which is subject to the Declaration, or which the Owner thereof is required or permitted membership in the Association, exclusive of the Common Area, which is designated as a Lot therein and which is or may be improved with a residential dwelling.

L. **Member.** "Member" shall mean and refer to each Owner as provided herein in Article V.

M. **Mortgagee.** "Mortgagee" shall mean a bank, savings and loan association, insurance company, mortgage company, real estate investment trust, pension fund, corporation, recognized institutional type lender or its loan correspondent, agency of the United States government or individuals, which owns or which is the holder of a Recorded First Mortgage.

N. **Owner.** "Owner" or "Property Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee or undivided fee interest in any Lot which is part of the Properties, including contract sellers, but excluding those persons or entities who hold an interest merely as security for the performance of an obligation.

O. **President, Vice President, Secretary and Treasurer.** The words "President," "Vice President," "Secretary" and "Treasurer," as used herein, mean, respectively, the President, Vice President, Secretary and Treasurer of the Association.

P. **Project.** The word "project" and the word "community" as used herein, means that certain community known generally as "Ashbrooke" being developed by the Declarant in Madison County, Mississippi.

Q. **Property.** "Property" or "Properties" shall mean and refer to (i) that certain real property described in Exhibit "A" to the Declaration and brought under said Declaration pursuant to the provisions thereof; and (ii) "Additional Property" shall mean or refer to any parcel of land lying adjacent to the Property and being in Ashbrooke, which may hereafter become subject to a properly executed and recorded amendment to said Declaration entitling the Owner thereof to become a member of the Association.

R. **Recorded First Mortgage.** "Recorded First Mortgage" shall be deemed to mean a mortgage or deed of trust properly recorded in the office of the Chancery Clerk of Madison County, Mississippi, or other public office designated by the statutes and laws of the State of Mississippi for the recording of mortgages in Madison County, Mississippi, the lien of which is prior, paramount, and superior to the lien of all other mortgages and deeds of trust.

ARTICLE III. Property Rights

Section 1. Owners' Easements of Enjoyment. The owners shall have a right and easement of enjoyment in and to certain Lakes, roadways and the Common Area which shall be appurtenant to and shall pass with the title to every Lot, as set forth in the Declaration, subject to the following provisions:

A. The right of the Association, acting by and through its Board of Directors, to levy reasonable admission and other fees for the use of any community facilities (excluding streets, roads and parking areas which have been accepted by Madison County, Mississippi for maintenance) situated upon the Property by the Owners and their families, tenants and guests; provided, however, that any such fees shall be charged on a uniform and equal basis for each Owner; and

B. The right of the Association to suspend any Owner's rights to use the Common Areas and community facilities (except rights to use streets, roadways and parking areas, which latter rights shall not be subject to suspension for any reason) for any period during which any assessment remains unpaid and for any period not exceeding sixty (60) days for any infraction of any of the published rules and regulations of the Association; and

C. The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Board of Directors. No such dedication or transfer shall be effective unless a majority of the Board of Directors of the Association consent to such dedication, transfer, purpose and conditions, at a special meeting of the Board duly called for such purpose or an instrument agreeing to such dedication or transfer signed by a majority of the Board has been recorded; and

D. The right of the Association, in accordance with its Articles of Incorporation and Bylaws, to borrow money for the purpose of improving the Common Areas and community facilities in a manner designed to promote the enjoyment and welfare of the Owners, and in aid thereof to mortgage any of the Common Areas and community facilities, provided, however, that no such borrowing shall be done and no such mortgage shall be executed unless and until same has been approved by the vote of a majority of the Board of Directors; and

E. The right of the Association to take such steps as are reasonably necessary to protect the property of the Association against mortgage default and foreclosure; provided, however, that any such steps are in conformity with the other provisions of the Declaration and the Bylaws; and

F. The right of the Association to adopt reasonable rules respecting use of the Common Areas and community facilities to reasonably limit the number of guests of Owners who may use any facilities on the Property; and

G. The right of the Association, acting by and through its Board of Directors, to grant licenses, rights-of-way and easements for access or for the construction, reconstruction, maintenance and repair of any utility lines or appurtenances, whether public or private, to any municipal agency, public utility, the Declarant or any other person, provided, however, that no such licenses, rights-of-way or easements shall be unreasonably and permanently inconsistent with the rights of the Owners to the use and enjoyment of the Common Areas and community facilities; and

H. The right of the Association, acting by and through its Board of Directors, to open the Common Areas and community facilities, or any portions thereof, to a wider group of persons, all for such purposes and on such bases as the Board of Directors may from time to time consider appropriate; and

I. The rights of the Owners of Lots to perpetual easements over and upon any of the Common Areas and community facilities for such portions of their dwellings that may overhang or otherwise encroach upon any of the Common Areas or community facilities, for support, for the purpose of necessary repairs and maintenance, for maintenance of reasonable appurtenances to the dwellings, and for reasonable ingress and egress to and from any dwelling through and over the Common Areas and community facilities; and

J. The right of each Owner to use the street, roadways, and vehicular parking areas situated upon the Common Areas and community facilities; provided, however, that each member shall comply in all respects with all supplementary rules and regulations, which are not inconsistent with the provisions of the Declaration and these Bylaws, which the Board of Directors of the Association may from time to time adopt and promulgate with respect to parking and traffic control upon the Common Areas and community facilities.

Section 2. Rights Not Subject to Suspension. Notwithstanding anything in the Declaration or these Bylaws to the contrary, the Association shall have no authority to suspend, either temporarily or permanently, any of the rights specified in sub-paragraph (I) and (J) of Section 1 of this Article III for any reason whatsoever.

Section 3. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family who reside permanently with him, his tenants, or contract purchasers who reside on the Property and guests, all subject to such reasonable rules and regulations as the Board of Directors of the Association may adopt and uniformly apply and enforce.

ARTICLE IV. **Assessments**

Section 1. The Lien and Personal Obligation of Assessments. Each Owner shall pay to the Association any annual maintenance Assessments, specially assessed fines or charges for purposes set forth in Article IV, Section 2 and such Assessment shall be fixed, established and collected from time to time as hereinafter provided. The annual maintenance Assessment, together with such interest thereon and costs of collection thereof, including attorney fees and expenses, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon each Lot against which each such Assessment is made, which may be perfected by filing a notice of such lien in the land records of Madison County. Each such Assessment together with such interest thereon, and the cost of collection thereof, as hereinafter provided, shall also be the continuing personal obligation of the person who was the Owner of such property at the time when the Assessment fell due. Fines imposed due to covenant violations shall be assessed and enforced in accordance with the provisions of the Declaration.

Section 2. Purpose of Assessments. The Assessments levied by the Association shall be used for such purposes as may be approved by the Board of Directors, including but not limited to the supervision, maintenance and improvement of the Common Area and for paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required of the management and supervision of the Common Area, including, but in no way limited to the following:

A. The amount of all operating expenses for operating the Common Areas and furnishing the services furnished to or in connection with the Common Areas, including charges by the Association for any services furnished by it.

B. The cost of necessary management and administration of the Common Areas, including fees paid to any managing agents, and costs of legal and accounting services.

C. The amount of all taxes and Assessments levied against the Common Areas.

D. The cost of maintaining, replacing, repairing, resurfacing or landscaping the Common Areas.

E. The cost of funding all reserves established by the Association, including, when appropriate, a general operating reserve and a reserve for replacement.

F. The cost of all mowing, cleanup, landscaping etc. as may be necessary to maintain the appearance of the subdivision, lots therein and easements appurtenant thereto.

Section 3. Annual Assessment. The Board of Directors may fix the annual Assessment at an amount which it deems necessary to provide sufficient funds to supervise, maintain and improve the Common Area as herein provided, and for such other purpose as may be approved by the Board of Directors.

Section 4. Date of Commencement of Assessment: Due Dates. The annual Assessments provided for herein shall commence as to all Lots on the first day of January, 2002. The due dates shall be established by the Board of Directors. The annual assessment for the year of purchase will be prorated between the Declarant and Owner.

Section 5. Duties of the Board of Directors with Respect to the Annual Assessment.

A. The Board of Directors of the Association shall fix the date of commencement and the amount of the Assessment against each Lot for each Assessment period at least thirty (30) days in advance of such date or period, and shall, at that time, prepare a roster of the Lots and Assessments applicable thereto which shall be kept in the office of the Association.

B. Written notice of the Assessment shall thereupon be delivered or mailed to every Owner subject thereto.

C. The Board of Directors shall, upon demand at any time, furnish to any Owner liable for said Assessment, a certificate in writing signed by an officer of the Association, setting forth whether said Assessment has been paid. Said certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of such certificates.

Section 6. Effect of Non-Payment of Assessment: The Personal Obligation of the Owner: The Lien: Remedies of Association.

A. If any Assessment or any part thereof is not paid on the date(s) when due, then the unpaid amount of such Assessment shall, together with such interest thereon and cost of collection thereof as hereinafter provided, including attorney fees and expenses, become a continuing lien on the Lot of the non-paying Owner, which lien shall be binding upon such Lot and the Owner thereof, his heirs, executors, devisees, personal representative and assigns, and may be perfected by filing a notice of such lien in the land records of Madison County. The Association shall have the right to reject partial payments of an Assessment and demand the full payment thereof. The obligation of the then existing Owner to pay such Assessment, however, shall remain his personal obligation and shall not be extinguished by transfer of title. The lien for unpaid Assessments shall be unaffected by any sale or assignment of a Lot and shall continue in full force and effect. No Owner may waive or otherwise escape liability for the Assessment provided herein by abandonment of his Lot.

B. The Association shall give written notification to the Eligible Mortgage Holder of the mortgage on the Lot of the non-paying Owner of such Owner's default in paying any Assessment when such default has not been cured within sixty (60) days, if such mortgagee has requested same pursuant to the Declaration.

C. If any Assessment or part thereof is not paid within thirty (30) days after the due date, the unpaid amount of such Assessment shall bear interest from the date of delinquency at the prime rate of interest as established by Trustmark National Bank of Jackson, Mississippi, or its successors; and if none, the New York Prime as published in the Money Market section by the Wall Street Journal, and the Association may, at its election, bring an action at law or equity against the Owner personally obligated to pay the same in order to enforce payment and/or to foreclose the lien against the Property subject thereto after giving Notice to the Eligible Mortgage Holder as set out in the Declaration. There shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action and in the event a judgment is obtained, such judgment shall include interest on the Assessment as above provided and attorney's fees to be fixed by the court, together with the costs of the action and/or all costs of foreclosure, including a reasonable attorney's fee. The Board may authorize late payment fees on regular or special assessments that are not paid by their due dates.

Section 7. Subordination of the Lien to Mortgages. The lien of the Assessments provided herein shall be subordinate to the lien of any Recorded First Mortgage. The 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 extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

Section 8. Exempt Property. The following Property shall be exempt from the Assessments, charge and lien created herein:

- A. All properties dedicated and accepted by the local public authority and devoted to public use.
- B. The Common Area.

Section 9. Assessments Are Not Dues. No portion of the annual maintenance and special Assessments provided in or permitted by this Article IV are intended to be, or shall be construed to be dues for membership in the Association.

ARTICLE V.

Membership and Voting Rights

Section 1. Membership. The Members of the Association shall be and consist of each and all of the following, to-wit:

- A. Every person who is, or who hereafter becomes, an owner of record of the fee title to a Lot located on the Property. The expression "owner of record of the fee title to a Lot" shall include a contract seller of any such Lot, but shall not include any person who owns such title solely as security for the performance of an obligation or payment of a debt.
- B. The Declarant and its nominee(s), if any, shall be entitled to seven (7) votes for each Lot owned.
- C. Whenever any provision of the Declaration requires a vote of a specified percentage of the voting power of the Members, then such provision shall require a vote by the specified percentage of the voting power of all Members, and Declarant shall be entitled to the seven (7) to one (1) ratio herein granted.

Section 2. Voting Rights. The voting rights of the Members shall be as follows, to-wit: Each person who is or who hereafter becomes the Owner of a Lot which is subject to the Declaration shall be a Member of the Association. A Member shall be entitled to one vote for each Lot owned.

Section 3. Delegation of Membership and Voting Rights. Any Owner may delegate or assign his voting rights to any tenant in possession of that Owner's property, upon which terms and conditions as they themselves may agree upon, and upon written notice to the Board of Directors of the Association, in the place of the Owner for the period of the assignment. Nothing herein contained, however, shall relieve the Owner of his responsibility for any assessment due the Association or for any other responsibilities and obligations which the Owner might have

under the terms of this Declaration and under the Bylaws, rules and regulations of the Association.

Section 4. Absentee Owners. Permanent absentee Owners may designate an adult individual as their agent or attorney in fact to represent them in all matters concerning the Association. Such agent or attorney in fact may be the tenant in possession of the lot at the option of the Owner.

Section 5. [Intentionally deleted.]

Section 6. Owner Association. The Ashbrooke Association reserves the right to formulate such rules and regulations as may be necessary for the fit and proper governance of the lake and any other appropriate part of the Property as designated by the Declarant.

Section 7. Membership Appurtenant to Real Property. The membership shall be appurtenant to the ownership of a Lot. A membership shall not be held, assigned, transferred, pledged, hypothecated, encumbered, conveyed 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 8. Voting Conflict Between Members. If the fee title to a particular Lot is owned of record by more than one Member, then the one vote appurtenant to such Lot may be exercised by any one of such Members, unless the other Members who own an interest in such fee title to the Lot shall object prior to the completion of voting upon the particular matter under consideration. In the event of any such objection, the one vote appurtenant to such Lot shall not be counted.

Section 9. No Preemptive 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 10. Membership Certificates. In the event the Board of Directors should consider it necessary or appropriate to issue membership certificates or the like, then each such membership certificate shall state that the Association is organized under the laws of the State of Mississippi, and shall state the name of the registered holder or holders of the membership represented thereby, and 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 a 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 and shall be sealed with the corporate seal. Such signatures and seal may be original or facsimile.

Section 11. 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 that 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 lot 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 VI.

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. Organizational Meeting. The organizational meeting of the Members shall be held at whatever time and place as may be designated by the initial Board of Directors named in the Articles, and shall be held within no more than sixty (60) days following the issuance of the Articles.

Section 3. Annual Meetings. The first annual meeting of the Members shall be held at whatever time and place as may be designated by the initial Board of Directors named in the Articles; provided, however, that the first annual meeting of Members shall be held within no more than one (1) year after the date of issuance of the Articles; thereafter the annual meeting shall be held in May of each succeeding year. At such annual meetings, there shall be elected by ballot of the Members a Board of Directors in accordance with the provisions of Article V of these Bylaws. The Members also may transact such other business as may properly come before them

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 twenty percent (20%) of the Members; provided, however, that no special meetings shall be called, except upon resolution of the Board of Directors, prior to the first annual meeting of the Members as herein above provided. 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. It shall be the duty of the Secretary to 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 fifteen (15) but not more than sixty (60) days prior to such meeting. Any notice so mailed shall be considered as a notice properly served. Attendance by a Member at any meeting of the Members shall be a waiver by him of notice of the time, place and purpose thereof. 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.

Section 7. Quorum. Quorum and voting requirements for all meetings of members shall be as follows: The presence, either in person or by proxy of Members having at least twenty percent (20%) of the votes held by all Members shall constitute a quorum for the transaction of business at any such meeting of Members.

Section 8. Adjourned Meetings. If at any particular meeting of Members, the number of Members present should be less than or should fall below the number required for a quorum, 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), then if there are present (either in person or by proxy) fifty percent (50%) of the votes required for a quorum, then upon a majority vote of those present, the quorum shall be deemed waived and the meeting shall proceed as if such quorum was had. If the votes present (either in person or by proxy) are less than fifty percent (50%) of the quorum, or if a majority vote is not had to waive the quorum, then no further business may be transacted at such meeting until the proper quorum is present. In such an event, one additional meeting may be called subject to the notice requirements herein above set forth, and the required quorum at the subsequent meeting shall not be necessary. 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.

A. At every meeting of Members, the Members shall have the voting rights specified in Article V above. The affirmative vote of the Members having at least fifty-one present (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, or the Articles, or by these Bylaws, a different vote is required, in which case such provision of law, or the Articles, or these Bylaws, shall govern and control.

B. In the event 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 partnership may be cast by any trustee of the trust or any partner of the partnership, as the case may be, and, unless another trustee of the trust or another partner of the partnership, as the case may be, shall object prior to the completion 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.

C. No Member who is shown by the books of the Association to be more than sixty (60) days delinquent in any payment due the Association shall be eligible to vote, either in person or by proxy, and no such delinquent Member shall be eligible to be elected to the Board of Directors or as an officer of the Association.

Section 10. Proxies. A Member may appoint only another Member or the Management Agent as his proxy; provided that in no case may any Member other than a Declarant or the Management Agent cast more than one (1) vote on behalf of another Member by virtue of a proxy from such other Member. 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 revoked by a writing properly filed with the Secretary or by the death of the Member who gave the proxy, provided, however, that no proxy shall be effective for a period in excess of one hundred eighty (180) days. All proxies shall automatically cease upon conveyance by the Member of his Lot.

Section 11. Rights of Mortgages. Any holder of a Recorded First Mortgage on any Lot who desires notice of the annual and special meetings of the Members or of regular or special meetings of the Board of Directors shall notify the Secretary to that effect by Certified or Registered Mail, Return Receipt Requested. Any such notice shall contain the name and post office address of such holders of Record First Mortgages 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 may make a reasonable charge to a Mortgagee for keeping records on such notices and responses.

Section 12. Order of Business. The order of business at all regularly scheduled meetings of the Members shall be as follows:

- A. Roll Call and certification of proxies.
- B. Proof of notice of meeting or waiver of notice.

- C. Reading and approval of minutes of preceding meeting.
- D. Reports of officers, if any.
- E. Reports of committees, if any.
- F. Unfinished business.
- G. New business.
- H. Election of Directors.
- I. Adjournment.

Section 13. 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 officer of such meeting.

ARTICLE VII.

Directors

Section 1. Number and Qualifications. The affairs of the Association shall be managed and controlled by a Board of Directors consisting of the number of individuals from time to time prescribed by the Bylaws, which number, however, shall not be less than three (3) or more than nine (9). Directors shall be Members of the Association and shall be apportioned by the number of Member homes per neighborhood as follows:

<u>Part A, Ashbrooke</u>	Three (3) Directors
<u>Trails</u>	One (1) Director
<u>Timbers</u>	One (1) Director
<u>Stratford</u>	Four (4) Directors

It is anticipated that the Association may engage in transactions with Declarant or companies affiliated with Declarant; and the fact that a Director of the Association has an interest in the Declarant or such affiliated company shall not, by itself, be considered a conflict of interest.

Section 2. Appointed Directors.

A. The initial Board of Directors shall consist of three (3) individuals, all of whom shall be appointed by the Declarant as Directors, and unless earlier replaced, said initial Directors shall serve until the first annual meeting of Members. From and after the first annual Members' meeting, and for seven (7) years thereafter, or until Declarant divests itself of all interest in the

Property, whichever is sooner, the number of appointed Directors at all times shall be equal to two-thirds (2/3) of the total number of Directors prescribed from time to time by the Bylaws, or if at any time the total number of Directors prescribed by the Bylaws is not evenly divisible by three (3), then the number of Appointed Directors shall be equal to the whole number next larger than two-thirds (2/3) of the total number of Directors prescribed by the Bylaws.

B. It is anticipated that the Association may engage in transactions with Declarant or companies affiliated with Declarant; and the fact that a Director of the Association has an interest in the Declarant or such affiliated company shall not, by itself, be considered a conflict of interest.

Section 3. Nomination.

A. Nomination for election to the Board of Directors of those Members of the Board to be elected by the Members shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members only.

B. Election of Directors. Directors to be elected by Members shall be elected at the annual Members' meetings. The election of such Directors shall be by secret written ballot, unless such be dispensed with for any particular election by the majority consent of the Members present, in person or by proxy, at the meeting during which the election is held. Each such Director shall hold office for one (1) year until his successor has been elected at the next ensuing annual Members' meeting and has duly qualified. In the event of a vacancy, the Board shall appoint a successor in accordance with Article VII, Section 5 hereof.

Section 4. Powers and Duties. In the management and administration of the Association's affairs, the Board of Directors shall have power, authority and duty to do all acts and actions, except acts and actions which by law, the Declaration, the Articles or these Bylaws may be exercised only by or are reserved only to the Members. Such power, 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. To provide for the maintenance, care, upkeep, surveillance, services and efficient operation of the Common Area and Common Facilities.

B. To establish, determine, assess, collect, use and expend the Assessments from the Owners, and to file and enforce liens for such Assessments, and to otherwise set collection and enforcement policies and procedures.

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 Area and Common Facilities, and to establish the compensation and other benefits of or for such personnel.

D. To authorize the payment of patronage refunds to the Owners if and when the Board of Directors determine 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.

E. To purchase insurance upon the Common Area and Common Facilities.

F. To maintain, repair, restore, reconstruct or demolish all or any portion of the Common Area and Common Facilities after any casualty loss, and to otherwise improve the Common Area and Common Facilities.

G. To lease and to grant licenses, easements, 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 Area 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.

H. To lease as tenant, purchase or otherwise acquire Lots and to option, lease, sell, assign, exchange, trade, transfer, quitclaim, surrender, release, abandon, mortgage or encumber or otherwise convey any 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.

I. 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.

J. To negotiate, prepare, execute, acknowledge and deliver all contracts, agreements, commitments and other documents relating to the Association's affairs.

K. 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 the Common Area and the Common Facilities, or to enforce any covenant or violation thereof under the Declaration.

L. 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.

M. 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 security interest all or any portion of the assets of the Association, including the Common Area; provided, however, that no such borrowing shall be done and no such mortgage shall be executed unless and until the same has been approved by the vote of a majority of the Board of Directors.

N. To establish rules, regulations, restrictions and requirements or 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 Area, including the Common Facilities.

O. The Board of Directors shall not intervene or act in matters involving personal disagreements between two or more Owners unless some matter of Association policy is involved or threatened.

P. If an Owner disagrees with any action or ruling by the Board of Directors, it shall be the obligation of the Board and such Owner to meet and attempt to work out a mutually satisfactory solution. If such solution cannot be reached, then, by agreement, the Parties may agree to appoint a board of arbitration consisting of another Owner appointed by the Owner, a second Owner appointed by the Board of Directors, and a third Owner selected by the other two Owners of the board of arbitration in an additional effort to resolve such a disagreement.

Section 5. Vacancies. Should the office held by a Director become vacant, the remaining Directors shall, by majority vote, appoint an individual to serve as his successor, in which event the individual so appointed shall serve as Director until the next ensuing annual Members' meeting or at a special Members' meeting called for that purpose, where his successor shall be elected, after being duly qualified.

Section 6. Removal of Directors. At any special Members' meeting duly called for such purpose, any elected Director may be removed from office, with or without cause, by the affirmative vote of a majority of the votes of the Members present and voting, in person or by proxy, at such meeting, and 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 such elected Director whose removal has been proposed shall be given an opportunity to be heard at the meeting called for the purpose of considering such removal. If any Director who is a Member becomes more than sixty (60) days delinquent in payment of any Assessment or carrying charge owed the

Association, he may be removed from his office as a Director by a resolution adopted by a majority of the remaining Directors, and in the event of such removal, said remaining Directors may appoint an individual to serve as his successor, in which event the individual so appointed shall serve as Director until the next ensuing annual Members' meeting.

Section 7. Compensation. No compensation shall be paid to Directors for their services as Directors. After the first annual Members' meeting, 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. Directors may be reimbursed for their actual out-of-pocket expenses necessarily incurred in connection with their services as Directors.

Section 8. Organizational Meeting. The first meeting of a newly constituted Board of Directors shall be held within ten (10) days after the annual Members' meeting at which the elected Directors on such Board were elected, and 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 Board at such annual Members' meeting, and no notice shall be necessary to the Directors of such first meeting.

Section 9. 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 to each Director, personally or by mail, telephone, telecopier, or e-mail, at least six (6) days prior to the day fixed for such meeting.

Section 10. 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, telecopier, or e-mail, 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 (1/2) of the Directors.

Section 11. 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 said 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. 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 meeting.

Section 12. 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 any one 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 13. 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 of 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 14. 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 holder 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 15. Fidelity Bonds. The Board of Directors may require that all officers, directors and employees of the Association who regularly handle or otherwise are responsible for the funds of the Association shall furnish adequate fidelity bonds or equivalent insurance against acts of dishonesty in accordance with the requirements of Article XII of these Bylaws. If required, the premiums on such bonds or insurance shall be paid by the Association.

Section 16. 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 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 17. Officers. The Board of Directors may elect one or more officers of the Association to enforce the Board's policies. The number of such officers and their duties shall be specified by the bylaws.

ARTICLE VIII.

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 Directors. Only those individuals who are members of the Association shall be eligible to serve as officers of the Association. In addition to the officers named above, the Directors may elect 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 Vice President, Secretary and Treasurer may be filled by the same individual, and likewise, the offices of Assistant Secretary and Assistant Treasurer may be filled by the same individual.

Section 2. Election of Officers. The initial officers of the Association shall be elected at the organizational meeting of the Board of Directors. Thereafter, the officers of the Association shall be elected annually at each annual Board of Directors' meeting, or, in the event of a vacancy, at a special Board of Directors' meeting called for such purpose. Each officer so elected shall hold office until his or her successor has been elected at the next ensuing annual Board of Directors' meeting, and has duly qualified.

Section 3. Vacancies. Should the office held by an officer become vacant, such vacancy shall be filled by an election at the next annual Board of Directors' meeting or at a special Board of Directors' meeting called for that purpose, and the individual so elected shall hold the office to which elected until his or her successor has been elected at the next ensuing annual Board of Directors' meeting, and has duly qualified.

Section 4. Removal of Officers. At any special Directors' meeting duly called for such purpose, any officer may be removed from office, with or without cause, by the affirmative vote of a majority of the Directors present and voting, in person or by proxy, at such meeting, and 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 an 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 officer of the Association. He or she shall preside at all meetings of the Members and all meetings of the Board of Directors. He or she 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 and able to act, the Board of Directors shall appoint one of its members 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 Members' meetings and the minutes of all Board of Directors' meetings. The Secretary shall give notice of all annual and special Members' meetings and all regular and special Board of Directors' meetings. 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 any one 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 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 deposit 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 or her duties, such duties may be performed by one or more other individuals designated by the Board of Directors.

ARTICLE IX.

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

has failed to act in accordance with the standard of conduct prescribed by Section 79-11-267 or by Section 79-11-275 as applicable to Mississippi Code of 1972, as amended. Such indemnification shall include amounts payable as the result of the settlement of any such action, suit or proceeding; provided, however, that any such settlement shall be approved in writing by the then Board of Directors. The officers and directors of the Association shall not be liable to the Owners or to the Association for any mistake of judgment, or otherwise, except as provided by law and except for their 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 Owners after notice, or otherwise.

Section 2. Conflict and Identity of Interest. The Directors and officers shall exercise their 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 pecuniarily 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 of 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 thereat to authorize any contract or transaction with like force and effect as if he were not a common or interested Director.

ARTICLE X.

Limitation of Liability

Section 1. Limitation of Liability. The Association, the Board of Directors and each director and each officer of the Association shall not be liable for any failure to provide any service to be furnished by the Association or to be paid with funds from charges or fees or from Assessments, or for injury, including death, or damage to any Person or property caused by the elements or caused by or resulting from electricity or water which may discharge or flow from any portion of the Common Area or Common Facilities, or from any wire, pipe, drain, conduit or similar property. The Association shall not be liable to any member or any other Person for theft or other loss of or damage to any property which may be left or stored upon the Common Area or Common Facilities. No diminution or abatement of annual maintenance or special Assessments shall be claimed or allowed for inability to use, inconvenience or discomfort caused by or arising or resulting from the need for or the conduct of routine or other maintenance or repairs or the construction or reconstruction of improvements on the Common Area, or from any action taken or omitted or from inaction by the Association to comply with any of the provisions of these Bylaws, any law or ordinance or the order or directive of any governmental authority or any court.

ARTICLE XI. **Management Agent**

Section 1. Management Agent. The Board of Directors may 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 shall direct and authorize which may include, without being limited to, the following power and authority:

- A. To establish and collect the annual maintenance 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 Area and Common Facilities.
- D. To enforce and to recommend the Board of Directors to approve and enforce such rules and 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.

F. To retain legal representation to enforce covenants and bylaws and to collect dues and assessments.

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 (1) year terms.

ARTICLE XII.

Insurance and Casualty Losses

Section 1. Insurance. The Board of Directors may obtain and maintain such fire and extended coverage and comprehensive public liability insurance, in such limits and form and with such companies as the Board of Directors deems advisable, and obtain and maintain at the Board of Directors discretion, the coverage suggested under sub-paragraph (A) of this Section 1.

A. 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 the 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 as obligee or 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 cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written notice to any and all obligees and insureds named thereon and, if available, to any mortgagee of any Lot who requests such notice in writing; and

B. 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. Insurance on Residences and Personal Property Insurance Detached Residence. Each Owner of a residence shall obtain and maintain insurance coverage on his or her own dwelling and appurtenances at his or her own expense.

ARTICLE XIII.
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 year shall begin on the date of the filing for record of the Declaration in the Land Records in the Office of the Chancery Clerk of Madison County at Canton, 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. Principal Office: Change of Same. The principal office of the Association shall be at the location set forth in Article I of these Bylaws. The Board of Directors, by resolution, 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. The same shall include books with detailed accounts, in chronological order, of receipts and expenditures and other transactions of and for the Association. The amount of any Assessment or portion of any Assessment required for payment of any capital expenditures as to any reserves of the Association shall be credited upon the books of the Association to a restricted capital or reserve account. The receipts and expenditures of the Association shall be credited and charged to other accounts under classifications consisting of no less than the following:

A. "Current Operations" which shall involve the control of actual expenses of the Association, including reasonable allowances for necessary contingencies and working capital funds in relation to the Assessments and expenses herein elsewhere provided for; and

B. "Reserves for Replacement" which shall involve the control of such reserves for replacement as are provided for in these Bylaws and as may be approved from time to time by the Board of Directors; and

C. "Other Reserves" which shall involve the control over funding of and charges against any other reserve funds which may be approved from time to time by the Board of Directors; and

D. "Investments" which shall involve the control over investment of reserve funds and such other funds as may be deemed suitable for investment on a temporary basis by the Board of Directors; and

E. "Betterments" which shall involve the control over funds to be used for the purpose of defraying the cost of any construction or reconstruction, unanticipated repair or replacement of the Common Areas and for expenditures for additional capital improvements or personal property made or acquired by the Association with the approval of the Board of

Directors.

Section 4. Reporting. At the close of each fiscal year, the Association shall furnish the Members and any mortgagee requesting same, at their cost, 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 written request of fifty-one (51%) of the membership, the books and records of the Association shall be audited by an accountant approved by the Directors 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, at their cost, a copy of said 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 the Members and their duly authorized agents or attorneys, and by the holders of Recorded First Mortgages on the Lots and their duly authorized agents and attorneys, during normal business hours and for purposes reasonably related to their respective interests and after reasonable notice.

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 persons as may be authorized from time to time by the Board of Directors.

Section 7. Seal. The Board of Directors may provide a suitable corporate seal containing the name of the Association, which seal shall be in the charge of the Secretary. If so directed by the Board of Directors, a duplicate seal may be kept and used by the Treasurer or any assistant secretary or assistant treasurer.

ARTICLE XIV.

Amendments

Section 1: Amendment by Members. Subject to any other applicable limitations set forth herein, these Bylaws may be amended by vote of the Members if, more than fifty percent (50%) number of votes are cast in favor of any particular amendment. Amendment of these Bylaws shall be considered only at a special or annual meeting of Members, and only if a description of the proposed amendment accompanied a proper notice of such meeting.

Section 2: Amendment by Board of Directors. The Board of Directors may amend the Bylaws without the consent of the Members or any holder of a First Mortgage 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 or the Common Area.

Section 3: Proposal of Amendments. Amendments to these Bylaws may be proposed by the Board of Directors or by petition signed by Members having at least twenty percent (20%) 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 XV.

Interpretation - Miscellaneous

Section 1. Conflict. These Bylaws are subordinate and subject to all provisions of the Declaration and to the provisions of the Articles. All the words and expressions in these Bylaws 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 Bylaws and the Declaration, the provisions of the Declaration shall control; and in the event of any conflict between these Bylaws 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 called for in these Bylaws shall be given in writing.

Section 3. Severability. In the event any promise or provisions of these Bylaws shall be determined to be invalid, void or unenforceable, such determination 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 Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 5. Captions. The captions contained in these Bylaws are for convenience only and are not a part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws or to aid in the construction thereof.

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

The undersigned, being all the Members of Ashbrooke Owners Association, hereby approve and adopt the foregoing Amended and Restated Bylaws for the Association to be effective the 21st day of July, 2013.

Members:

ASHBROOKE AND TRAILS
HOMEOWNERS ASSOCIATION, INC.,

STRATFORD AND TIMBER
HOMEOWNERS ASSOCIATION, INC.,

By: Judy Thompson
Judy Thompson, Member Representative

By: Cory Wilson
Cory Wilson, Member Representative

Approved:

Louis B. Gideon
Louis B. Gideon, President

STATE OF MISSISSIPPI
COUNTY OF MADISON

BEFORE ME, the undersigned Notary Public, personally appeared the above signatories and proved to me, through satisfactory evidence of identification, to be the persons who signed on the preceding document in my presence, on the 21st day of July, 2013.

Deborah M. Dugas
Deborah M. Dugas, Notary Public

My Commission Expires: April 15, 2016

