

**BY-LAWS
OF
THORNBERRY PROPERTY OWNERS ASSOCIATION, INC.**

ARTICLE I
Name and Location

Section 1. Name and Location. These are the By-Laws of and for Thornberry Property Owners Association, Inc., a Mississippi nonprofit corporation. Said corporation is referred to herein at times as the “Association”. The location and mailing address of the principal office of the Association is 1304 Highway 51 North, Suite A, Madison, Mississippi 39110.

ARTICLE II
Definitions

Section 1. Declarant. “Declarant,” as used herein, means Thornberry Development, LLC, its successors and assigns.

Section 2. Project. The word “project” and the word “community” as used herein, mean that certain community known generally as Thornberry Property Owners Association, Inc. being developed by the Declarant and others in Madison County, Mississippi.

Section 3. Declaration. “Declaration,” as used herein, means that certain instrument entitled “Declaration of Covenants, Conditions and Restrictions” filed for record in the office of the Chancery Clerk of Madison County at Canton, Mississippi, in the land records in said Chancery Clerk’s office in Book 3723 at Page 804, as may be further supplemented or amended.

Section 4 Board of Directors. “Board of Directors,” as used herein, means the Board of Directors of the Association.

Section 5. Charter. “Charter,” as used herein, means the Articles of Incorporation of the Association.

Section 6. 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.

Section 7. 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 Bylaws, shall mean in these Bylaws.

ARTICLE III
Membership and Voting Rights

Section 1. Membership. The Members of the Association shall be and consist of every Person who is, or who becomes, an owner of record of the fee title to a Lot and is included in the definition of an Owner in the Declaration. When more than one Person owns or holds an interest or interests in a Lot, then all such Persons shall be Members.

Section 2. Action by Members. The Association shall have two classes of voting Members. Wherever any provision of this Declaration requires a vote of a specified percentage of the voting power of each class of Members, then 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 Members. Whenever any provision of this 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 combined voting power of all Members.

Section 3. Members Voting Rights. Except as otherwise specifically provided in the Charter the voting rights of the Members shall be as follows:

(a) The Class A Members shall be all Members, except the Declarant. Whenever a vote of the Class A Members is required or permitted under this Declaration, the aggregate voting power of all Class A Members shall be equal to the aggregate number of Lots owned by all Class A Members and the Class A Members who own or have a Lot shall be entitled to one vote for each Lot owned by such Class A Members. When more than one Member owns or otherwise holds an interest or interests in a Lot, then the one vote for such Lot shall be exercised as such Members shall determine, but in no event shall more than one vote be cast with respect to any Lot.

(b) The Class B Member shall be the Declarant who shall be entitled to the number of votes equal to the total Class A members plus 1.

Section 4. Membership Appurtenant to Real Property. The membership of both the Class A Members and the Class B Members 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 5. 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 6. Class B Member Termination. The Declarant shall be the Class B Member as long as it owns at least one Lot. At such time as all Lots have been conveyed by Declarant to purchasers in the normal course of development and sale, the Class B Member shall cease. At any time or times after the Class B Member shall cease under this Section 6, if all or any portion of the Additional Property is annexed to the Property pursuant to Article II of the Declaration, then the status of the Declarant as the Class B Member shall be fully reinstated for as long as the Declarant owns at least one Lot in the Additional Property, and the Declarant shall have all rights and powers of the Class B Member as provided by the Declaration and these Bylaws.

Section 7. No Pre-emptive Rights. The Members of the Association simply by virtue of being such Members, shall have no pre-emptive rights to acquire any additional memberships which the Association may issue from time to time.

Section 8. 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 consecutively numbered, bound in one or more books, and shall be issued therefrom upon certification as to the transfer of title to or leasehold interest in 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 and shall be sealed with the corporate seal. Such signatures and seal may be original or facsimile.

Section 9. 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 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 IV 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. 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 Charter; 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 Charter; thereafter the annual meeting shall be held on the second Thursday of February in 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 By-Laws. The Members also may transact such other business as may properly come before them.

Section 3. 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 of each then outstanding class of membership; 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 hereinabove 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 4. 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 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 5. 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 6. Quorum. The presence, either in person or by proxy, of Members having at least fifty percent (50%) of the votes held by all Members in each then outstanding class of membership shall constitute a quorum for the transaction of business at any meeting of Members.

Section 7. 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 with respect to any one 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), 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 hereinabove set forth, and the required quorum at the subsequent meeting shall not be necessary. Such subsequent meeting shall be held not more than twenty-one (21) days following the initial meeting at which the quorum requirements were not met.

Section 8. Voting. At every meeting of Members, the Members shall have the voting rights specified in Article III above. The affirmative vote of the Members having at least fifty-one (51) percent 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 properly brought before the meeting, be one as to which, by provision of law, or the Charter, or the Declaration, or these By-Laws, a different vote is required, in which case such provision of law, or the Charter, or the Declaration, or these By-Laws shall govern and control. 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 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. No Class A 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 9. 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 10. 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 holders of Recorded 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 shall maintain a roster of all holders of Recorded First Mortgages from whom such notices have been received and it shall be the-duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual and special meeting of the Members to each such holders of recorded First Mortgages, 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 holders of recorded First Mortgages shall be entitled to designate a representative to attend any annual or special meeting of the Members and such representative may participate in the discussion at any such meeting and, upon his request made to the presiding officer in advance of the meeting, may address the Members present at any such meeting. Such representative 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.

Section 11. 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 V Directors

Section 1. Board of Directors. The Association and the affairs of the Association shall be managed and controlled by the Board of Directors which shall have all the power, authority and duty necessary or appropriate for such management and control. The Board of Directors shall consist of no less than three nor more than nine individuals who shall be elected as prescribed by these Bylaws. Directors are not required to be Members of the Association. From the first annual members meeting, and for so long as there is a Class B Member (as long as Declarant owns at least one Lot), the Board of Directors shall consist of Appointed Directors and Elected Directors. During all times when there is no Class B Member, all Directors shall be elected. Appointed Directors shall be selected and appointed by the concurrence of a majority of the Class B Members, and shall serve at the pleasure of a majority of the Class B Members. The initial Board of Directors shall consist of three individuals, all of whom shall be Appointed Directors, and unless earlier replaced, said initial Directors shall serve until the first annual meeting of the Members. From and after the first annual Members meeting, and for so long as there is a Class B Member, the number of Appointed Directors at all times shall be equal to two-thirds (2/3) of the total number of Directors, or if at any time the total number of Directors is not evenly divisible by three, 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. Elected Directors shall be elected by the Class A Members at the annual Members meetings, and shall serve until their successors shall be elected and qualified in accordance with these By Laws.

Section 2. Term of Office. Directors shall be elected for one year and shall serve until their

successors shall be elected and qualified in accordance with these By-Laws.

Section 3. Change in Number. The number of Directors may be changed from time to time by appropriate amendment to these By-Laws, provided that a decrease in the number of Directors shall not operate to shorten the term of any incumbent Director.

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 Charter or these By-Laws 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, Common Facilities and Easement Areas.
- (b) To establish, determine, assess, collect, use and expend the Assessments from the Members, and to file and enforce liens for such Assessments.
- (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 adopt, promulgate and enforce such rules, regulations, restrictions and requirements as may be recommended by the Architectural Control Committee pursuant to Section 10.05 of the Declaration, or the Management Agent pursuant to Section 4.04(d) of 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 Area, Common Facilities and Easement Areas, including, but not limited to, rules, regulations, restrictions and requirements designed to prevent unreasonable interference with the use, benefit and enjoyment of the Common Area, Common Facilities and Easement Areas 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.
- (e) To purchase insurance upon the Common Area, Common Facilities and Easement Areas.
- (f) To maintain, repair, restore, reconstruct or demolish all or any portion of the Common Area and Common Facilities, alter any casualty loss, and to otherwise improve the

Common Area and Common Facilities.

(g) To lease or 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 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.

(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.

(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 interests all or any portion of the assets of the Association, including the Common Area and Common Facilities.

(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.

Section 5. Compensation. Except upon resolution of at least two-thirds (2/3) of each class

of the then Members of the Association, 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 6. 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. One such meeting shall be designated as the Annual Meeting and shall be held immediately following and at the same place as the annual meeting of the Members. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least six (6) days prior to the day fixed for such meeting.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by the President on notice to each Director, given personally or by mail, telephone 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 (1/2) of the Directors.

Section 8. 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 be 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 9. 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 10. 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 11. Rights of Mortgagees. Any holders of recorded First Mortgages on any Lot who desires notice of the regular and special meetings of the Board of Directors 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 holders of recorded First Mortgages and the name of the individual at such address to whom notices of the regular and special meetings of the Board of Directors should be directed. The Secretary shall maintain a roster of all holders of recorded First Mortgages from whom such notices have been received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each regular and special meeting of the Board of Directors to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations, as are otherwise provided in this Article for notices to the Directors. Any such holders of recorded First Mortgages shall be entitled to designate a representative to attend any regular or special meeting of the Board of Directors and such representative may participate in the discussion at any such meeting and, upon his request made to the President in advance of the meeting, may address the Board of Directors at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Board of Directors upon request made in writing to the Secretary.

Section 12. Fidelity Bonds. The Board of Directors shall 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 VII of these By-Laws. The premiums on such bonds or insurance shall be paid by the Association.

Section 13. Committees

(a) 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 and such provisions as designated in the Declaration.

(b) The Board of Directors shall appoint an Architectural Review Committee pursuant to the provisions of Article VIII, Section 8 of the Declaration.

Section 14. Vacancies. Should the office held by a Director become vacant, such vacancy shall be filled by appointment, in the case of an Appointed Director, or by election, in the case of an Elected Director, at the next ensuing annual Members' meeting or at a special Members' meeting called for that purpose, and each individual so appointed or elected shall serve as Director until his successor has been appointed or elected at the next ensuing annual Members' meeting, and has been duly qualified.

Section 15. Removal. At any special Members' meeting duly called for such purpose, any Appointed Director may be removed from office, with or without cause, by the affirmative vote

of a majority of the Class B 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 appointed to fill the vacancy thus created. At any special Members' meeting 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 Class A 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 to fill the vacancy thus created.

ARTICLE VI Officers

Section 1. Designation. The officers of the Association shall be a President, a Vice President, a Secretary, and such other officers as shall from time to time be chosen and appointed by the Board of Directors. 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.

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 Directors' meeting. Each officer so elected shall hold office until his successor has been elected at the next ensuing annual 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 Directors' meeting or at a special Directors' meeting called for that purpose, and the individual so elected shall hold the office to which elected until his successor has been elected at the next ensuing annual Directors' meeting, and has duly qualified.

Section 4. Removal of Officers. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association would be served thereby.

Section 5. President. The President shall be the chief executive officer 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 and able to act, then 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' meeting. 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 time, 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 duties, such duties may be performed by one or more other individuals designated by the Board of Directors.

ARTICLE VII

Indemnification of Officers and Directors

Section 1. Indemnification. The Association shall indemnify its directors and officers to the extent permitted by the Mississippi Nonprofit Corporation Act (hereinafter the "Act").

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 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, 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 VIII 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 from time to time may authorize. The Association is specifically authorized to undertake self-management and is not obligated or required to retain or employ a Management Agent. 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 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, Common Facilities and Easement Areas.

(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 to 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.

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

ARTICLE IX Insurance and Casualty Losses

Section 1. Association's Insurance. The Association shall apply for, obtain, pay the costs or premiums of and maintain insurance in such limits and forms and from such companies as the Board of Directors shall consider appropriate, including (i) fidelity bonds with reputable surety companies which protect or indemnify the Association against or from loss resulting from fraud, theft, dishonesty or other wrongful acts by Persons who have access to the Associations funds, and (ii) contracts of liability, casualty and extended coverage, workmen's compensation, title and other insurance to adequately insure and protect the Association, the Board of Directors, each director and each officer of the Association and the Members from and against liability for personal injury and/or property damage to the general public and other Persons and their assets, and from loss of or damage to all or any portion of the Common Area, Common Facilities, Easement Areas and the Association's other assets from theft, fire and other casualties. The Association is expressly authorized to obtain insurance policies with co-insurance provisions. All costs, charges and premiums for all insurance authorized by the Board of Directors shall be included in the annual maintenance Assessments.

Section 2. Owner's Insurance. Each Owner shall insure his Dwelling and other improvements on his Lot at all times for full replacement value 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, and smoke, and other hazards, and the Owner shall furnish the Association proof of such coverage. In the event of a loss due to such hazards, each Owner shall promptly repair, rebuild or restore the damaged or destroyed Dwelling and other improvements from the insurance proceeds or other funds to substantially the same condition as existed prior to the damage or destruction, unless otherwise permitted by the Board of Directors.

Each Owner's fire and hazard insurance policy shall contain a waiver of subrogation clause, and each Owner shall furnish the Association with a copy of his insurance policy. By acceptance of a deed or other conveyance document, each Owner does irrevocably constitute and appoint the Association as his true and lawful attorney in his name, place, and stead to repair, reconstruct or restore the Dwelling or other improvements in the event the Owner fails or refuses to perform such obligations, and in such event the Association may pay the costs and expenses of such repair, reconstruction or restoration. All such costs and expenses incurred or paid by the Association, including interest on any funds advanced by the Association or paid to lenders by the Association and all costs, expenses and charges described in the Declaration shall be (i)

immediately due and payable to the Association by the Owner, (ii) a charge on the land and a continuing lien against the Lot or Leasehold Interest, (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 or restoration, 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 3. Damage, Reconstruction or Repair.

(a) Use of Insurance Proceeds. 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 the same substantial conformity with the original plans and specifications for same, and such shall be done with the proceeds of insurance available for that purpose, if any, unless such reconstruction or repair has been waived in writing by eighty percent (80%) of the Members, and the holder of any security interest of record on any residence which has been destroyed or damaged and is not to be repaired or rebuilt.

(b) Proceeds Insufficient. In the event the proceeds of insurance are not sufficient to repair damage or destruction of any residence caused by fire or other casualty, or in the event such damage or destruction is caused by a casualty not insured against, then in either of those events, the repair, replacement or reconstruction of the damage may be accomplished by the Association and the cost thereof shall become a part of the assessment to which said Lot is subject.

ARTICLE X 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 of the filing for record of the Declaration in the Land Records in the office of the Chancery Clerk of Lafayette County at Oxford, 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 By-Laws. 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, 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. 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 By-Laws 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 common facilities 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 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 statements shall be furnished within ninety (90) days following the end of each fiscal year. Upon written request of fifty-one percent (51%) of the membership, 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 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 a 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 XI Amendment

Section 1. Amendments. Subject to any other applicable limitations set forth in these By-Laws, these By-Laws may be amended by vote of the Members if, and only if, the number of votes cast in favor of any particular amendment shall be equal to at least two-thirds (2/3) of the total number of votes held by all Members of record at the time of the vote. Amendment of these By-Laws 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. 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 forty percent (40%) 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 XII Mortgages - Notices - Other Rights of Mortgages - FHA/VA

Section 1. Notice to Board of Directors. Any Owner of any Lot in the project who mortgages such Lot shall promptly notify the Board of Directors of the name and address of his 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.

Section 2. Consents. Any other provision of these By-Laws or the Declaration to the contrary notwithstanding, during any period when any Lot is encumbered by a recorded First Mortgage, neither the Members, nor the Board of Directors, nor the Association, by any act or omission, shall do any of the following things without the prior written consent and approval of the holders of at least fifty percent (50%) of all first mortgages of record encumbering the lots:

(a) Abandon, partition, subdivide, encumber, sell, assign or transfer any of the Common Area or Common Facilities, but the realignment of boundaries, the granting of rights-of-way, easements and similar rights or interests for utilities or for other purposes consistent with the use of the Common Area and Common Facilities by the Members or the Association shall not be considered to be such an encumbrance, sale, assignment or transfer.

(b) Abandon or terminate the Declaration; or

(c) Modify or amend any material or substantive provision of the Declaration or these By-Laws pertaining to the rights of the holders of first mortgages; or

(d) Substantially modify the method of determining and collecting maintenance assessments as provided in the Declaration

ARTICLE XIII

Interpretation - Miscellaneous

Section 1. Conflict. These By-Laws are subordinate and subject to all provisions of the Declaration and to the provisions of the Charter. 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; and in the event of any conflict between these By-Laws and the Charter, the provisions of the Charter shall control.

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

Section 3. Severability. In the event any promise or provisions of these By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provision hereof which can be given effect.

Section 4. Waiver. No restriction, condition, obligation or provision of these By-Laws 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 By-Laws are for convenience only and are not a part 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 number shall include the plural and the converse, and the use of any gender shall be deemed to include all genders.

IN WITNESS WHEREOF, these By-Laws have been adopted by the Board of Directors of Thornberry Property Owners Association, Inc., on this the _____ day of _____, 2020.

President of Thornberry Property Owners Association, Inc.

Secretary of Thornberry Property Owners Association, Inc.