

BY-LAWS

OF

NORTHBAY PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I

Name and Location

Section 1. Name and Location. These are the By-Laws of and for the Mississippi nonprofit and non-share corporation named:

NORTHBAY PROPERTY OWNERS ASSOCIATION, INC.

Said corporation is referred to herein at times as the "Association". The principal office of the Association is located at 202 North Congress Street, #302, Jackson, Mississippi 39201, Mississippi and the mailing address is 202 North Congress Street, #302, Jackson, Mississippi 39201.

ARTICLE II

Definitions

Section 1. Declarant. "Declarant", as used herein, means Northbay, Ltd., a Mississippi Limited Partnership, its successors and assigns.

Section 2. Project. The word "project" and the word "community" as used herein, mean that certain community known generally as "Northbay" 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" under date of September 17, 1987, filed for record in the office of the Chancery Clerk of Madison County at Canton, Mississippi, on October 2, 1987, and appearing of record in the land records in said Chancery Clerk's office in Book 633 at beginning on Page 76, as supplemented by that First Supplement to Declaration of Covenants, Conditions and Restrictions for Northbay made October 7, 1987, and of record in the Office of the aforesaid Chancery Clerk in Book 634 at Page 385, and 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 Charter 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 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 or leasehold interest in a Lot. The expression "owner of record of the fee title to or leasehold interest in a Lot" shall include a contract seller of any such interest, 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 Association shall have two classes of voting membership:

Class A. Class A Members shall be all Members other than persons herein defined as "Declarant," who is or who hereafter becomes the Owner of or holder of a leasehold interest in a Lot shall be a Class A Member of the Association.

Class B. The Class B Member(s) shall be each of the persons herein defined as "Declarant," and the nominee or nominees, if any, of each such person, shall be Class B Members of the Association.

Section 2. Voting Rights. Each Member shall have one vote in the election of each officer of the Association. For all other purposes, the voting rights of the Members shall be by class of membership, and shall be as follows, to-wit:

(a) Class A Members. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such

Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be case with respect to any such Lot.

(b) Class B Members. The Class B Member(s) shall be entitled to three (3) votes for each Lot in which Declarant holds the interest required for membership. When the total votes outstanding in the Class A membership equal the votes outstanding in the Class B membership, then the Class B membership shall cease and be converted into Class A membership.

Section 3. Memberships Appurtenant to Real Property. In every case, the membership of both Class A and Class B Members shall be appurtenant to the ownership of or leasehold interest in 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 4. Termination and Reinstatement of Class B Members. If on any one or more occasions all Class B memberships should terminate, and if after any such termination any one or more of the Declarants, by annexation to the Property in accordance with the Declaration, should add additional property to the property theretofore subject to the Declaration, and as a result of such annexation the Declarant owns or has a leasehold interest in more than one-fourth of the lots (including the annexed property), then on each such occasion the status of the Declarants as Class B Members shall be fully reinstated as to any lots owned or leased under Lease by the Declarant, and following each such occasion the Declarant, or the nominee or nominees, if any, of the Declarant, shall continue to be Class B Members until such time as the total votes outstanding of Class A and Class B Members resulting from the newly added property have been equalized. At such time the Class B membership resulting from such addition shall cease and be converted to Class A memberships. Following each such reinstatement of the Class B memberships, and for so long thereafter as the Class B memberships shall continue to exist, the Declarants, and the nominee or nominees, if any, of the Declarants, shall have all the rights and powers of Class B membership, as herein prescribed.

Section 5. Other Voting Provision. If the fee title to a particular Lot is owned of record or a leasehold interest therein is held by more than one person or entity, then the vote appurtenant to such Lot may be exercised by any one of the fee owners thereof, unless the other owner or owners of such fee title shall object prior to the completion of voting upon the particular matter under consideration. In the case of any such objection, the vote appurtenant to said Lot shall not be counted.

Section 6. 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 7. 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 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 8. 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. 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 Charter, and shall be

held within no more than sixty (60) days following the issuance of the Charter.

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 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 at 7:00 p.m. on the third Tuesday of March 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, and officers of the Association in accordance with the provisions of Article VI of these By-Laws. 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 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 5. Notice of Meetings.

(a) 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.

(b) Meetings at which any action is authorized pursuant to Sections 3 and 4 of Article IV of the Declaration must be held in not less than fifteen (15) nor more than sixty (60) days notice to all Members.

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.

(a) The quorum required for any action referred to in Section 5 (b) of this Article shall be as follows:

At each meeting called, as hereinafter provided, the presence at the meeting of Members, or of proxies, entitled to cast not less than forty percent (40%) of all votes of each class of membership at the meeting. The assessment may be approved by the assent of two-thirds (2/3rds) of each class of members who are voting in person or by proxy at such meeting. Notwithstanding any provision of these Bylaws to the contrary, any action referred to in Section 5(b) of this Article may be taken with the assent given in writing and signed by two-thirds (2/3rds) of each class of membership.

(b) Quorum and voting requirements for all meetings of members other than as described in paragraph (a) of this Section shall be as follows:

The presence, either in person or by proxy of Members having at least thirty percent (30%) 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 such meeting of Members.

(c) As used in this section, "votes" shall mean the votes held by members for purposes other than the election of officers of the Association.

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 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 9. 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 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 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 10. Voting by Class. Whenever by law, or the Charter, or the Declaration, or these By-Laws, any action is required to be taken by a specified percentage of "each class of the then Members" of the Association, then such action shall be required to be taken separately by the specified percentage of the votes of the then outstanding Class A Members, and by the specified percentage of the votes of the then outstanding Class B Members. Whenever by law, or the Charter, or the Declaration, or these By-Laws, any action is required to be taken by a specified percentage of the "then Members" of the Association, then such action shall be required to be taken by the specified percentage of the votes of the then outstanding total membership of the Association.

Section 11. 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

