

BY-LAWS
OF
SUNCHASE HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I. NAME AND LOCATION

SECTION 1. The name of the association is **SUNCHASE HOMEOWNERS' ASSOCIATION, INC.**, a Mississippi not-for-profit corporation created pursuant to the provisions of the Mississippi Nonprofit Corporation Act at Mississippi Code Section 79-11-101 et seq.

SECTION 2. The principal office of the Association shall be 20 Eastgate Drive, Suite D, Brandon, Mississippi. The Association may have such other office within the State of Mississippi at such other place or places as the Board of Directors may from time to time designate or as the business of the Association may require.

ARTICLE II. DEFINITIONS

SECTION 1. All terms used herein shall have the same meanings as set forth in the declaration of Protective Covenants for Sunchase, Part 1; Sunchase, Part 2; Sunchase, Part 3; and any and all amendments thereto. As used herein, the following additional terms shall have the following meanings:

- (i) "Association" shall mean the Sunchase Homeowners' Association, Inc.
- (i) "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association.
- (ii) "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.
- (iii) "Declaration" shall mean and collectively refer to the declaration(s) of Protective Covenants for Sunchase, Part 1; Sunchase, Part 2; and Sunchase, Part 3, as amended, and on file and of record in the office of the Chancery Clerk of Rankin County, Brandon, Mississippi.
- (iv) "Development" shall mean and refer to the entire development known as Sunchase Subdivision, inclusive of Parts 1, 2, and 3; maps or plats thereof which are on file and of record in the office of the Chancery Clerk of Rankin County at Brandon, Mississippi.
- (v) "Lot" shall mean and refer to any plot of land in the Development.
- (vi) "Member" or "Owner" shall collectively mean and refer to the owner of record, whether one or more persons or entities, of the fee simple title to any Lot which is part of the Development and entitled to membership in the Association as provided in the Declaration.

ARTICLE III. MEETING OF MEMBERS

SECTION 1. Annual Meetings. The regular annual meeting of the Members of the Association shall be held on the second Tuesday of December beginning December 2004, and on the same day each year thereafter at an hour established by the Board.

SECTION 2. Special Meetings. Special meetings of the Members may be called by the president or by a majority of the Board for any purpose or purposes, unless otherwise prescribed by statute, and shall be called by the president upon the written request of the Members who are entitled to vote fifty one percent (51%) of all of the votes of the Association. Business transacted at all special meetings shall be confined to the objects or purposes stated in the call; however, notice of any special meeting and consideration of business other than that stated in the call may be waived in writing by any Member and will be considered as waived by such Member's attendance at such meeting unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. The Board may designate any place within Rankin County, Mississippi, unless otherwise prescribed by statute, as the place of meeting or any special meeting of the Members called by the Board. If no designation or place of meeting is made, or if a special meeting be called by other than the Board, the place of meeting shall be at the principal office of the Association.

SECTION 3. Notice of Meetings. Written notice of each meeting of Members shall be given by or at the direction of the secretary, or other person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days prior to such meeting, to each Member entitled to vote at such meeting, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice, or by delivering a copy of such notice at such address at least ten (10) days before the meeting. The notice shall specify the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose thereof.

SECTION 4. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member, whether in person or by proxy, shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order.

SECTION 5. Quorum, Adjournment. The presence at the meeting of the Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10th) of the total votes shall constitute a quorum, except as otherwise provided in the Declaration or these By-Laws. If, however, a quorum shall not be present or represented at any meeting, a majority of the Members so represented may adjourn the meeting from time to time and without further notice. At such adjourned meeting at which quorum shall be present or represented and entitled to vote, any business may be transacted which might have been transacted at the meeting as originally noticed.

The Members present at a duly organized meeting and who are entitled to vote may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to less than a quorum.

SECTION 6. Proxies. At all meetings of Members, a Member may vote or give their consent to proxy executed in writing by the Member or by his duly authorized attorney in fact. Such proxy shall and must bear a date of not more than ten (10) days prior to said meeting, and must be filed with the secretary of the Association before or at the time of the meeting. Every proxy must be revocable and shall automatically cease upon conveyance by the Member of his or her Lot, and in any event shall not be valid after the expiration of eleven months after its date unless it otherwise specifies the date on which it is to expire or the length of time it is to continue in force.

SECTION 7. Designation of Voting Member. When more than one person or entity holds an interest in any Lot, all persons or entities shall be Members, but only one (1) vote may be cast for such Lot. The collective Owners of such Lot shall designate in writing such person who shall serve as the voting Member for such Lot, said designation to be kept on file with the Secretary of the Association. Any vote cast by said voting Member shall be binding upon all Owners of said Lot.

SECTION 8. Voting of Members. Subject to the limitations set forth in Article III Section 7, each Member with voting power shall be entitled to one (1) vote for each Lot owned, unless such Member's voting rights have been suspended. The Developer shall be entitled to three (3) votes for each Lot owned. Voting may be made by voice vote, but any qualified voter may demand a vote by ballot, each of which shall state the name of the Member voting, and the number of qualified votes made by such Member, and if such ballot be cast by proxy, it shall also include the name of the proxy. The rules of Roberts Rules of Order shall apply to the conduct of all meetings of Members.

SECTION 9. Action in Writing Without Meeting. Any action that could otherwise be taken by Members at a meeting may be taken without a meeting of the Members if a consent in writing setting forth the action so taken shall be signed by all of the Members entitled to vote with respect to the subject matter thereof. Any action so approved shall have the same effect as though taken by a meeting of the Members.

SECTION 10. Voting for Election of Directors. Unless otherwise provided by law, at each election of directors, every Member entitled to vote shall have the right to vote in person or by proxy the total number of votes owned by him or her for each director's position to be filled on the Board. There shall be no cumulative voting privileges, nor shall the Members be required to distribute their votes among any number of candidates on the cumulative voting principle.

SECTION 11. Consent of Absentees. Except in the case of special meetings, no defect in the calling or noticing of a regular meeting of the Members will affect the validity of any action

at the meeting if a quorum was present.

ARTICLE IV. BOARD OF DIRECTORS

SECTION 1. General Powers. The management of all the affairs, property, and business of the Association shall be vested in a Board of Directors, which may exercise all such powers of the Association and do all such lawful acts and things as are not by statute, the Articles of Incorporation, the Declaration, or these By-Laws directed to be exercised by the Members.

SECTION 2. Initial Directors. The initial Directors of the Board shall be those persons named as Initial Directors by Developer, or such other person or persons as may from time to time be substituted by Developer. Elections for the successors of the Initial Directors as provided below shall take place no earlier than the first annual meeting. Should a vacancy occur prior to such time, the successor Initial Director shall be appointed by Developer.

SECTION 3. Nomination. Nomination for election to the Board shall be made from the floor at the annual meeting of the Members, or any special meeting called for that express purpose.

SECTION 4. Number, Tenure, and Qualifications. The number of Directors on the Board shall be fixed at three (3) persons, who, with the exception of Developer, shall be elected at the annual meeting of the Members by a plurality vote for a term of one (1) year, the Developer's tenure being determined by the Declaration. Each Director shall hold office until such Director's successor is elected and qualified, even though such tenure in office should thereby exceed one (1) year. It shall not be a requirement of the office of Director that such person be a Member of the Association. Members and Developer are qualified to serve on the Board. Any Director(s) appointed by Developer need not be Members of the Association.

SECTION 5. Appointment of Directors by Developer. Notwithstanding anything to the contrary, so long as Developer owns at least five percent (5%) of the total number of lots in the Development, Developer shall appoint one third (1/3) of the Directors provided for herein, with the remaining two (2) Directors to be elected as provided for in this Article IV; thereafter, all Directors shall be elected as provided for in this Article IV.

SECTION 6. Removal of Directors. At any regular or special meeting of the Association duly called, with the exception of the Developer, any one or more of the members of the Board may be removed, with or without cause, by a majority vote of the Members entitled to vote and a successor then elected to fill the vacancy thus created. A Director whose removal has been proposed by the Members shall be given at least ten (10) days notice of the calling of the meeting and the purpose thereof, and shall be given an opportunity to be heard at such meeting. Additionally, with the exception of the Developer, any Director who has three (3) consecutive unexcused absences from Board meetings, or who is delinquent in the payment of any assessment for more than twenty (20) days from the due date thereof, may be removed by a majority vote of the Directors at a meeting, a quorum being present.

SECTION 7. Vacancies. Vacancies on the Board caused by any reason, excluding the removal of a Director as provided in Article IV Section 6 above, shall be filled by a vote of the majority of the remaining Directors, even if such majority shall constitute less than a quorum, at any meeting of the Board. A Director elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office and until his successor is elected and qualified. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of the Members called for that specific purpose.

SECTION 8. Compensation of Directors. Unless otherwise determined by the Members at a meeting called and noticed for such purpose, no Director shall receive compensation for any service rendered to the Association; however, any Director may be reimbursed for his/her actual expenses incurred in the performance of their duties as Director.

SECTION 9. Regular and Special Meetings. Regular meetings of the Board shall be held immediately after the annual Member meeting, and on such dates and at such places and times as may be fixed from time to time by resolution of the Board, but in no event less than quarterly. Special meetings of the Board shall be held when called by the president of the Board, or by a majority of the Board, after not less than ten (10) days notice to each Director.

SECTION 10. Waiver of Notice. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (i) a quorum is present; and (ii) either prior or immediately subsequent to such meeting, each of the Directors not present signs a written waiver of notice, a consent to hold the meeting, and an approval of the minutes. The waiver of notice need not specify the purpose of the meeting. Notice of a meeting of the Board shall also be deemed given to any Director who attends the meeting without protesting adequate notice in writing prior to or at commencement of such meeting.

SECTION 11. Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of any Director(s), if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting cannot be held due to a quorum not being present, a majority of the Directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (3) days from the time that the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

SECTION 12. Voting Power. Each Director shall be entitled to a single vote, and, except as otherwise provided in any Association organizational documents or by law, vote of a majority of the Directors voting on any matter that may be determined by the Board at a duly called and noticed meeting at which a quorum is present, in person or by participation as provided herein,

shall be sufficient to determine that matter.

SECTION 13. Executive Session. The Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

SECTION 14. Action in Writing Without Meeting. Any action that could otherwise be taken by Board at a meeting may be taken without a meeting of the Board if a consent in writing setting forth the action so taken shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof. Any action so approved shall have the same effect as though taken by a meeting of the Directors.

SECTION 15. Powers and Duties. The Board shall exercise all powers and authority, under law and the provisions of the Association organizational documents, not expressly reserved to the Members by law or by other provisions thereof, and without limiting the generality of the foregoing, the Board shall have the right, power, authority, and duty to:

- (i) Supervise all officers, agents, and employees of the Association, and see that their duties are properly performed;
- (ii) Take all actions deemed necessary or desirable to comply with all requirements of law, the Association organizational documents, and the Declaration;
- (iii) Establish, enforce, levy and collect assessments, late fees, delinquent interest, and other such charges as provided in the Declaration and the Association organizational documents, the amount of such assessments not less than the minimum amount necessary to adequately maintain and support the Common Areas and/or any and all other obligations assumed by the Association and/or the Board;
- (iv) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment;
- (v) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid, with such certificate being conclusive evidence of such payment;
- (vi) Procure and maintain adequate liability and hazard insurance on property owned by the Association, such amount to be determined by the Board but in no event less than the amount specified in the Declaration, if any;
- (vii) Cause the Common Area to be maintained;
- (viii) Enforce the covenants, conditions, and restrictions set forth in the Declaration;
- (ix) Suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any charge levied by the Association (such rights may also be suspended after notice and hearing, for

- a period not to exceed sixty (60) days for each infraction of published rules and regulations, covenants, conditions and/or restrictions as set forth in the Association organizational documents or the Declaration);
- (x) Declare the office of a Director to be vacant in the event such Director shall have un-excused absences from three (3) consecutive regular meetings of the Board;
 - (xi) Subject to such approvals, if any, as may be required pursuant to the provisions of the Association organizational documents, the Declaration, or applicable law, authorize the officers to enter into agreements necessary or desirable to fulfill the purposes and objectives of the Association, including, without limitation, management agreements, purchase agreements, loan documents, and employing the services of attorneys, all on such terms and conditions as the Board in its sole and absolute discretion may determine reasonable;
 - (xii) Borrow funds, as needed, and pledge such security and rights of the Association as may be necessary or desirable to obtain any such loan upon prior approval of the Members at a meeting thereof;
 - (xiii) Cause to be kept a complete record of all acts and corporate affairs, and to present a statement thereof to the Members at each annual meeting thereof, or at any special meeting when such statement is required in writing by the Members representing one-half (½) of the number of Members entitled to vote;
 - (xiv) Cause an annual budget to be prepared;
 - (xv) Fix the amount of any special assessments for capital improvements; and
 - (xv) Take all other actions required to comply with all requirements of law, the Association organizational documents, and the Declaration.

ARTICLE V. OFFICERS

SECTION 1. Enumeration of Officers. The Officers of this Association shall be a President, a Vice-President, and a Secretary-Treasurer, and such other Officers as the Board may from time to time determine necessary and desirable. No Officer need be a member of the Board, and the same person may hold more than one office. Each Officer, whether elected or appointed, shall hold office until his successor shall have been duly elected and qualified, or until his or her death, resignation, or removal.

SECTION 2. Selection and Term. Except as otherwise expressly provided in the Declaration or by law, the Officers of the Association shall be selected by the Board, from time to time, to serve until the Board selects their successor or as otherwise provided herein.

SECTION 3. Resignation and Removal. Any Officer may be removed from office with or without cause by the Board. Any Officer may resign at any time by giving written notice to the Board, the President, or the Secretary-Treasurer. Such resignation shall take effect on the date of

receipt of such notice, or at any later time specified therein, and the acceptance of such resignation shall not be necessary to make said resignation effective.

SECTION 4. Chairman of the Board. The Chairman of the Board shall preside at all meetings of Members and Directors.

SECTION 5. President. The President shall be the principal executive officer of the Association and, subject to the control of the Board, shall in general supervise and control all the business and affairs of the Association. In the absence of the Chairman of the Board, he shall, when present, preside at all meetings of the Members and of the Board. The President may sign, with the Secretary-Treasurer, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or these By-Laws to some other office or agent of the Association. The President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time. The President shall be responsible for carrying into effect all orders and resolutions of the Board and Members as required or as good business dictates.

SECTION 6. Vice-President. The Vice-President(s), in the order designated by the Board, shall exercise the functions of the President during the absence or disability of the President and Chairman of the Board. Each Vice-President shall have such powers and discharge such duties as may be assigned to him or her from time to time by the President or the Board.

SECTION 7. Secretary-Treasurer. If required by the Board, the Secretary-Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board shall determine. The Secretary-Treasurer shall (i) keep the minutes of the meetings of the Members and the Board in the corporate books; (ii) see that all notices are duly given in accordance with the provisions of these By-Laws or as otherwise required by law; (iii) be a custodian of the corporate records and seal of the Association, and see that such seal is affixed to all documents, the execution of which on behalf of the Association under its seal is duly authorized; (iv) keep a register of the post office and/or notice address of each Member, which shall be furnished to the Secretary-Treasurer by such Member; (v) have charge and custody of and be responsible for all monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks as shall be selected in accordance with the provisions of these By-Laws; (vi) disburse all funds of the Association in payment of the just demands against the Association, or as may be ordered by the Board, taking proper vouchers for such disbursements, and render to the Board an account of all transactions as Secretary-Treasurer and of the financial condition of the Association; and (vii) in general, perform all of the duties incident to the office of Secretary-Treasurer and such other duties as from time to time may be assigned to him or her by the President or the Board.

SECTION 8. Compensation of Officers. Unless otherwise determined by the Members at a meeting called and noticed for such purpose, no Officer shall receive compensation for any

service rendered to the Association; however, any Officer may be reimbursed for his/her actual expenses incurred in the performance of their duties as Officer.

SECTION 9. Reports of Officers. All Officers shall render reports of the business transacted by them during the fiscal year last concluded at the annual Members meeting and at any meeting of the Board. Such reports may be orally given unless the Board instructs the Officers to render written detailed reports of such business transacted.

ARTICLE VI. ASSESSMENTS

SECTION 1. Obligation to Pay. As more fully provided in the Declaration, each Member and Owner is obligated to pay to the Association all annual and special assessments when due, such assessments being secured by a continuing lien upon the Lot(s) against which the assessments are made. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Members, for the improvement and maintenance of the Common Areas, and for any capital improvements that may be duly authorized by the Members. No Member may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his or her Lot. Any Lot(s) owned by the Developer are expressly exempt from any and all assessments created by the Declaration, the By-Laws, and/or the Association organizational documents; further, the Developer is expressly exempt from any and all obligation to pay any assessment of any nature whatsoever.

SECTION 2. Interest on Unpaid Assessments. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at a rate of fifteen percent (15%) per annum. The Association may bring an action at law or in equity against the Member personally obligated to pay the same, or foreclose the lien against the Lot.

SECTION 3. Lien. The continuing lien provided for herein shall be subordinate to the lien of any first mortgage. The sale or transfer of any Lot shall not affect the assessment lien, as all liens created herein shall run with the land.

ARTICLE VII. AMENDMENT TO BY-LAWS

SECTION 1. Amendment by Board. Except as provided in Article VII Section 3, the Board shall have the power to make, amend, alter or repeal the By-Laws of the Association by the unanimous vote of the Directors, provided that notice of such alteration, amendment, or repeal have been given to each Director in writing at least ten (10) days prior to said meeting. Additionally, the Board may not adopt a new By-Law or amendment hereof changing the authorized number of Directors or their qualifications

SECTION 2. Amendment by Members. Except as provided in Article VII Section 3, the Members, by affirmative vote of seventy five percent (75%) of the votes related to each and all lots in the Development, may make, alter, amend, or repeal the By-Laws without any notice at the

annual meeting or at any special meeting called for the express purpose thereof.

SECTION 3. Limitation on Amendments. Notwithstanding the foregoing, as long as Developer continues to own any lot(s) in the Development, neither the Board nor the Members shall have the power or authority to amend any of the By-Laws without the express written permission of Developer. No amendment shall be in a manner inconsistent with the Declaration, including, without limitation, provisions in the Declaration relating to the Association's responsibilities for maintaining and improving any Common Areas. The amendment of any covenants and restrictions set forth in the Declaration may only be amended in accordance with the terms of said Declaration.

ARTICLE VII. GENERAL PROVISIONS

SECTION 1. Contracts. The Board may authorize an Officer or Officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific transactions.

SECTION 2. Loans. No loan shall be contract on behalf of the Association and no evidence of indebtedness shall be issued in the name of the Association unless authorized by resolution of the Board, such authority may be general or confined to specific transactions.

SECTION 3. Checks, Drafts, Etc. All checks, draft, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such Officer or Officers, agent or agents of the Association in such manner as from time to time may be determined by resolution of the Board.

SECTION 4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks as the Board may select.



SECTION 5. Corporate Seal. The Board shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association and State of Incorporation and the words "Corporate Seal".

SECTION 6. Books and Records. All books, accounts, records and financial statements of the Association, including annual audited or unaudited financial statements when such are prepared in the discretion of the Association, shall be available during normal business hours upon written request to the Association, for inspection by Officers, Directors, and Members of the Association, and the holders, insurers and guarantors of first mortgages on Lots as may be provided for in the Declaration.

SECTION 7. Notices. Whenever the provisions of any law, these By-Laws, or the Declaration require notice be given to any Director, Officer, or Member, they shall not be construed to mean personal notice. Notice shall be given in writing by depositing the same in any

post office of the United States, postage prepaid, addressed to such Director, Officer or Member at his or her address as the same appears in the books of the Association. If the notice is signed by the person or persons entitled to such notice, whether before or after the time stated therein, such signature shall be construed as a waiver of such notice for the purposes stated therein.

SECTION 9. Fiscal Year. Unless otherwise changed by the Board, the fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty first (31st) day of December of every year, except that the first fiscal year shall begin on the date of incorporation of this Association.

SECTION 10. Survival of Declaration. In the event the Declaration is terminated as provided therein, the provisions referred to in these By-Laws shall be deemed incorporated by reference herein as to have survived the termination of the Declaration.

SECTION 12. Limitation on Authority. Notwithstanding any other provision to the contrary, the Association shall have no authority over any Lot in Sunchase, Part 3 until ninety percent (90%) of the Lots therein are no longer owned by the Developer, at which time the Association shall assume proper authority granted herein not otherwise limited by these By-Laws or the Declaration; otherwise, this provision in no way diminishes the Association's authority over any other portion of the Development. The Developer is expressly exempt from any payment obligation for any assessments, fees, interest, indebtedness, or other financial obligation(s) of any nature created herein or by act or enactment of the Association.

IN WITNESS WHEREOF, these By-Laws are adopted by the Initial Directors and Officers of the Association as of this, the _____ day of _____, 2004.

SUNCHASE HOMEOWNERS' ASSOCIATION, INC.

By: _____
NAME, It's President and Duly Authorized Agent

ATTEST:

NAME, It's Secretary-Treasurer