

**BY-LAWS OF
SNOW LAKE SHORES PROPERTY
OWNERS CORPORATION**

ARTICLE I

SECTION 1 -- The following shall be the By-Laws of Snow Lake Shores Property Owners Corporation, a non-profit Corporation organized under the laws of the State of Mississippi, and hereinafter called the Corporation.

SECTION 2 -- Snow Lake Shores Property Owners Corporation is a strictly private Membership Corporation. It was formed in the interest of, and for the protection, promotion and improvement of Snow Lake Shores. Your compliance with the following By-Laws will help maintain the type community of which you can be proud and in which you can take pleasure in being a member. Observe all By-Laws. They are for your protection.

SECTION 3 -- The premises are conveyed and shall be used exclusively for residential purposes, except those lots designated as business or commercial areas on the plats of Snow Lake Shores subdivision. No more than one single family dwelling house may be erected on such residential lot nor more than one other building for storage purposes in connection therewith; provided further, that such storage or other building shall not be constructed prior to the resident building. No residence of less than 1000 square feet, excluding porch area, shall be erected or constructed on any Snow Lake lot.

SECTION 4 -- Buildings erected or constructed on Snow Lake lots shall conform to current building codes and be neat in appearance. All wood exteriors shall be painted or stained with two coats of paint or stain. The premises shall be kept neat and no garbage, trash, worn out appliances or vehicles with expired license plates or safety inspection stickers shall be kept on the premises.

SECTION 5 -- Members of this corporation may rent their cottages to single family occupants only. Members must have approval of the Board of Directors before their property can be rented and the person or persons to whom they rent are subject to written approval by the Board of Directors. If the proposed renter is approved it will be necessary for the member to obtain guest cards with the names of the people to whom the cottage is being rented. Members who rent their cottages are responsible for the actions and activities of the persons to whom they rent their cottage.

**ARTICLE II
PROPERTY RIGHTS**

SECTION 1 -- Owners ease of enjoyment. Every owner shall have a right and easement of enjoyment in and to the common areas which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

(A) The right of the Corporation, acting by and through its Board of Directors, to levy reasonable admission and other fees for the use of any common facilities situated upon the property by the members and their families, tenants and guests; provided, however, that any such fees shall be charged on a uniform basis for each member; and

(B) The right of the Corporation to suspend any member's voting rights and any member's rights to use the common areas and common facilities (except rights to use the streets, roadways and parking areas, which latter rights shall not be subject to suspension for any reason) for any period during which assessments remain unpaid and for any period of time provided for elsewhere herein or in the published rules and regulations promulgated by the Corporation for any infraction of any of the said rules and regulations; and

(C) The right of the Corporation to dedicate or transfer all or part of the common areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless two-thirds (2/3) of the members of the Corporation shall consent to such dedication, transfer, purpose and conditions at a special meeting of the members duly called for such purpose or an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of the members has been recorded; and

(D) The right of the corporation, in accordance with its Charter of Incorporation, to borrow money for the purpose of improving and maintaining the common areas and common facilities in a manner designed to promote the enjoyment and welfare of the members and in aid thereof to mortgage any of the common areas and facilities.

**ARTICLE III
MEMBERSHIP AND VOTING RIGHTS**

SECTION 1 -- MEMBERSHIP. The members of the Corporation shall be and consist of each and every person who is, or who hereafter becomes, an owner of record of the fee title to a lot in Snow Lake Shores and who complies with the requirements of membership in the Corporation. The expression "Owner of Record of the fee title to a lot" shall include a contract seller of any such lot, but shall not include any person who owns such title solely as security for the performance of an obligation or payment of a debt. All members of the Corporation shall remain members only for so long as they shall promptly pay in full, as and when due, all maintenance and other assessments levied pursuant to this declaration and prior court orders.

SECTION 2 -- VOTING RIGHTS. Voting rights shall be as prescribed by the By-Laws of the Corporation. Notwithstanding anything to the contrary and regardless of the number of lots owned, no member shall have more than one vote in any matter or issue on which he is entitled to vote.

SECTION 3 -- MEMBERSHIP APPURTENANT TO REAL PROPERTY. In every case, the membership of a member 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 4 -- OTHER VOTING PROVISIONS. If the fee title to a particular lot is owned of record 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 5 -- MEMBERSHIP. Each Property Owner becomes a member of the corporation and by doing so shall be deemed to covenant and agree to pay promptly, as and when due, his annual assessment, or each installment thereof if the Board of Directors has authorized payment in installments, for the then current assessment year and each succeeding year during which he continues to be a member, and shall be deemed to covenant and agree to pay promptly, as when and due, any special maintenance assessment levied pursuant to these By-Laws while he is a member. Any member may prepay any maintenance assessment or installment thereof without premium or penalty.

ARTICLE IV ASSESSMENTS

SECTION 1 -- PURPOSE OF ASSESSMENTS. The assessments levied by the corporation shall be used exclusively for the purpose of promoting the health, safety, and welfare of the residents of the properties, and in particular for the improvement and maintenance of the common areas; and for paying the cost of labor, equipment, (including the expense of leasing any equipment) and materials required, and for management and supervision of the common area, including but in no way limited to the following;

(A) The amount of all operating expenses for operating the common areas and common facilities and furnishing the services furnished to or in connection with the common areas and common facilities, including charges by the corporation for any services furnished by it; and

(B) The cost of necessary management and administration of the common areas and common facilities, including fees paid to any managing agents; and

(C) The amount of all taxes and assessments levied against the common areas and common facilities; and

(D) The cost of fire and extended coverage and liability insurance on the common areas and common facilities and the cost of other such insurance as the corporation may place in force with respect to the common areas and common facilities; and

(E) The cost of maintaining, replacing, repairing and landscaping the common areas and common facilities, and the cost of such equipment as the Board of Directors shall determine to be necessary and proper in connection therewith; and

(F) The operating budget and all expenses incurred by and on behalf of the corporation including, but not limited to, all legal fees, costs and other such expenses;

(G) The cost of funding all reserves established by the corporation including, when appropriate, a general operating reserve and a reserve for replacement.

SECTION 2 -- MAXIMUM ANNUAL ASSESSMENT. The maximum annual assessment shall be in such amount as the Board of Directors deems reasonable and necessary. The maximum annual assessment may be increased each year not more than (10%) ten percent above the maximum annual assessment for the previous year without a vote of the membership. The maximum annual assessment may be increased above the ten percent (10%) by a vote of a majority of the members voting by mail in the manner provided in the by-laws of the corporation or at a special meeting of the membership of the corporation called for that purpose.

SECTION 3 -- SPECIAL ASSESSMENTS.

(A) Special assessments for capital improvements. In addition to the annual assessments authorized above, the corporation may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of capital improvements upon the common areas, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the members who are voting in person at a meeting duly called for this purpose.

(B) Special assessments for willful or negligent acts. Upon an affirmative vote of a majority of the members, voting at a meeting of the membership of the corporation, the corporation may levy special assessments against individual lot owners, for reimbursement for repairs occasioned by the willful or negligent acts of the lot owner(s) and not by ordinary wear and tear.

SECTION 4 -- RESERVES FOR REPLACEMENTS. The corporation may establish and maintain a reserve fund for replacements of the common areas and common facilities, and shall allocate and pay to such reserve fund whatever amount may be designated from time to time by the Board of Directors. Amounts paid into such fund shall be conclusively deemed to be a common expense of the corporation, and all such amounts may be deposited in any banking institution, the accounts of which are insured by an agency of the United States, or, in the discretion of the Board of Directors, may be invested in obligations of, or obligations fully guaranteed as to the principal by, The United States of America. The reserve shall be for replacements and maintenance of the common areas and common facilities, including but not limited to the lake, dam and spillway, for major repairs to any sidewalks, parking areas, streets or roadways on the property, for equipment replacement and for start-up expenses and operating contingencies of a non-recurring nature relating to the common areas and common facilities. The corporation may establish such other reserves for such other purposes as the Board of Directors may from time to time consider being necessary or appropriate. Such reserves shall be the property of the corporation.

**ARTICLE V
GENERAL POWERS AND DUTIES OF THE
BOARD OF DIRECTORS OF THE CORPORATION**

SECTION 1 -- POWERS & DUTIES. The Board of Directors shall have all the powers, authorities and duties necessary or appropriate for the management and administration of the affairs of the corporation, and in managing and administering such affairs, The Board of Directors shall have the power and authority to do all acts and things except those which by law or by declaration or by the Charter of Incorporation or by the By-laws may be exercised and done only by the members. In addition to the powers, authorities and duties prescribed by the By-Laws of the Corporation, The Board of Directors shall be vested with other powers, authorities and duties which shall include, but shall not be limited to the following;

(A) To provide for the care and maintenance, upkeep and surveillance of the common areas and common facilities and services in a manner consistent with the law and the provisions of the By-Laws and the Declaration; and

(B) To provide for the establishment, assessment, collection, use and expenditure of assessments and carrying charges from members, and for filing and enforcement of liens therefore in a manner consistent with the law and the provisions of the By-Laws and the Declaration; and

(C) To provide for the designation, hiring and dismissal of all personnel, including but by no means limited to armed security guards, who are necessary and appropriate for the proper care, maintenance and protection of the common areas, common facilities and the community at large and to provide services on the project

manner consistent with the law and the provisions of these By-Laws and the Declaration;
and

(D) To provide for the promulgation and enforcement of such rules, regulations, restrictions and requirements as may be deemed proper respecting the use, occupancy and maintenance of the common areas and common facilities including, but by no means limited to, rules, regulations, restrictions and requirements designed to prevent unreasonable interference with the use of the common areas and common facilities by the members and others, all of which rules, regulations, restrictions and requirements shall be consistent with the law and with the provisions of the By-Laws and the Declaration; and

(E) To participate in community, state or county efforts to maintain appropriate fire protection, a fire station and fire fighting equipment; and

(F) To purchase insurance upon the common areas and common facilities in the manner provided for in the By-Laws; and

(G) To repair, restore or reconstruct all or any part of the common areas and common facilities after any casualty loss in a manner consistent with the law and the provisions of the By-Laws and the Declaration, and to otherwise improve the common areas and common facilities; and

(H) To lease and to grant licenses, easements, right-of-ways and other rights of use in all or any part of the common areas and common facilities; and

(I) To purchase lots and to lease, mortgage or convey the same, subject to the provisions of the By-Laws and the Declaration; and

(J) To employ for the corporation, at their discretion, a management agent or manager (herein referred to as the "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 shall prescribe and under such conditions as authorized by the By-Laws of the corporation; and

(K) To raise and lower the water level of the lake upon reasonable notice to the members of the corporation, however; no such notice is required to be give when the Board of Directors, in its sole discretion, determines an emergency situation requiring immediate action to exist; and

(L) To dredge or otherwise remove any deposit or accretion from any portion of the lake.

**ARTICLE VI
COMMON AREA REGULATIONS**

SECTION 1 -- PROMULGATION OF RULES BY THE CORPORATION. The use of the common areas and common facilities by the property owners, their guests, invitees and employees shall be governed by the applicable rules, regulations and policies as from time to time promulgated by the corporation. Such regulations shall include, but shall not be limited to, those set forth in section 2 of this article.

SECTION 2 -- USE OF LAKE, BEACH, SWIMMING, DAM, SPILLWAY AND PICNIC AREAS.

(A) All boating regulations set forth in applicable provisions of the laws of the State of Mississippi, as well as those rules and regulations contained herein and as may be promulgated by the Board of Directors, shall apply to all boating and boat use on Snow Lake. Boat speed on Snow Lake is limited to five (5) miles per hour. In no event shall a boat having an engine larger than 9.9 horsepower be launched or placed in or operated within Snow Lake. Boats must be operated outside a radius of at least 100 feet from any anchored boat, raft, dock, pier, float and swimming area. All boating vessels operating on Snow Lake after sundown must burn safety lights at all times. Water skiing is strictly prohibited at all times. Boats may be docked at private docks if permitted by the owner thereof or at public docks constructed by the Corporation for that purpose; provided however, that no boat may be docked at a public dock in such a way as to block or prohibit the use of the dock by other boaters.

(B) The beaches constructed and maintained by the corporation are for the use of members and their guests only. All persons who choose to swim in Snow Lake do so at their own risk and with the knowledge that no lifeguard or rescue facilities are provided. All minors using the beaches at Snow Lake must be accompanied by an adult. No alcoholic beverages, glass, containers and pets shall be permitted on the beaches or in the lake. There shall be no fishing from the beach front or in designated swimming areas within Snow Lake. Swimming across the lake or outside designated swimming areas and any swimming after 9:00 p.m. within designated swimming areas is strictly forbidden.

(C) Members and their guests are entitled to use the picnic areas, picnic tables and barbecue facilities provided by the corporation, so long as any fires are extinguished and such areas and facilities are left clean and free of all trash and garbage.

(D) The Snow Lake dam and spillway areas are restricted areas and are not to be entered by any owner, guest or member of the general public. Any person (other than corporation employees during normal working hours) found to have entered these restricted areas may be prosecuted as trespassers and may also be subject to such further penalties as are provided for in the Declaration.

(E) Any person not abiding by all of the aforesaid rules and regulations may, at the discretion of the Board of Directors, be fined an amount not less than \$50.00 and not to exceed \$150.00 per occurrence, which amount shall be added to the assessment for the responsible member's lot, if not immediately paid when assessed; such offenders shall also be denied use of the common areas and common facilities for a period of time to be determined by the Board of Directors, but in no case to exceed 180 days for any one occurrence, and shall also be subject to such other penalties as provided for in the By-Laws of the corporation, in the Declaration or by the laws of the State of Mississippi. The payment of fines shall be enforced in the same manner as the payment of assessments, as provided in Article IV, Section 9 of the Declaration.

(F) Vehicles are not allowed in the east side picnic area located near the Community Center, the Community Center grounds and all of the east side beach grounds partially occupied by the rest rooms and Snow Lake office. No vehicle shall enter these areas without a permit.

(G) Solicitation of items or funds for charitable purposes within the property is prohibited except by mail or telephone contact. This does not apply to activities that have been approved in advance by the Board of Directors.

(H) No advertising shall be permitted on corporation bulletin boards or in any other area, except as approved in advance by the Board of Directors. Community and public service announcements may be permitted with approval of the Snow Lake office.

ARTICLE VII RULE MAKING

SECTION 1 -- RULES & REGULATIONS.

(A) Subject to the provisions hereof, the Board of Directors may establish reasonable rules and regulations concerning the use of lots, dwellings and the common areas and common facilities located thereon. Particularly and without limitation, the Board of Directors may promulgate from time to time rules and regulations which will govern activities which may, in the judgement of the Board of Directors, be environmentally hazardous, such as the application of fertilizers and pesticides and other chemicals.

(B) Subject to the provisions of these By-Laws and the Declaration the Board of Directors may establish rules and regulations, from time to time pertaining to the use of the recreational areas and amenities as are now and hereafter located in the common areas.

SECTION 2 -- EXTERIOR APPEARANCE. All improvements shall be constructed and maintained so as to be neat in appearance and in conformance with all applicable building code provisions. All wood exteriors shall be painted or stained with two (2) coats of paint or stain. Lots and roads and streets shall be kept neat and cleared of debris,

garbage, trash, unused appliances, junk, inoperable vehicles and vehicles without current license plates and inspection stickers, and all other such unsightly objects.

SECTION 3 -- OTHER BUILDINGS; VEHICLES; PRIVATE BEACHES; DOCKS & PIERS.

(A) No tent, mobile home, double-wide, modular structure, trailer, barn or other similar outbuilding or structure shall be placed on any lot or on any other area at any time, either temporarily or permanently. All such structures are strictly prohibited.

(B) Each owner shall provide for parking for at least two (2) automobiles per family for each dwelling owned or maintained by such owner. All owners, their tenants, guests and visitors shall park their automobiles in the driveway of the dwelling of the owner. The Board of Directors shall have the authority to promulgate rules and regulations to govern the outside storage or parking upon any lot, dwelling or within any portion of the common areas (other than in parking areas within the common areas designated for such purposes, if any), of motor homes, tractors, trucks, (other than pick-up trucks), commercial vehicles of any type, campers, motorized campers or trailers, boats or other water craft, boat trailers, motorcycles, motorized bicycles, motorized go carts or any other related types of transpiration devices. No owners or other occupants of any portion of the property shall repair or restore any vehicle of any kind upon or within any lot, dwelling, or within any portion of the common areas, except (1) within enclosed garages or workshops or (2) for emergency repairs and then only to the extent necessary to enable the movement thereof to a proper repair facility.

(C) An owner of a waterfront lot may build his own private beach area on the lake side of his lot and may also construct a private dock or pier extending from his lot out into the lake, both in accordance with guidelines established by the Board of Directors. However, the owner shall submit the specifications for the proposed beach, dock or pier including, but not limited to size, type(s) of materials to be used, method of construction, expected dates and length of time required for construction; all of which may be subject to guidelines imposed by the Board of Directors. Prior written approval of such specifications by the Board of Directors is required before construction may commence, but the board shall not unreasonably withhold such approval.

SECTION 4 -- UNSIGHTLY CONDITIONS AND NUISANCES. It shall be the responsibility of each property owner and tenants thereof to prevent the development of any unclean, unsightly or unkempt conditions of buildings or grounds on the property which shall tend to substantially decrease the beauty of the community as a whole or as a specific area. No rubbish or debris of any kind shall be dumped, placed or permitted to accumulate upon any portion of the property. Likewise, no odors shall be permitted to arise from or nuisance permitted to operate upon any portion of the property, so as to render any such portion unsanitary, unsightly, offensive or detrimental to persons using or occupying any other portions of the property. Noxious or offensive activities shall not be

carried on in any lot, dwelling or any part of the common area or common facilities. Further, each owner, his family, tenants, invitees, guests, servants and agents shall refrain from any act or use of a lot, dwelling or the common area or common facilities which would cause disorderly, unsightly or unkempt conditions or which would cause embarrassment, discomfort, annoyance or nuisance to the occupants of other portions of the property or which would result in a cancellation of any insurance from any portion of the property or which would be in violation of any law, governmental code or regulation. Without limiting the generality of the foregoing conditions, no exterior speakers, horns, whistles, bells or other sound devices except security and fire alarm devices used exclusively for such purposes shall be located, used or placed within the property. Any owner, or his family, tenants, guests, invitees, servants or agents, who dumps or places any trash or debris upon any portion of the property shall be liable to the corporation for the actual costs of removal thereof or the sum of \$ 150.00, whichever is greater, and any such sum shall be added to and become a part of that portion of the assessment next becoming due to which the owner and his lot are subject.

SECTION 5 -- LIGHTS. No lighting fixtures or other illuminated devices located anywhere on the dwelling or other structure or grounds of the lot shall be located, directed, or of such intensity as to affect adversely the night time environment of any adjoining property.

SECTION 6 -- PETS & OTHER ANIMALS. No animals, livestock or poultry of any kind shall be raised, bred, kept, staked or pastured on any lot or in the common areas; except that domestic pets such as dogs, cats, birds or their household pets may be kept in dwellings, pursuant to such rules of the corporation acting through its Board of Directors may adopt by the corporation from time to time. Notwithstanding anything herein to the contrary, no more than a total of three (3) household pets may be kept at any one time on the grounds or in the dwelling of any lot. All such household pets must be vaccinated in accordance with the law and the owner must, if requested to do so by the Board of Directors, furnish evidence of such vaccination. Dogs must be kept on owners property unless on a leash.

(A) The killing or trapping of wild or domestic animals or birds, other than rats, mice, poisonous snakes and other destructive pests within the property is prohibited, except as may be authorized by the Snow Lake office or the Board of Directors.

SECTION 7 -- MEMBERSHIP CARDS. Membership cards entitling the holder thereof to use of the common areas and common facilities may be issued to all lot owners and guest cards issued to the immediate family members and guests thereof, as long as all assessments have been paid by said owner. Cards shall contain the member's name, lot number, and the name of the card holder, the expiration date of the privileges extended thereby, the date of the issue and the signature of an officer of the corporation. No more than eight (8) guest cards shall be issued under the name of any one member at any one time. All requests for permission to host any group function on the property having more

than eight guests must be submitted in writing to the Board of Directors prior to the event and approved by them.

SECTION 8 -- EXCESSIVE NOISE. Loud noises, music, televisions, radios or stereos or other equipment capable of producing high or loud volume sound shall not be permitted to cause unreasonable disturbances to others occupying the property.

SECTION 9 -- (A) The following regulates the use of corporate beaches;

1. For members and their guests.
2. Swim at your own risk.
3. Children must be with an adult.
4. No alcoholic drinks.
5. No pets - No fishing - No bottles.
6. No swimming across the lake.
7. Beaches close at 9:00 P.M.
8. Violators will be prosecuted.

(B) Rest rooms for men and women are located on the main beach. All sewage and waste flows into septic tanks. Please do not throw anything except toilet paper in the toilets. Please help keep them clean.

(C) Firearms may be used by property owners to protect their property. All other use of firearms is prohibited within the boundary of the Snow Lake Shores Subdivision and violators can be prosecuted.

(D) Fishing. The use of seines, trot lines, snag lines, nets or fish traps are strictly forbidden either for commercial or any other purpose.

(E) For 911 purposes all property owners must display their assigned lot number with four (4) inch high numbers, either on the mail box post or where the post should be according to United States Postal Regulations.

SECTION 10 -- COMPLIANCE.

(A) In the event of a violation or a breach of any other restrictions contained in these by-laws by a property owner, or agent of such property owner, other property owners, jointly or severally, shall have the right to proceed at law or in equity to compel compliance to the terms hereof or to prevent the violation or breach in any event. In addition to the foregoing, the corporation shall have the right, but shall not be obligated to proceed at law or in equity to compel compliance to the terms hereof or to prevent the violation or breach in any event.

(B) In addition to the foregoing, the corporation shall have the right, but shall not be obligated, whenever there shall have been built at any place on the property any

structure which is in violation of these restrictions, to enter upon the property upon which such violations exist and similarly abate or remove the same at the expense of the property owner if, after thirty (30) days written notice of such violation, it shall not have been corrected by the property owner. Any person entitled to file a legal action for the violation of the covenants shall be entitled to recover reasonable attorney fees as a part of such action. Any such entry and abatement or removal shall not be deemed a trespass.

(C) The failure to enforce any rights, reservations or restrictions contained in these by-laws or the Declaration, however long continued shall not be deemed a waiver of this right to do so thereafter as to the same breach, or as to a breach occurring prior to or subsequent thereto and shall not bar or affect its enforcement. The invalidation by any court of any restrictions of the Declaration shall in no way affect any of the other restrictions, but they shall remain in full force and effect.

ARTICLE VIII ANNUAL MEETING

SECTION 1 -- CONDUCT OF MEETINGS. The Parliamentary procedure for the conduct of all meetings shall be governed by Robert's Rules of Order (Revised).

SECTION 2 -- PLACE OF MEETINGS. Any and all meeting of the members, meetings of the Board of Directors, and elections shall be held at the community center unless the Board notifies the members of any necessary change in location. All regular board meetings shall be open to all members whose maintenance assessments are current and paid to date in accordance with the by-laws. Closed special meetings of the board may be held on sensitive matters concerning board members, individual property owners, employees or extreme emergencies.

SECTION 3 -- ANNUAL MEETING OF THE MEMBERS. An annual meeting of the members shall be held on each year on the first Saturday in June, at one-thirty (1:30) p.m., one of the purposes of which shall be the election of members to the Board of Directors.

SECTION 4 -- BUSINESS OF THE ANNUAL MEETING. Any resolution or amendment to the by-laws or any other item proposed to be placed on the agenda of the annual meeting by a member shall be submitted, in writing, to the secretary of the corporation prior to March 1st of that year. Resolutions or amendments must be accompanied by a petition signed by at least 25 (twenty-five) property owners of the corporation indicating approval of the proposed resolution or amendment. Any resolution or amendment so submitted must be included, with a short explanation, in the mail announcing the annual meeting.

SECTION 5 -- NOTICE OF ANNUAL MEETING OF MEMBERS. At least twenty (20) days prior to the date fixed for the holding of the annual meeting of the members, nor more than forty (40) days before said meeting, written notice of the time, place and purpose of such meeting shall be mailed, as herein provided, to each member entitled to

vote at such meeting. This notice shall contain the names and a short message from all candidates for the Board of Directors previously nominated by certified or registered letter to the secretary.

SECTION 6 -- DELAYED ANNUAL MEETING. If for any reason, the annual meeting of the members shall not be held on the day herein designated, such meetings may be called and held as a special meeting, provided however, that the notice of such meeting shall be the same herein required for the annual meeting, namely, not less than a twenty (20) day nor more than a forty (40) day notice.

SECTION 7 -- SPECIAL MEETING OF MEMBERS. A special meeting of members may be called at any time by the President or by a majority of the Board of Directors. The method by which such meeting may be called is as follows: upon receipt of a specification in writing setting forth the date and objectives of such proposed special meeting, signed by the President, or by a majority of the Board of Directors, the secretary or assistant secretary shall prepare, sign and mail the notices requisite to such meeting. Such notice may be signed by stamped, typewritten or printed signature of the secretary or an assistant secretary.

SECTION 8 -- NOTICE OF SPECIAL MEETING OF MEMBERS. At least thirty (30) days prior to the date fixed for the holding of any special meeting of members, written notice of the time, place, and purpose of such meeting shall be mailed, as herein provided, to each member entitled to vote at such meeting. No business not mentioned in the notice shall be transacted at such meeting.

SECTION 9 -- ORDER OF BUSINESS AT THE ANNUAL MEETING. The order of business at the annual meeting of the members shall be as follows:

- (A) Reading of the minutes of the last preceding annual meeting.
- (B) Report of the President.
- (C) Report of the Secretary.
- (D) Report of the Treasurer.
- (E) Old Business.
- (F) New Business.
- (G) Transaction of other business mentioned in the notice.
- (H) Election of Directors.
- (I) Adjournment.

Provide that in the absence of any objections, the presiding officer may vary the order of business at his discretion.

ARTICLE IX

VOTING & ELECTIONS

SECTION 1 -- WHO IS ENTITLED TO VOTE. Each member of this corporation shall at every meeting of the members, be entitled to one vote upon every subject properly submitted to be voted upon regardless of the number of lots owned or assessments paid to this corporation by such member. Where co-owners own two lots in Snow Lake Shores subdivision, each of them may cast one vote on any subject before the meeting. No owner can cast more than one vote and there can be only one vote cast for each lot regardless of the number of owners listed for that lot on the recorded deed.

SECTION 2 -- DELIQUENT LOT OWNERS INELIGIBLE TO VOTE. Only those property owners who pay all past dues and at least 1/2 (6 months) of their current maintenance assessments to date by March 1st in any given year are qualified to vote at the annual meeting of that year. It shall be the lot owner's responsibility to record all of their Snow Lake deeds in the Benton County Courthouse and the recording information (land deed book & page number) is provided to the Snow Lake office in order to vote. This recorded information shall be considered official, for mailing purposes, as of March 1st each year.

SECTION 3 -- CANDIDATES FOR THE BOARD OF DIRECTORS. Candidates shall nominate themselves by a certified or registered letter, return receipt requested, to be mailed to the secretary at least sixty (60) days prior to the date of the annual meeting.

SECTION 4 -- POLL WATCHERS. Any candidate may designate one poll watcher to be present during the counting of the ballots. Poll watchers shall refrain from interference with the proper conduct of the election, but shall be privileged to register a protest in writing with regard to any irregularities. The Chairperson of the Election Commission shall act at once upon any written protest and shall contact the secretary for assistance.

SECTION 5 -- LOT OWNERS TO FURNISH ADDRESS. Lot owners shall be responsible for furnishing the secretary of this corporation with their correct mailing address and update such address in the event of any change.

SECTION 6 -- Along with the notice of the annual meeting the secretary shall mail a ballot to each member who is qualified to vote. The ballot shall be mailed to the last address the member has supplied to the Snow Lake office. The mailing shall include a ballot, a business size envelope and a small envelope. The small envelope shall have "secret ballot" printed across its front. Do not put your name or any other identification on this envelope. The business size envelope shall be pre-addressed to the Snow Lake secretary with a place in the upper left hand corner for the voter's printed name and Snow Lake lot number (s). The voter's name and lot number (s) must be on this business size envelope for it to be verified. The small envelope must contain the ballot, be sealed, and then sealed inside the business size envelope. Ballots must be mailed to the secretary in the envelope provided, with the information spaces in the upper left hand corner completed in order for the ballot to be valid. The Ashland Post Office will hold all ballots

they receive until they are picked up at 10:00 A.M. on the morning of the annual meeting by a three (3) person election committee.

SECTION 7 -- ELECTION COMMITTEE. The election committee shall be appointed by the President and Vice-President and shall consist, if possible, of one board member who is not running for re-election and two candidates for the Board of Directors who are not board members. The President and Vice-President shall furnish the person in charge of the post office a written list of the names of the three persons appointed to the election committee at least twenty-four (24) hours before the ballots are to be picked up. The committee shall see that all ballots are deposited in the locked ballot box before leaving the post office and keep them safe and see that they are not tampered with in any manner. The locked ballot box and key must be returned to the Snow Lake office at once and turned over to the secretary for safekeeping.

SECTION 8 -- ELECTION COMMISSION. The election commission shall serve for only the day of the annual meeting.

(A) Prior to the day of the annual meeting the President and Vice-President shall appoint the Chairperson of the election commission.

(B) During the last open board meeting in May, the secretary shall make available to the members, pieces of paper to be of the same size and color, any member who is qualified to vote and who desires to serve on the election commission may print his or her name on this piece of paper and deposit same in a box supplied by the secretary. Two names shall be drawn at random by any members present. Any candidate requesting a poll watcher should register that person with the secretary during the meeting.

SECTION 9 -- ELECTION COMMISSION RECEIVES BALLOTS. The secretary shall turn the ballot box over to the election commission when instructed to do so by the President. He shall not allow anyone to interfere with the election commission.

(A) If any member of the election commission or a poll watcher contacts anyone other than the secretary, he or she will be disqualified and the secretary shall appoint a replacement.

(B) The election commission Chairperson shall call out the name and number(s) of each large ballot envelope so the other two commissioners can verify the ballot from the voting poll. After verification the large envelope shall be opened and the small secret ballot envelope placed in the ballot box.

(C) The election commission has no authority to reject, disallow or refuse to count any ballot. Any envelope that is challenged or cannot be verified shall be laid aside unopened, and discussed with the secretary whose decision, based on the corporate records, will be final.

(D) As each small ballot envelope is opened the commission chairperson will call out the votes while the other two commissioners post the tally sheets.

(E) When the counting is completed the chairperson shall announce the results. The candidates receiving the highest number of votes being declared elected. Ties for position on the board shall be determined by a flip of the coin. Upon completion of the counting and the results are announced all ballots shall be turned over to the secretary and retained on file in the Snow Lake office for six (6) calendar months.

SECTION 10 -- ELECTION INSPECTION. Any member of the corporation whose maintenance assessments are current and paid up to date may examine and copy any information from these records, by appointment, Monday through Friday between the hours of 9:00 a.m. to 4:00 p.m.

SECTION 11 -- ORGANIZATION OF THE BOARD. On the date of the first regularly scheduled board meeting after the annual meeting of the members, the duly qualified Directors of the Board shall elect officers for the coming year. No other business shall be conducted at this meeting except such business that is of urgent or emergency nature.

ARTICLE X BOARD OF DIRECTORS

SECTION 1 -- NUMBER & TERM OF DIRECTORS. The business, property and affairs of this corporation shall be managed by a board of directors composed of nine (9) persons who shall be members of this corporation.

SECTION 2 -- ELECTION OF DIRECTORS. At all annual membership meetings the members shall elect the necessary number of Directors to fill the board to nine (9) Directors. The three candidates who receive the highest number of votes shall be elected by the members for a term of three (3) years to succeed the three directors whose term then expires. If additional directors are required to fill the board to nine (9) members, the additional directors shall be elected for a term of one year only with the candidates receiving the highest number of votes being declared elected. In case of a tie for any position on the board, the winner shall be decided by a flip of a coin.

SECTION 3 -- REGULAR MEETINGS OF THE BOARD. Regular meetings of the Board of Directors shall be held not less frequently than once each calendar month and at such time as the board of directors shall from time to time determine. Notice of the regular meetings of the board shall be mailed to board members by regular mail.

SECTION 4 -- SPECIAL MEETINGS OF THE BOARD. Special meetings of the Board of Directors may be called by the President or by a majority of the Directors at any time by means of personal contact or written notice by mail of the time and purpose thereof to each director as the President in his discretion shall deem sufficient.

SECTION 5 -- VACANCIES. Vacancies in the board of directors shall be filled by appointment by the remaining directors. Each person appointed to fill a vacancy shall remain as a director until the next annual meeting. At that time this office will be declared vacant. A director absent for two or more consecutive regular meetings of the board of directors without cause shall be subject to removal as director by resolution of the board of directors, and a vacancy declared.

SECTION 6 -- POWER TO ELECT OFFICERS. The board of directors shall elect a President, one or more Vice-Presidents, a secretary and a treasurer.

SECTION 7 -- POWER TO APPOINT AGENTS. The board of directors shall have the power to appoint such agents as it may deem necessary for transaction of the business of the corporation. The board shall have the power to limit or restrict the authority of such agents.

SECTION 8 -- REMOVAL OF AGENTS. Any appointed agent may be removed by the board of directors whenever in the judgment of the board the best interest of the corporation will be served by so doing.

ARTICLE XI INDEMNIFICATION OF DIRECTORS & OFFICERS

SECTION 1 -- INDEMNIFICATION. The corporation shall indemnify every director and officer of the corporation, and every person who may serve at the request of the board of directors as an officer or director of another corporation or association in which the corporation owns or acquires an interest or shares of stock or of which the corporation is a creditor, against all costs, actually or reasonably incurred by any such director, officer or person in connection with the defense of any action, suit or proceeding, be it civil or criminal, to which any such director, officer or person is made a party by reason of his being or having been such director, officer or person; provided that such indemnification shall not extend to any matters concerning which such director, officer or person shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty in violation of the provisions of Mississippi Code Ann. 75-21-1 through 75-21-39, 75-23-1 through 75-23-53 (1991), as it may be amended. Such indemnification shall include amounts payable as the result of the settlement of any such action, suit or proceeding; provided, however, that any such settlement shall be approved in writing by the then Board of Directors. The Directors and Officers of the corporation shall not be liable to the members or to the corporation for any mistake of judgment, or otherwise, except as provided by law and except for their own individual willful misconduct or bad faith. The directors and officers of the corporation shall have no personal liability with respect to any contract or other commitment made by them, in good faith on behalf of the corporation, and the corporation shall indemnify and forever hold each such director and director free and harmless against any such and all liability to others on account of any such contract or commitment. Any right to indemnification provided

for herein shall not be exclusive of any other rights to which any director or officer of the corporation, or former director or officer of the corporation, may be entitled, whether by law, by resolution adopted by the members after notice or otherwise.

SECTION 2 -- CONFLICT AND IDENTITY OF INTEREST. The directors and officers shall exercise their powers and duties in good faith and with a view to the interest of the corporation. No contract or other transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, firm or association in which one or more of the directors or officers of this corporation are directors or officers or are peculiarly 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 corporation at the time it is authorized, ratified, approved or executed.

(D) 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 at such meeting to authorize any contract or transaction with like force and effect as if he were not a common or interested Director.

ARTICLE XII QUORUM

SECTION 1 -- QUORUM OF MEMBERS. Fifty (50) or more members present in person shall constitute a quorum at any meeting of the members.

SECTION 2 -- QUORUM OF DIRECTORS. A majority of the Directors present in person shall constitute a quorum at any meeting of the directors.

ARTICLE XIII OFFICERS

SECTION 1 -- PRESIDENT. The President shall be selected by and from the membership of the Board of Directors. He shall be the Chief Executive Officer of the Corporation. He shall preside over all meetings of the management of the business of the corporation and shall see that all orders and resolutions of the Board are carried into effect. He shall be ex-officio a member of all standing committees and shall have all the general powers and duties of supervision and management usually vested in the office of the president of a corporation.

SECTION 2 -- VICE-PRESIDENT(S). At least one vice-president shall be chosen from the membership of the Board. Such vice-president(s), in order of their seniority, shall perform the duties and exercise the powers of the president during his or her absence.

SECTION 3 -- SECRETARY. The secretary shall be chosen from the members of the board and shall attend all meetings of the Board of Directors and shall preserve in books of the corporation, true minutes of the proceedings of all such meetings, safely keeping in custody the seal of the corporation and shall have authority to affix the same to all instruments where its use is required, shall give all notices required by statute, By-laws or resolution, shall perform such other duties as may be delegated by the Board of Directors. The secretary shall post a copy of the minutes and financial report on the bulletin board located outside the Snow Lake office as soon as possible after the board approves same and these documents shall remain until replaced by the next updated copy.

SECTION 4 -- ASSISTANT SECRETARY. The assistant secretary shall be chosen from the members of the board and shall perform the duties of the secretary whenever requested to do so by the secretary.

SECTION 5 -- TREASURER. The treasurer shall be chosen from the members of the Board of Directors and shall have custody of all corporate funds and securities and shall keep in books belong to the corporation full and accurate accounts of all receipts and disbursements. The treasurer shall deposit all monies, securities, and other valuable effects in the name of the corporation in such depositories as may be designated for that purpose by the Board of Directors and shall disburse the funds of the corporation as may be ordered by the board, taking proper vouchers for such disbursements, and shall render to the president and directors at the regular meetings of the board, and whenever requested by them, an account of all transactions as treasurer and of the financial condition of the corporation. The treasurer shall deliver to the president of the corporation, and shall keep in force, a bond in form, amount and with a surety or sureties satisfactory to the board, conditioned for faithful performance of the duties of the office and for restoration to the corporation in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money and property of whatever kind belonging to the corporation. The treasurer may require the secretary or book keeper to perform the duties of the treasurer's office in the treasurer's absence. All books and records shall be kept at the Snow Lake office except for a period of fifteen (15) days during the annual audit which is required and must be performed by a Certified Public accountant. All books and records

shall be available, at any reasonable hour, to any property owner whose assessments for maintenance are current and paid up.

SECTION 6 -- COMPENSATION. The duly elected members of the board shall serve without compensation.

SECTION 7 -- WORK CONTRACTS. The Board of Directors shall not enter into a work contract with any Snow Lake employee.

SECTION 8 -- RESTRICTIONS. The Board of Directors or its officers shall not buy any property (Real Estate) with Snow Lake corporate funds nor shall they sell or lease any property belonging to the Snow Lake Corporation without two-thirds (2/3) consent of all members of the corporation. The Board may sell building sites (lots) that property owners give to the corporation or building sites (lots) that the corporation acquires through lien foreclosure. Proceeds from such sales must be deposited in the maintenance account of the corporation.

SECTION 9 -- POWER TO REQUIRE BONDS. The Board of Directors shall require the President, Vice-President, Treasurer, Book Keeper, and their duly appointed assistants, if any, to file with the corporation a bond conditioned for faithful performance of their duties.

SECTION 10 -- RIGHTS AND POWERS. In addition to the rights, discretion, powers and authority set forth in these by-laws, the corporation shall have and exercise all additional rights, powers, authority and discretion granted and set forth in the recorded Declaration of Covenants, Conditions and Restrictions for Snow Lake Shores, not inconsistent with the Charter of the Corporation, other portions of these by-laws, or the laws of the State of Mississippi. The term "Declaration" when used in these by-laws shall mean the aforesaid document. The definitions, as contained in the said declaration in Article 1 thereof are hereby incorporated into these by-laws by reference so that the terms defined therein shall, when used in these by-laws, have the same meaning as when used in said declaration.

ARTICLE XIV EXECUTION OF INSTRUMENTS

SECTION 1 -- CHECKS, ETC... All checks, drafts, and orders for payment of money shall be signed in the name of the corporation and shall be countersigned by such officers as the Board of Directors shall from time to time designate for that purpose.

SECTION 2 -- CONTRACTS, CONVEYANCES, ETC.... When execution of any contract, conveyance or other instrument has been authorized without specification of the executing officers, the President or any Vice-President, and the Secretary may execute the same in the name of and on behalf of this corporation and may affix the corporate seal

thereto. The Board of Directors shall have the power to designate the officers who shall have the authority to execute any instruments on behalf of this corporation.

ARTICLE XV MAINTENANCE ASSESSMENTS

SECTION 1 --ASSESSMENTS. For the maintenance of the lake, roads, public beaches, recreation areas, dam, spillway, buildings, and other areas and services owned and maintained by Snow Lake Property Owners Corporation, all property owners in the sub division shall pay an annual maintenance assessment to be levied by the Board of Directors by resolution, which shall be uniform, and which shall be due and payable on the 1st day of January in each year and delinquent on the 1st day of march in each year, provided nothing in this section shall be construed to prevent the board from levying separate or different assessments on lots with improvements thereon and unimproved or vacant lots.

SECTION 2 -- NOTICE OF ASSESSMENTS. The Board of Directors shall cause written notice of the annual maintenance assessments to be mailed to each property owner by January 1st of each year.

SECTION 3 -- ENFORCEMENT PROCEDURE. Under the final judgment handed down by Chancellor Leon Fant, Jr. on the 31st day of May, 1985, Cause No. 84-6221 issued under Mississippi Statues 89-9-1 ET seq. section 89-9-21, The Snow Lake corporation maintenance assessment is in the nature of an equitable lien upon each of the dominant tenants. If the maintenance assessment is not paid, the lien can be exercised and the Snow Lake lots sold at public outcry.

SECTION 4 -- PAYMENT IN INSTALLMENTS PERMITTED. Property owners may exercise the privilege of payments of the annual maintenance assessments, by installments by making payments in two equal installments. The first six (6) calendar months due on January 1st and delinquent 1st day of March. The second six (6) calendar months due on July 1st and delinquent on the 1st day of August. Failure to pay maintenance assessments will result in a lien being placed against the snow lake lot(s) in accordance with Mississippi Code number 89-9-21.

SECTION 5 -- MEMBERSHIP. Any person who owns property at Snow Lake and the deed duly recorded at the Benton County courthouse is a member in the Snow Lake Shores Property Owners Corporation, provided their assessments for maintenance, are current and paid up to date.

SECTION 6 -- ELIGIBLE OWNERS. Members are responsible for their guests and the by-laws must be complied with to remain a member.

ARTICLE XVI AMENDMENTS OF BY-LAWS

SECTION 1 -- AMENDMENTS. These By-Laws may be amended, altered, changed, added to or repealed by the affirmative vote of a majority of the members entitled to vote at any regular, annual or special meeting of the members if notice of the proposed amendment, alterations, change, addition or repeal is contained in the notice of the meeting, provided that, any such amendments shall be submitted in writing to the secretary of the corporation prior to March 1st of that year. Such amendments shall be submitted, to the members, at the next annual or special meeting of the members, called for that purpose, along with the Board's recommendation to adopt or reject the same.

These by-laws and any amendments thereto supersedes and repeals all former by-laws of this corporation and become effective from and after adoption by the members of this corporation and approval by the Board of Directors.

Adopted by the members of this corporation on July 2, 2002, and approved by the Board of Directors on July 20, 2002.

ATTEST:

C. Y. Graves, President

M. L. (Mickey) Snow, Secretary

Board of Directors

Morris Blake, Vice-President
W. B. Fuller, Treasurer
J. W. Carter
Ralph Edwards
Joe McCrady
Glen Simpson
Mike Westmoreland

Date: July 20, 2002