

LAKE LORMAN CORPORATION

BY-LAWS

AS AMENDED JANUARY 1988

ARTICLE I.

General Purposes

The purpose for which this Corporation is formed, and the powers which it may exercise are set forth in the articles of incorporation of the Corporation.

ARTICLE II.

Name and Location

Section 1. The name of this Corporation is Lake Lorman Corporation.

Section 2. The principal office of this Corporation shall be located at Route 3, Lake Lorman, Jackson, State of Mississippi.

ARTICLE III.

Seal

Section 1. The seal of the Corporation shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporation Not for Profit, Mississippi".

Section 2. The secretary of the Corporation shall have custody of the seal.

Section 3. The seal may be used for causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE IV.

Fiscal Year

The fiscal year of the Corporation shall begin the 1st day of January of each year.

ARTICLE V.

Membership

Section 1. Eligibility. Every owner of a lot or lots in Lake Lorman Subdivision, Madison County, Mississippi, shall be eligible for membership. If title to such lot shall be joint between two or more persons (e.g., husband and wife), all owners may be members; provided, however, such joint owners shall cast, among them, a single vote on all matters submitted to the membership for a vote. No person who is not a lot owner in the Lake Lorman Subdivision may be a member of the Corporation. No member who shall be in default in payment of dues shall vote on any matter submitted to the membership for a vote.

Section 2. Annual Meeting. The annual meeting of the members shall be held at 7:30 o'clock p.m. on the second Monday of December of each year at a place designated in a written notice of such meeting, for the purpose of conducting elections and for the transaction of such other business as may come before the meeting.

Section 3. Special Meeting. Special meetings of the members for any purpose may be called by the President or by a majority of the Board of Directors.

Section 4. Place of Meeting. The President or the Board of Directors may designate any place for annual or special meetings. If no designation is made, the place of meeting shall be the Clubhouse at Lake Lorman, Madison County, Mississippi.

Section 5. Notice of Meeting. Written or printed notice stating the time and place of the meeting and in the case of a special meeting the purpose or purposes for which the meeting was called shall be delivered not less than ten (10) days before the date of said meeting, either personally or by mail, to each member of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail addressed to the member at his last known address, postage prepaid.

Section 6. Quorum. That number of members representing 20% of said lots shall constitute a quorum. If less than a quorum is present, a majority of those present may adjourn the meeting from time to time without further notice.

Section 7. Informal Action by Members. Any action required to be taken at a meeting of members or any other action which may be taken at a meeting of members may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the members entitled to vote.

Section 8. Waivers. In lieu of any notice of meeting or place of meeting such meeting may be held at any time and at any place upon the waiver of notice thereof by all the members. The attendance of a member at any meeting shall be deemed a waiver of notice of said meeting unless his appearance at such meeting is made for the sole purpose of objecting to the transactions of any business because the meeting was not lawfully called or convened.

ARTICLE VI.

Board of Directors

Section 1. General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors.

Section 2. Number, Tenure and Qualification. The number of Directors of the corporation shall be six (6). Each Director shall be a member of the corporation in good standing. The office of any Director whose membership in the corporation shall be terminated shall be immediately and forthwith become vacant and proceedings to fill by substitute shall be commenced at once in accordance with these By-Laws. All Directors shall be elected for a term of two (2) years and shall serve until a successor shall be duly elected and qualified. No Director shall serve more than two (2) consecutive two year terms. Terms shall be staggered so that the terms of three Directors will expire and be filled each year. Newly elected Directors shall assume office immediately upon election.

Section 3. Regular Meetings. A regular meeting of the Board of Directors shall be held immediately after and at the same place as the annual meeting of shareholders. The Board of Directors may provide, by resolution, the time and place for holding additional regular meetings without other notice than such resolution.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors. The person or persons authorized to call special meetings may fix the place for holding any special meeting of the Board of Directors called by them.

Section 5. Notice. Notice of any special meeting shall be given at least one(1) day before such meeting by telephone, written notice delivered personally to each Director or by telegram. Any such notice shall specify the subject matter of the business to be acted upon at the meeting and any business not so specified shall not be acted upon by the Board of Directors. If notice is given by telegram, such notice shall be deemed delivered when the telegram is delivered by the telegraph company. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting except where a Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 6. Quorum. A majority of the number of Directors elected and serving shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present, a majority of the Directors present may adjourn the meeting from time to time without further notice. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 7. Vacancies. Should any director resign or otherwise become ineligible to serve, then the remaining directors shall, except when a director is removed for cause, elect from the membership a successor who shall hold office until the next regular meeting of the members of the Corporation, at which time the members shall elect a director to fill the unexpired term.

Section 8. Removal for Cause. Any member, officer or Director may present charges against a Director by filing them in writing with the secretary of the Corporation. If presented by a member who is not an officer or Director, the charges must be accompanied by a petition filed by twenty percent (20%) of the members of the Corporation. Such removal shall be voted on in the next regular or special meeting of the members and shall be effective if approved by a vote of a majority of those voting if a quorum is present. The Director against whom such charges have been presented shall be informed, in writing, of such charges at least twenty (20) days prior to the meeting, and shall have the opportunity at such meeting to be heard in person or by counsel and to present witnesses; and the person or persons presenting such charges against him shall have the same opportunity. If the removal of a director is approved, such action shall also vacate any other office held by the removed director of the Corporation. A vacancy in the Board thus created shall

immediately be filled by a vote of the majority of the members present and voting at such meeting, and the person elected shall serve in the same offices and for the remainder of the term applicable to the director so removed.

ARTICLE VIII.

Officers

Section 1. Number. The officers of the Corporation shall be a President, a Vice-President, a Secretary, and a Treasurer, each of whom shall be elected by the members. Such other officers and assistant officers as may be deemed necessary may be elected by the members. All officers, except assistant officers must be Directors of the Corporation.

Section 2: Election and Term of Office. The Directors of the Corporation shall be elected by the members at the annual meeting. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office for one (1) year or until his successor shall have been duly elected and qualified. Each officer may once succeed himself, but no person shall hold any office for more than two (2) successive terms.

Section 3. Vacancies. A vacancy in any office for any reason shall be filled by the Directors for the unexpired portion of the term at the next regular meeting or, in the discretion of the Board of Directors, at a special meeting called for that purpose.

Section 4. President. The President shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. He shall preside at all meetings of the Directors and members. The President cannot vote except to break a tie.

Section 5. Vice-President. In the absence of the President or in the event of his death, inability or refusal to act, the Vice-President shall perform the duties of the President and when so acting shall have all the powers and be subject to all the restrictions upon the President.

Section 6. Secretary. The Secretary shall keep the minutes of the members and of the Board of Directors meetings in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions in the By-Laws or as required by law; be custodian of the corporate records and of the seal of the Corporation; and in general perform all duties incident to the office of the Secretary.

Section 7. Treasurer. The Treasurer shall have charge and custody and be responsible for all funds and securities of the Corporation and receive and give receipts for moneys due and payable to the Corporation from any source whatsoever and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected by the Directors; and in general shall perform all the duties incident to the office of Treasurer.

Section 8. Assistant Officers. The Board of Directors shall determine what assistant officers are needed and by resolution advise the membership of the need of the assistant officer or officers which the membership may elect for a period of one year.

Section 9. General. Each of the officers shall, in addition to the duties set out hereinabove, perform such other duties as may from time to time be assigned to them by the President or Board of Directors.

ARTICLE VIII.

Committees

The Board of Directors shall, at their first meeting following the annual meeting of members, appoint the membership of six standing committees. Each of these committees, with the exception of the water and sewer committee, shall be comprised of one (1) member of the Board of Directors and four (4) additional members of the Corporation, and are subject to approval of the Board. The six standing committees, and their responsibilities, shall be as follows:

(1) Water & Sewer. Assisting the Lake Lorman Utility District in the development and implementation of plans for installation, maintenance, and improvement of a water distribution system and a sewage collection and treatment system serving the members of the Corporation and act as liaison with the Lake Lorman Utility District, and will consist of one member of the Board.

(2) Roads. Repairs and maintenance of the roads of both Lake Lorman and the small Lake.

(3) Clubhouse and Social. Maintain, repair and improve the Lake Lorman Clubhouse and plan and coordinate social activities throughout the year for the membership of the Corporation.

(4) Lake and Dam. Maintain and improve the condition of Lake Lorman and the small Lake, including the dams. Patrol the Lakes for safety and to prevent unauthorized or improper use of both Lakes.

(5) Nominations. Provide one or more names of qualified persons willing to serve for consideration by the membership for any position which is to be filled by vote of the membership.

(6) Communications. To publish and distribute a periodical newsletter to the membership of the Corporation which shall, among other things, advise the membership of the plans and progress of Lake Lorman and such other general news as may be appropriate.

In addition to the foregoing, the Board of Directors may establish such other committees as it may deem appropriate.

ARTICLE IX.

Contracts, Loans, Checks and Deposits

Section 1. Contracts. Upon proper approval of the Board of Directors, the President or Vice-President is authorized to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation and to institute, join in, or become a party to any suit of law or in equity in which the Corporation may have an interest. The Secretary of the Corporation may attest the signatures of such officers and affix the corporate seal to any such instrument; however, the presence of such attesting signature or corporate seal shall not be required for the validity of such instrument unless required by law.

Section 2. Loans. No loan shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors.

Section 3. Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money issued in the name of the Corporation shall be signed by the Treasurer, or as determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the Corporation not otherwise employed shall be, from time to time, deposited to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select. Whenever possible, all funds not needed for current operating expenses shall be placed in an interest-bearing account in an institution insured by the Federal Depositors Insurance Corporation.

ARTICLE X.

Waiver of Notice

Whenever any notice is required to be given to any member or Director under the provisions of the By-Laws or of the Charter, a waiver in writing signed by person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of notice.

ARTICLE XI.

Management

Section 1. Lake Lorman shall be governed by the Board of Directors of the Lake Lorman Corporation in accordance with Protective Covenants as are presently established or as may be hereafter amended, modified, or replaced which appear of record in the office of the Chancery Clerk of Madison County, Mississippi, in Canton, in book 315, page 431, and sections 19-5-151-19-5-207 of the Mississippi Code of 1972, as amended, or as may be amended in the future.

Section 2. Utility District. The Board of Directors of this Corporation shall submit to the Board of Supervisors of Madison County, recommendations for appointment as Commissioners of the Lake Lorman Utility District whenever vacancies occur on said Board of Commissioners. A special meeting of members will be called to elect nominees for the Board to recommend.

Section 3. Protective Covenants. The Board of Directors has the responsibility and authority to undertake such action as it deems necessary and appropriate for enforcement of the Covenants as now established and as hereinafter amended, modified, or repealed.

This provision has no effect on the right of an individual lot owner to undertake such action as they may deem necessary and appropriate to enforce the Covenants as now established as hereinafter amended, modified or repealed.

Section 4. Accounting. The Directors shall cause to be made timely unaudited statements and shall have an annual audited statement to be made by a certified public accountant and be made available to the members.

ARTIXLE XII.

Amendments

These By-Laws may be altered, amended, or repealed and new By-Laws may be adopted by the affirmative vote of a majority of all members present and voting at any annual meeting of members or at any special meeting of members when proper notice of the proposed amendment has been given, provided such amendment is not inconsistent with the laws of the State of Mississippi.