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BYLAWS  
OF  
WINDANCE PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I

*NAME AND LOCATION.* The name of the corporation is Windance Property Owners Association, Inc., hereinafter referred to as the "Association." The principal office of the Association shall be located at the Windance Community, Harrison County, Mississippi, but meetings of members and directors may be held at such places within Harrison County, Mississippi, as may be designated by the Board of Directors.

ARTICLE II

*DEFINITIONS.*

*Section 1.* "Association" shall mean and refer to Windance Property Owners Association, Inc., its successors and assigns.

*Section 2.* "Properties" shall mean and refer to that certain real property described in the Declaration of Restrictive Covenants of Windance Subdivision, Units One, Two and Three, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

*Section 3.* "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

*Section 4.* "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

*Section 5.* "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

*Section 6.* "Developer" shall mean and refer to Lakewood Estates, Inc., a Mississippi corporation, its successors and assigns, if such successors and assigns should acquire more than one undeveloped Lot from the Developer from the purpose of development.

*Section 7.* "Declaration" shall mean and refer to the Declaration of Restrictive Covenants applicable to the Properties recorded in the Office of the Chancery Clerk of the First Judicial District of Harrison County, Mississippi.

*Section 8.* "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

### ARTICLE III

#### *MEETING OF MEMBERS.*

*Section 1. Annual Meetings.* The regular annual meeting of the members shall be held on the last Thursday in January of each year at the hour of 7 o'clock p.m. for the transaction of such business as may come before the meeting.

*Section 2. Special Meetings.* Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of one-fourth (1/4) of the members who are entitled to vote.

*Section 3. Notice of Meetings.* Written notice of each meeting of the members shall be given by or at the direction of, the secretary or person authorized to call the meeting, by mailing

a copy of such notice, postage prepaid, at least ten (10) days, but not more than fifty (50) days before such meeting to each member entitled to vote thereat, 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. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

*Section 4. Quorum.* The presence at the meeting of ten (10) members of the membership entitled to cast votes, in person or by proxy, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time until a quorum as aforesaid shall be present or be represented. If any such meeting is adjourned to a different date, time or place, notice need not be given of the new date, time or place, if the new date, time or place is announced at the meeting before adjournment.

Provided however, that if the Class C members of the Association is entitled to vote at any membership meeting to the exclusion of the Class A members, then the presence of the Class C member, by proxy or otherwise, shall constitute a quorum.

*Section 5. Voting Rights.* The members shall have the voting rights provided in the Declaration. Provided however, that when more than one person holds an ownership interest in any Lot, all such persons shall be members. The vote for any such Lot shall be exercised by such members as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

*Section 6. Proxies.* At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of this Lot.

#### ARTICLE IV

##### *BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE.*

*Section 1. Number.* The corporate powers and affairs of this Association shall be managed by a Board of nine (9) directors, who shall be members of the Association.

*Section 2. Term of Office.* At the first annual meeting the members shall elect three (3) directors for a term of one (1) year, three (3) directors for the term of two (2) years and three (3) directors for a term of three (3) years.

*Section 3. Removal.* Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association at a meeting called for the purpose of removing the director and the meeting notice must state that the purpose, or one of the purposes, of the meeting is the removal of the director. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

*Section 4. Compensation.* No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

*Section 5. Action Taken Without a Meeting.* The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written

approval of all directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

## ARTICLE V

### *NOMINATION AND ELECTION OF DIRECTORS.*

*Section 1. Nomination.* Nomination for election of the Board of Directors shall be made by the Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made from among members of the Association.

*Section 2. Election.* Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, one (1) vote for each lot owned, provided such member is not delinquent in payment of any assessments. The persons receiving the largest number of votes shall be elected.

## ARTICLE VI

### *MEETINGS OF DIRECTORS.*

*Section 1. Regular Meetings.* Regular meetings of the Board of Directors shall be held at least quarterly, may be held with or without notice, and at such place and hour as may be fixed from time to time by resolution of the Board.

*Section 2. Special Meetings.* Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after not less than two (2) days notice to each director.

*Section 3. Quorum.* A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

## ARTICLE VII

### *POWERS AND DUTIES OF THE BOARD OF DIRECTORS.*

*Section 1. Powers.* The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after

notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties, including authorizing said manager or employee to collect assessments and fees, and to sign checks drawn on appropriate Association bank accounts.

*Section 2. Duties.* It shall be the duty of the Board of Directors to:

- (a) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (b) to levy and collect the regular and special assessments provided in the Declaration.

## ARTICLE VIII

### *OFFICERS AND THEIR DUTIES.*

*Section 1. Enumeration of Offices.* The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create. All officers shall be members of the Association.

*Section 2. Election of Officers.* The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

*Section 3. Term.* The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

*Section 4. Special Appointments.* The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

*Section 5. 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. Such resignation shall take effect on the date of receipt of such notice or any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

*Section 6. Vacancies.* A vacancy in any office may be filled by appointment by the Board. The officers appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

*Section 7. Multiple Officers.* The offices of the secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one or any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.



*Section 8. Duties.* The duties of the officers are as follows:

*President.*

- (a) The president shall preside at all meetings of the members and of the Board of Directors; shall see that orders and resolutions of the Board are carried out; and shall sign all leases, mortgages, deeds, promissory notes and other written instruments, except checks.

*Vice-President.*

- (b) The vice-president shall act in place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

*Secretary.*

- (c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their address, and shall perform such other duties as required by the Board.

*Treasurer.*

- (d) The treasurer or management agent shall receive and deposit in appropriate bank accounts all monies of the Association and shall distribute such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the

Association's books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

## ARTICLE IX

### *COMMITTEES.*

The Association shall appoint an Architectural Review Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

## ARTICLE X

### *BOOKS AND RECORDS.*

The Books and records of the Association as well as the Declaration, Articles of Incorporation and By-Laws of the Association shall at all times, during reasonable business hours, be subject to inspection by any member at the principal office of the Association or at such other place as the Board of Directors authorizes, where copies of the said legal documents may be purchased at a reasonable cost.

## ARTICLE XI

### *ASSESSMENTS.*

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. No owner may waive or otherwise escape liability for the assessments

provided for herein by non-use of the Common Area or abandonment of his Lot. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

## ARTICLE XII

### *CORPORATE SEAL.*

The Association shall have a seal in circular form having within its circumference the words: Windance Property Owners Association, Inc.

## ARTICLE XIII

### *AMENDMENTS.*

*Section 1.* These By-Laws may be amended at a regular or special meeting of the members, by a vote of a majority of the members present in person or by proxy, at a meeting at which a quorum is present.

*Section 2.* In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

## ARTICLE XIV

### *FISCAL YEAR.*

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of the incorporation.

## ARTICLE IV

### MISCELLANEOUS.

#### *Section 1. Indemnification of Officers, Directors, Employees and Agents.*

- (a) This Association shall indemnify any person who was or is a party or threatened to be made a party to any threatened, pending or completed claim, action, suit proceeding, whether civil, criminal, administrative or investigative, including appeals (other than an action by or in the right of the Association) by reason of the fact that he is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation or joint venture against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, or itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

- (b) This Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action or suit

by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation or joint venture against expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

- (c) To the extent that a director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceedings referred to in subsections (a) and (b) or in defense of any claim, issue or matter therein, this Association shall indemnify such person against expenses (including attorney's fees) actually and reasonably incurred by him in connection herewith, notwithstanding that he has not been successful on any other claim, issue or matter in any such action, suit or proceeding.

- (d) Any indemnification under subsections (a) and (b) – unless ordered by a court – shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsections (a) and (b).

Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to, or who have been wholly successful on the merits or otherwise with respect to such claim, action, suit or proceeding, or (2) if such a quorum is not obtainable, or even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) if not made in the instance provided for in (1) or (2) above, by the members.

- (e) Expenses, (including attorney's fees) incurred in defending a civil or criminal claim, action, suit or proceeding when authorized in the manner provided in subsection (d) may be paid by the Association upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount if and to the extent that it shall ultimately be determined that he is not entitled to be indemnified by the Association as authorized in this section.

- (f) The indemnification provided for herein shall not be deemed exclusive of and shall be in addition to any other rights (whether created prior or subsequent to the adoption of this Article of the By-Laws) to which those indemnified may be entitled under any statute, rule of law, provision of articles of incorporation, by-

laws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall enure to the benefit of the heirs, executors and administrators of such a person.

*Section 2. Surety Bonds.* The Treasurer and each other officers or agents of the Association as the Board of Directors may direct, from time to time, shall be bonded for the faithful performance of their duties, in such amounts and by such surety companies as the Board of Directors may determine. The premiums on such bonds shall be paid by the Association, and the bonds so furnished shall be in the custody of the Secretary.

*Section 3. Membership Certificates.* The Board of Directors may authorize the issuance of certificates to the members of the Association evidencing such membership.

*Section 4. Signature of Negotiable Instruments.* All bills, notes, checks or other instruments for the payment of money shall be signed or counter-signed in such manner and by such parties as, from time to time, may be prescribed by resolution (whether general or special) of the Board of Directors.

*Section 5. Severability.* The Provisions of these By-Laws are Severable. If any provision hereof is for any reason held invalid, such invalidity shall in no way affect the remaining provisions hereof.

CERTIFICATION.

I, Amy Hensarling the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of Windance Property Owners Association, Inc., a Mississippi non-profit corporation; and

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 21 day of March, 1994.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affix the seal of the said Association this 21 day of March, 1994.

Amy Hensarling  
SECRETARY

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