

BY-LAWS

OF

LAKE SERENE PROPERTY OWNER'S ASSOCIATION, INC.

RESOLVED by the membership of Lake Serene Property Owners Association, Inc., the 13th day of March, 1975, amended the XX day of August, 2018.

ARTICLE I

Membership

Section 1. There shall be only one class of membership.

Section 2. Membership shall be in accordance with the Charter and By-Laws.

Section 3. Members shall be expelled by the Board of Directors for non-payment of dues, assessments, penalties or other indebtedness, as provided in the Charter of the Association. The Board of Directors also shall be vested with the power of censure, fine, suspend or expel members for conduct within the Association which, in the opinion of the Board, is detrimental to the good order, welfare or reputation of the Association or its membership; provided, that no expulsion shall be pronounced by the Board except upon a vote of at least two-thirds of the entire Board of Directors and after a reasonable opportunity shall have been given to such member to be heard in his own defense. In the case of such expulsion, such member shall have the right of appeal to the membership of the Association, to be exercised by notice in writing to the Manager within ten (10) days after notification to said member of his expulsion by the Board, and upon receipt of such notice of appeal it shall be the duty of the Manager, or the President, to call a special meeting of the membership as early as practicable to consider such appeal. The action of the Board in expelling such member shall be affirmed unless two-thirds of the members present and voting shall reverse the action.

Section 4. (a). Assessments may be authorized from time to time at any annual or special meeting, or at any special meeting called for that purpose where notice of such purpose is included in the call for the special meeting,

only by the affirmative vote of a majority of the quorum of the membership as described in Paragraph I of the Charter, and when so authorized, may be levied by the Board of Directors.

(b). Each assessment shall be equally applicable to and charged against each and every member.

(c). The Board of Directors, in levying any assessment, shall fix the time, or times, when it shall be due, and the method of payment thereof.

Section 5. Non-individual owners of each lot or parcel of real property as designated by the Charter of Incorporation of the Lake Serene Property Owners Association, Inc. shall be required to designate an individual representative, in writing, with the Manager of the Association. This individual representative shall have all the privileges and responsibilities of membership.

ARTICLE II

Definitions

Section 1. As used in these by-laws, “Association and Corporation” shall mean Lake Serene Property Owner’s Association, Inc., a Mississippi Non-Profit Corporation.

Section 2. Other Definitions shall be as follows:

“Association” shall mean the Lake Serene Property Owners Association.

“Board of Directors” shall mean the Board of Directors of the Lake Serene Property Owners Association.

“the Bylaws” shall mean this document, including all articles and amendments contained therein

“the Charter” shall mean The Charter of Incorporation of the Lake Serene Property Owners Association, Inc.

“Common Property” and/or “Common Facilities” and/or “Facilities” shall mean all real property owned by the Lake Serene Property Owners Association, including all improvements, fixtures, and appurtenances thereupon.

“the Covenants” and/or “the Protective Covenants” shall mean the Protective Covenants for Lake Serene Subdivision as present in the land records of the Chancery Clerk of Lamar County, Mississippi, and all amendments thereto pertaining.

“guest” shall mean social visitors of members present at the invitation of members in good standing of the association. Persons present for a commercial purpose, including persons hired by a member or who have paid a fee to a member for considerations or access to any property within the association are not and shall not be guests.

“Immediate Family” shall mean the dependent members of the property owner member’s family as defined by the U.S. Internal Revenue Service.

“Lot” shall mean any plot or parcel of land included in the subdivision map of the Lake Serene subdivision as present in the records of the Chancery Clerk of Lamar County.

“Manager” shall mean an employee of the Association serving upon the pleasure of the Board of Directors.

“member” shall mean any natural person qualifying for membership under the Charter and By-Laws.

“notice” shall mean communication made with a good faith expectation of successfully providing information as to actions of the Association, events, meetings, and other developments to members.

“The membership” shall mean all of the property owners who have not been expelled from membership for non-payment of dues and/or other indebtedness.

“rent” and/or “lease” shall mean the contractual use of a privately owned Lake Serene property by a non-member for consideration given to a member for residential purposes for a period of time no less than 180 days; the contractual or noncontractual use of any Lake Serene property for holiday or other non-residential purposes, or for a period of less than 180 days, shall not constitute ‘rent’, a ‘rental’, or a ‘lease’ for the purposes of these Bylaws, regardless of consideration paid or offered to any member.

“tenant” shall mean a nonmember person contracting for the use of a privately owned Lake Serene property for residential purposes for a period of time no less than 180 days, having no rights to the use of the Association’s common properties.

“watercraft” shall mean any water-going vehicle of any kind, including motorized and unmotorized craft of any size, design, or type.

ARTICLE III

Enforcement

Section 1. The amount of the dues, initiation fees, late fees, and penalties shall be fixed by the Board of Directors.

Penalties are as follows until amended:

	VIOLATION	FINE
___	Trespassing (CODE No. 97-17-93)	\$100.00
___	Launching watercraft from common property	100.00
___	Watercraft or vehicle without current sticker	75.00
___	Violation of lake pattern rule	75.00
___	Water skier not wearing safety belt/vest	75.00
___	Watercraft pulling skier without observer	75.00
___	Watercraft or skier entering swimming area	80.00
___	Vulgar, profane, or abusive language	50.00
___	Creating a disturbance (noise/music)	75.00
___	Speeding in fishing lakes (over 5 MPH)	100.00
___	Discharge of firearms in lake area	100.00
___	Other _____	150.00

Section 2. Violators shall be notified in writing as violations occur and fines are imposed, such notice to be provided via United States Postal Service and/or electronic transmission. Violator will continue to be subject to penalties during all times during which they are in violation.

Section 3. Penalties assessed shall be due and payable within 30 days of notice. Failure to remedy violations will result in fines being assessed a second time at twice the previous rate, and a third time at three times the previous rate, after which statutory interest will applied to the total until satisfied. Continuing failure to comply can result in court action, in which case violators will be assessed reasonable attorneys fees.

Section 4. Members may appear before the Board of Directors to seek relief of penalties.

ARTICLE IV

Finance and Committees

Section 1. The Board of Directors shall cause to be responsible for collection, retention, and expenditure of all Association funds, which shall be employed by the Board of Directors for the benefit of the Association. The Board of Directors shall set up and maintain a special fund to be known as the Improvement Fund for use only in making permanent improvements to the Association properties or in retiring debts incurred for such improvements.

Section 2. The Board of Directors shall fix the amount of dues paid by the membership to include current operating expenses, reserve for cost of taxes and insurance on the Association properties, reserve for major maintenance and repairs of the Association properties, and such other purposes as the Board of Directors shall deem appropriate. The Board of Directors shall not increase dues for any purpose by more than 25% in any calendar year.

Section 3. All dues shall be due and payable by all members on the 31st day of December in advance. Payment shall be considered late after the 1st day of February. After such date all property owner members having not paid dues and assessments in full shall automatically be found to not be in good standing. A late fee, the amount to be set from time to time by the Board of Directors, shall be added to the dues for property owners paying after February first. All other indebtedness shall be due on the first day of each month following that in which such indebtedness was incurred.

Commencing on January 1, 1986, to be eligible for membership, a property owner shall be responsible for an initiation fee, the current year's dues and the previous year's dues if ownership extended to the previous year.

Section 4. Billing for dues will be mailed on or about November first of each year.

Section 5. New owner members shall be charged an initial fee, the amount of the fee to be set by the Board of Directors from time to time.

Section 6. The Board of Directors may authorize the appropriate officers to execute mortgages and deeds of trust on the Association's real and personal property, only after the same shall have been authorized and approved by the affirmative vote of the members, as described in Paragraph I of the Charter, at any annual meeting, or at any special meeting called for that purpose where notice of such purpose is included in the call for such special meeting. The members, whenever the execution of a mortgage or deed of trust is thus authorized by them, shall also determine the amount of the assessment, if any, which will be levied to retire the indebtedness secured thereby and the time and method of payment.

Section 7. There shall be a Finance Committee composed of three (3) members of the Association to be elected from time to time by the Board of Directors. The Board of Directors shall be empowered and charged with the duty to: (1) audit at least annually all financial books and records of the Association; (2) determine that all funds of the Association are properly expended and properly accounted for; (3) determine that a budget is adopted by the Board of Directors and that all expenditures are reasonably in accordance with the budget; (4) determine that all special funds and reserve account required by those By-Laws or by the Board of Directors are properly set up and maintained and that all funds required to be credited or placed therein, and all expenditures therefrom, are handled in strict accordance with the By-Laws and further orders of the Board of Directors; (5) determine that the provisions of the By-Laws with reference to payment of dues, assessments, penalties and indebtedness are strictly enforced; (6) investigate and supervise the proper investment of surplus and reserve funds of the Association; (7) to do any and all things deemed by the Board of Directors to be necessary or desirable in order to maintain adequate financial records and sound financial policies; and (8) make written reports of its findings at least annually to the membership.

Section 8. It shall be the duty of the Board of Directors to set up and maintain adequate financial records in accordance with accepted accounting procedure, to adopt annual budgets and keep expenditures within such budgets insofar as is practicable. It shall be the duty of the Board of Directors to handle all financial matters in strict accordance with the provisions of these By-Laws.

Section 9. There shall be a finance committee, and may be such other standing or special committees as may be designated by the President with the consent of a majority of the Board of Directors. Except for the Finance Committee, whose composition and method of appointment is provided above, all committees shall be formed as needed by majority vote of the Board of Directors, and shall be composed of such number of members and officers as the President shall designate with the approval of a majority of the Board of Directors.

ARTICLE V

Election

Section 1. The Board of Directors shall be elected in conformity with the Charter of Incorporation of the Lake Serene Property Owners Association

§(i) Board of Directors – Selection, Terms of Office.

ARTICLE VI

Member Meetings

Section 1. There shall be a regular annual meeting of the members on the third (3rd) Thursday of March of each year, at such time and place as may be fixed by the Board of Directors.

Section 2. Special meetings of the members may be called at any time by the President; or by the Vice-President; or by any four (4) directors; and also, special meetings of members shall be called by any officer when requested to do so in writing by twenty-five (25%) of the members. All members shall be given ten (10) days notice of the time and place of any such special meeting by posting notice thereof on the bulletin board at the Association office and also by:

(a). Mailing notice To the membership by and through the United States Postal Service or by electronic transmission by and through e-mail, text message, or such other electronic means as may be available, such that verifiable notice shall be sent in a provable form to each member.

(b). The members may waive any and all notice of any such special meeting and the attendance by the member at a special meeting, either in person or by proxy, shall be a waiver of any and all notice, unless such member appears solely for the purpose of objecting to such meeting.

Section 3. Any regular or special meeting of the members may be adjourned or recessed from time to time and place to place, and the order of adjournment or recess shall be sufficient notice to all members of the time and place of such adjourned or recessed meeting, whether or not all members be present, either in person, or by proxy, at the meeting from which the adjournment is taken.

Section 4. All meetings of members shall be held in a place stated in the notice of such meeting or in the order of adjournment or recess of any adjourned or recessed meeting.

Section 5. Any business which could be transacted at a regular meeting may be transacted at a special, adjourned or recessed meeting.

Section 6. At any member meeting, less than a quorum may adjourn or recess any meeting to a subsequent date without further notice. (Quorum is defined in the Charter).

ARTICLE VII

Directors' Meetings

Section 1. The Directors shall hold regular monthly meetings at such time and place as the Directors themselves shall determine.

Section 2. Special meetings of the Directors may be called by the President or by any three (3) of the Directors to be held at such place and time as may be designated by those calling such special meeting. Notice of such special meeting may be given by the mail or electronic transmission, or by the Manager, and all Directors shall be given at least three (3) days notice of the time and place of any special meeting, such notice to be given as follows:

(a). By mailing to the last known post office address of such Directors; or

(b). By electronic transmission via e-mail or text message, notifying the Directors; or

(c). Either, or both of the above methods.

Any and all notice of such special meetings may be waived by the Directors and the attendance of a Director at such meeting shall be a waiver of any and all notice, unless such Director attends solely for the purpose of objecting to the holding of such meeting.

Section 3. Any regular or special meeting of the Directors may be adjourned or recessed from time to time and place to place and the order of adjournment or recess shall be sufficient notice to all Directors of the time and place of such adjourned or recessed meeting, whether or not all Directors be present at the meeting from which the adjournment or recess is taken.

Section 4. Any business which could be legally transacted at a regular meeting of Directors may be transacted at any special, adjourned or recessed meeting.

Section 5. At any Directors' Meeting, a majority of the Directors shall be a quorum for the transaction of business, but less than a quorum may adjourn or recess any meeting to a subsequent date without notice.

Section 6. The action of the majority of the Directors present at a meeting in person shall be sufficient to bind the entire Board of Directors.

Section 7. There shall be no voting by proxy at any Directors' meeting.

Section 8. The Board of Directors shall keep adequate minutes and other records of all of their proceedings, which shall, at any and all times, be subject to the inspection of any member of the Association.

ARTICLE VIII

Officers

Section 1. The Officers of the Association shall be a President, a Vice-President, a Manager and Treasurer and such other officers as the Board of Directors may be from time to time decide to elect. All officers shall be elected by the Board of Directors, their term commencing at the first day of the month following meeting of members, and all officers shall serve until their successors are elected and qualified.

Section 2. The President and Vice-President must be regularly elected directors, but the Manager and/or Treasurer need not necessarily be a regularly elected director.

Section 3. The President shall be the executive head of the corporation, and shall have the powers and perform the duties which are ordinarily possessed and performed by presidents of corporations. He shall be the chairman and presiding officer of all member and directors' meetings. In addition, he shall possess such additional powers and perform such additional duties as may be conferred upon him from time to time by the Board of Directors.

Section 4. The Vice-President shall perform the duties of the President in his absence, or in the event of his inability for any reason, to perform the duties of his office. He shall be the assistant to the President and shall possess such powers and perform such duties as are ordinarily possessed and performed by Vice-Presidents of corporations and such other duties and powers as may be conferred upon him from time to time by the Board of Directors.

Section 5. The Manager shall be the Manager of all meetings of members and directors and shall keep the minutes thereof. The Manager shall have custody of the corporate seal, charter, by-laws, minute book, and all other records, all of which shall be open for inspection by any member at all reasonable times. The Treasurer shall keep financial records and books of account and make monthly financial reports in writing to the Board, the Finance Committee, and annual financial reports in writing to the members. He shall

possess such powers and perform such duties as are ordinarily possessed and performed by secretaries and/or treasurers of corporations; and, in addition thereto, such other powers and duties as may be conferred up on him by the Board of Directors from time to time. The Manager and Treasurer may, in the discretion of the Board of Directors, receive compensation for his services to be fixed by the Board. The Treasurer shall be bonded.

ARTICLE IX

Guests

Section 1. The facilities of the Association are intended primarily for the use and enjoyment of members and the dependant members of their immediate families. However, guests of members will be permitted to use and enjoy the facilities of the Association when accompanied by a member of the association, pursuant to rules and regulations established by the membership.

Section 2. The membership shall establish and the Board of Directors shall enforce rules for the use and enjoyment of the Association's facilities by the members and their guests. The number of guests permissible per member of the association may be limited in general or in specific circumstances by the majority of the Board of Directors for good cause shown.

ARTICLE X

Rules

Section 1. The membership shall establish and the Board of Directors shall enforce rules governing members of the Association and of the use of the Association's facilities.

Section 2. Copies of all rules shall be distributed within seven days of adoption by the Board of Directors to the membership by electronic transmission (to include e-mail and text message) and shall be posted on the Association website after adoption. Copies shall also be made available at request from the Association.

Section 3. The interpretation of the Board of Directors of the rules and of these by-laws shall be final and conclusive, subject to the mechanism for objection and public commentary included in Article XI.

Section 4. Use of Property Rules shall be as follows:

- A. All privately owned lots and properties within the Lake Serene Subdivision shall be employed for conventional residential use, and no other.
- B. No property within the Lake Serene Subdivision shall be provided by any member to any third party for non-residential or holiday use, regardless of payment or other consideration provided to any member.
- C. All rental or leased use of properties within the Lake Serene Subdivision shall be for conventional residential purposes only; no occupation by a non-member for a period of less than 180 days shall be permitted for any reason, regardless of payment or other consideration provided to any member.
- D. Non-members shall not have rights to the use of the common properties of the association.
- E. Members suffering from exigent circumstances seeking special dispensation under this rule may apply for such dispensation from the Board in advance of any violation. The Board of Directors shall grant requests for special dispensation for good cause shown.

Section 5. Lake Rules for Watercraft, Fishing and Skiing shall be as follows:

- A. Boats shall not exceed 21 feet in length with the exception of pontoon boats which are limited to 28 feet in length.

- B. Boats with “heads”, latrines, galleys, or chemical toilets are prohibited from use in the Association lakes.
- C. All watercraft must conform to current Coast Guard Regulations, and all safety equipment, inspection certification, or other requirements under Mississippi law for the operation of watercraft must be present and/or satisfied.
- D. All persons using towed devices of any kind and jet skiers must wear a life vest or a life belt at all times without exception; failure to comply will result in the immediate loss of lake privileges for a period of time determined by the Board of Directors, but no longer than the remainder of the calendar year in which any such failure to comply occurs.
- E. No person under the age of 14 years will operate a watercraft unless supervised by an adult of 21 years of age or older, regardless of any lesser requirements under Mississippi or Federal statutes and regulations. All persons operating watercraft must further have completed all safety and operating courses required by law, and provide documentation of compliance with State and Federal law upon request.

Mississippi Code, Annotated § 59-21-81 states: (1) Every vessel shall have on board a Coast Guard approved personal flotation device for each person aboard such vessel, and every person twelve (12) years or younger on board a motorboat, sailboat, or vessel which measures less than twenty-six (26) feet in length shall wear a type I, II, or III Coast Guard approved personal flotation device while such motorboat, sailboat, or vessel is underway. For the purpose of this section "underway" shall mean at all times except when a motorboat, sailboat, or vessel is anchored, moored, or aground. Every vessel shall have lights during the hours of darkness, which comply with all federal regulations applicable to vessels of its classification. Such vessel shall not be operated unless in a safe and seaworthy condition; the owner and operator shall employ such safety devices as may be necessary for the safe operation of such vessel, including an efficient natural or mechanical ventilating

system when necessary for safe operation. In addition to the requirements imposed by this section, all vessels shall comply with all federal regulations applicable to vessels of such classification.

(2) For purposes of this subsection, "personal watercraft" means a vessel which uses an inboard motor powering a water jet pump and which is designed to be operated by a person sitting, standing or kneeling on the vessel, rather than the conventional manner of sitting or standing inside the vessel. A person shall not operate a personal watercraft unless each person on board or being towed behind is wearing a type I, type II or type III, personal flotation device approved by the United States Coast Guard.

Mississippi Code, Annotated § 59-21-83: No vessel shall be operated within this state in a reckless or negligent manner or at a rate of speed greater than is reasonable and prudent under the then existing circumstances or when the operator is so physically or mentally incapacitated as to be incapable of safely operating such vessel, or while the operator is under the influence of intoxicating liquor or narcotics, or when such vessel is overloaded beyond its reasonable carrying capacity. The provisions of this section shall be applicable to all watercraft operating on the waters of this state inclusive of, but not limited to, undocumented or unnumbered vessels and shall specifically include all vessels exempted from numbering by Section 59-21-5 and surfboards, aquaplanes, airboats, water skis or other watercraft.

Mississippi Code, Annotated § 59-21-85: (1) (a) No motorboat required to be numbered under this chapter shall be operated by any person who is under the age of twelve (12) years, unless he possesses a certificate as required under this section and is also accompanied by a parent, guardian or other person who is at least twenty-one (21) years of age and qualified and capable of operating the same.

(b) A motorboat required to be numbered under this chapter may not be operated by any person born after June 30, 1980, unless the person has completed a course in boating safety conducted or approved by the

Department of Wildlife, Fisheries and Parks, and the person has in his immediate possession while operating a motorboat a certificate of satisfactory completion of the boating safety course.

(c) The requirement of possessing a certificate under this subsection shall not apply to any person operating a motorboat that is rented from a person engaged in the business of renting motorboats.

(2) Boating safety courses shall be held by the Department of Wildlife, Fisheries and Parks, or instructors designated and approved by the department. The Department of Wildlife, Fisheries and Parks shall issue a certificate to each person who satisfactorily completes the boating safety course.

(3) <List of State fines omitted>

Mississippi Code, Annotated § 59-21-87: No person shall operate a motorboat on any waters of this state while towing a person on water skis, or on an aquaplane or similar device, without an observer in the boat in addition to the operator. Such observer shall be above ten years of age.

The provisions of the first paragraph of this section do not apply to a person engaged in a professional exhibition or a person participating in an official regatta, motorboat race, marine parade, tournament or exhibition.

No person shall operate or manipulate any motorboat, tow rope or other device by which the direction or location of water skis, aquaplane, or similar device may be affected or controlled in such a way as to cause the water skis, aquaplane, or similar device, or any person thereon to collide or strike against any object or person, except slalom buoys, ski jumps or like objects used normally in competitive or recreational skiing.

- F. All watercraft must use right hand pattern of lakes, establishing a clockwise pattern of motion.
- G. Skiing and jet Skiing is permitted from sunrise until sunset on the Main Lake only. No wake shall be caused by any watercraft after sunset.

- H. Skiers and watercraft are not allowed to be launched or loaded at swimming areas or piers, and all watercraft and skiers must maintain a minimum 50 foot distance from all docks unless actively docking.
- I. Watercraft must have a current Lake Serene decal attached and displayed on the right windshield or bow. All launching vehicles must have a current decal attached in appropriate place, the left rear bumper or back left glass.
- J. All watercraft are to have no equipment for the purpose of creating or increasing the volume of engine or other operating noises.
- K. Trot lines are prohibited at all times in the areas of the main lake. All trot lines shall be removed from all lakes during daylight hours and must not be left unattended.
- L. Fishing is not permitted in the open skiing and swimming areas in the main lake while ski boats are in operation.
- M. All boats in fishing lakes shall not be operated at speeds in excess of 5 miles per hour and shall exercise care to create minimum wake.
- N. No houseboats are allowed in the lakes.
- O. Swimming is prohibited around any of the controls to the dams and/or locks.
- P. Only property owner association members in good standing, their dependents as defined in the by-laws, and their guests (accompanied by a member) may use the facilities (such as boat ramps, picnic area, parking lots, and swimming areas),
- Q. No hunting or discharge of firearms is allowed on Lake Serene property.
- R. For non-individually owned lots (those owned by companies, corporations, etc.), one natural person must be designated in writing as the member.
- S. Any violations of the rules for lake use are subject to the fines described in Article III of the By-Laws.
- T. No alcoholic beverages are permitted.

Section 6. Beach Rules shall be as follows:

- A. Guests must be accompanied by a Lake Serene member in good standing.
- B. No alcohol shall be present or consumed.

- C. No glass containers allowed.
- D. NO DOGS OR ANIMALS OF ANY KIND are allowed on the beaches.
- E. No swimming past buoys.
- F. No foul language or abusive behavior will be tolerated.
- G. No cooking on decks or gazebo areas.
- H. No diving off piers or gazebo.
- I. Place garbage in provided receptacles.
- J. No sitting or swinging on the shade sails.
- K. No parking on the beach areas. Park in designated parking areas.
- L. No watercraft in swimming areas.
- M. Noncompliance in the above rules could result in security asking members/guests to leave the area.

Section 7. The Board of Directors, for good cause shown, may by majority vote to grant a special dispensation to any member, permitting the waiver of enforcement for any rule for a specific and identified period of time not to exceed 45 days.

ARTICLE XI

Amendments

Section 1. These by-laws may be repealed, changed, modified or amended and additional by-laws enacted by the Board of Directors at any regular meeting, or at any special meeting called for that purpose, where such purpose is stated in the call for such special meeting; but, in order to do so, it shall require the affirmative vote of two-thirds (2/3) of all the members of the Board of Directors.

Section 2. Upon distribution of repealed, changed, modified, amended, or additional enacted bylaws to the membership, such repeal, change, modification, amendment, or enactment shall be subject to objection by the membership. Upon the submission of the sworn objection of 25 (twenty-five) members, including no less than 2 (two) members from each phase, sub-development, or division of Lake Serene, a special meeting of the membership shall be convened in the prescribed manner. Upon establishment of a quorum as defined by the Charter, the President of the Board of Directors shall preside over the presentation of arguments for and against the repeal, change, modification, amendment, or addition enacted by the Board, after which a simple majority of the members present shall void the repeal, change, modification, amendment, or additional enactment made by the Board of Directors. If a quorum is not found to be present, the objection shall fail, and the decision of the Board of Directors shall stand.