

BY-LAWS
OF
SAWMILL CREEK HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
MEETING OF MEMBERS

SECTION 1. REGULARLY SCHEDULED MEETINGS

Regularly scheduled meetings shall be held on an annual basis.

SECTION 2. SPECIAL MEETINGS

Special meetings may be called by the President when requested by the Chairmen of Standing Committees. Notification of these meetings shall be made in the manner decided upon by the Board of Directors, to all members of the Association with the time, place, date and reasons for the special meeting contained in the notice.

SECTION 3. NOTICE OF MEETINGS

Written notice stating the date, time and place of any meeting to be held of the members of Sawmill Creek Homeowners Association shall be posted for members entitled to vote at such meeting, not less than fifteen (15) days before the date of such meeting.

At the written request of forty (40%) per cent of the membership, the President shall call a meeting within fifteen (15) days after receipt of the written notice.

SECTION 4. VOTING

A. Every person, group of persons, corporation, L.L.C., partnership, trust or other legal entity, or any combination thereof, that becomes a record owner of an interest in any lot by transfer shall be a Class A member of the Association. Each class A member of the Association shall be entitled to one (1) vote for each lot owned by any such firm, person, corporation, trust or other legal entity. However, there shall be only one (1) vote for each lot to which Class A membership is appurtenant, and the vote shall be cast in accordance with the by-laws of the Association.

B. There shall be one hundred (100) Class B memberships, all of which shall be issued to the Developer, or its nominee or nominees. The Class B members shall be

entitled to one (1) vote for each Class B membership so held, however, each Class B membership shall lapse upon the occurrence of any one of the following events:

- i. Thirty (30) days following the date upon which the total authorized issued and outstanding Class A membership equals one hundred (100); or,
- ii. On January 1, 2010; or,
- iii. Upon surrender of said Class B memberships by the then holders thereof for cancellation on the books of the Association.

Upon the lapse and/or surrender of all the Class B memberships, as provided for in Section 2(B)(iii) of the Dedication of Servitudes, Easements and Restrictive Covenants for Sawmill Creek Subdivision, the Developer shall continue to be a Class A member of the Association as to each and every Lot in which the Developer holds the interest otherwise required for such Class A membership.

SECTION 5. QUORUM AND MANNER OF ACTING

The presence at the meeting of one-third (1/3) of the eligible member property owners of the association shall constitute a quorum for any action except otherwise provided in the Articles of Incorporation. An absent member may vote at any regular meeting by giving proper, written and notarized proxy to another in attendance. Members who are not current on payment of dues are not eligible to vote.

ARTICLE II BOARD OF DIRECTORS

SECTION 1. NUMBER AND TENURE

The number of directors shall be no less than one and no more than seven and shall include all officers of the homeowners association.

SECTION 2. MEETINGS OF THE BOARD OF DIRECTORS

The meetings of the Board of Directors shall take place at a time and place as deemed necessary and as set by the members of the Board. Notification of the meetings shall be made not less than three (3) days prior to the date set for the meeting.

SECTION 3. QUORUM AND MANNER OF ACTING

A majority shall constitute a quorum for the transaction of business. The Board shall act by majority vote of the Directors present and constituting a quorum. Any action, which may be taken at the meeting of the Board of Directors, may be taken by consent in writing and signed by all the Directors and filed in the minutes of the Board.

SECTION 4. VACANCY

Any vacancy occurring in the Board of Directors or any directorship to be filled by reason of an increase in the number of the Board of Directors shall be filled by the Board until the next regular election of Directors, or the next regularly scheduled meeting of the membership.

ARTICLE III OFFICERS

SECTION 1. ELECTION AND TERMS OF OFFICE

The initial Board of Directors and first set of officers of the corporation shall be appointed by the developer. Thereafter, the subsequent officers and Board of Directors for the homeowners association shall be elected at the annual meeting of the members.

SECTION 2. DUTIES OF THE OFFICE

The duties of the officers shall be as follows:

President

The President shall be the chief executive officer of the corporation. He shall preside at all general and special meetings of the homeowners' association and at the meetings of the Board of Directors. He shall appoint and/or remove members from appointment on special committees and perform duties as specified herein if a vacancy should occur.

Vice President

The Vice President shall preside at all meetings and fulfill all the functions of the President whenever the President is absent for any reason. He shall perform any special duties as the President may direct.

Secretary

The Secretary shall keep all association records and minutes and have charge of all association correspondence. The Secretary shall also maintain the official association roster.

Treasurer

The Treasurer shall receive, have custody of and disburse all funds for the association. He must also keep accurate records of all association financial transactions. A committee appointed by the President shall audit such records at the end of each fiscal year. He shall pay out funds only in such a manner as authorized by the Board of Directors. The Treasurer shall maintain a deposit account only in a bank approved by the Board of Directors. All checks issued by the Treasurer shall be counter-signed by the President, Vice President or Secretary. The Treasurer shall notify each member of dues owed.

SECTION 3. POWER OF THE BOARD OF DIRECTORS

In the case of absence of any officer of the homeowners' association, or for any reason that the Board of Directors deems sufficient, the Board may delegate, for the time being, the powers or any of them, of any officer to any other member of the association.

SECTION 4. REMOVAL

Any officer may be removed at any general meeting by a two-thirds (2/3) vote of the membership provided written notice is given to the membership that such action is contemplated not less than fifteen (15) days before the meeting. The initial officers and Board of Directors may not be removed from office prior to the expiration of their term.

ARTICLE IV ELECTION OF OFFICERS

SECTION 1. TIME, PLACE AND DETAILS OF ELECTION

After the appointment of the initial Board of Directors, directors and officers shall be elected annually. Voting in all elections for the officers shall be by secret ballot. Directors and officers shall be elected by majority vote of those present or represented by proxy at said meeting as further outlined in Article I, Sections 4 and 5.

SECTION 2. NOMINATIONS AND MANNER OF ELECTION

The manner of nomination and election of Directors and Officers shall be as follows:

A. The Board of Directors may appoint from among the active members of the corporation a Nominating Committee, which shall nominate one or more candidates for the position or positions to be filled in the election. The report of the Nominating Committee shall be filed with the Board not less than twenty-one (21) days prior to the date of the election and the names of the persons nominated by the Nominating Committee shall appear on the ballot, with designation as to the source of the nomination.

B. Any member of the association eligible to be a candidate may secure a place on the ballot by written, seconded nomination to the Secretary of the corporation not more than sixty (60) days or less than twenty-one (21) days prior to the election.

C. The Secretary shall furnish all members a list of the candidates for all offices and a designation of the number to be elected to each position at least seven (7) days prior to the election.

D. Additional names may be placed in nomination from the floor by the general membership at the annual meeting prior to voting.

ARTICLE V DUES

A. Initial annual dues, also referred to as assessments, shall be \$150.00 per property owner. Payment of such dues shall constitute membership in good standing. Dues are payable at the beginning of each fiscal year. Dues will be pro-rated only on a six-month basis, and only for these members who have joined the association during the last six (6) months of a fiscal year. There will be no refund of dues for any reason whatsoever. The fiscal year will begin January 1 and end the following December 31. Annual dues shall be determined by the Board of Directors and announced at the annual meeting. Dues and/or assessments may be enforced by the Board of Directors as set forth in Article III, Section 2 of the Dedication of Servitudes, Easements and Restrictive Covenants for Sawmill Creek Subdivision.

B. The Board of Directors has the right to assess special assessments to the members for extraordinary expenses which assessment may be enforced in the same manner as annual dues as set forth in Article VII, Section 2 of the Dedication of Servitudes, Easements and Restrictive Covenants for Sawmill Creek Subdivision.

ARTICLE VI RESIGNATION

Any member of the organization intending to resign from the organization must give written notice of his intention to the Secretary of the corporation.

ARTICLE VII COMMITTEES

SECTION 1. STANDING COMMITTEE

Members of any Standing Committees as defined by the Board of Directors shall be appointed by the Board of Directors.

SECTION 2. SPECIAL COMMITTEES

The Board of Directors may appoint members of any Special Committees.

ARTICLE VIII FUNDS

SECTION 1.

All monies and property of this association must be used for the benefit of the association as provided for in these by-laws. All expenditures and appropriations must be authorized by a majority of the officers.

SECTION 2.

All checks, drafts and notes of the corporation shall be signed by the Treasurer and counter-signed by the President, Vice President or Secretary.

SECTION 3.

The Board of Directors shall designate the bank to be used for the deposit of funds of the association.

SECTION 4.

Before any indebtedness (indebtedness shall be defined as any monetary loan or loan guarantee) is incurred by the association, it must be approved by a simple majority of the membership.

SECTION 5.

An audit committee, consisting of at least two (2) members and a chairman, shall be appointed by the President, with the approval of the Board of Directors, at least thirty (30) days prior to the date of the annual election meeting. This committee shall audit the books of the association and prepare a detailed report. This report shall be delivered to all members at least one (1) week prior to the annual election meeting.

SECTION 6.

Spot audits of the association's books may be authorized at any time, by a majority vote of the Board of Directors or by a majority of the membership present and voting at any regular or special meeting.

SECTION 7.

No member of this association shall ever be held liable or responsible for any contracts, debts or obligations of this association nor shall any informality in organization have the effect of rendering these by-laws null, or of exposing the members to any individual liability unless said member has acted in an intentional manner.

ARTICLE IX AMENDMENTS

A two-thirds (2/3) vote of the members of the association in attendance at any given meeting may amend these by-laws. Notices of such meeting must be posted for all members at least ten (10) days in advance of the meeting and contain the proposed amendment to be acted upon at the meeting.

ARTICLE X COPIES OF BY-LAWS

Copies of the by-laws shall be furnished to each member of the association. The Secretary shall have a copy present at all meetings and shall hold in his/her possession any extra copies.

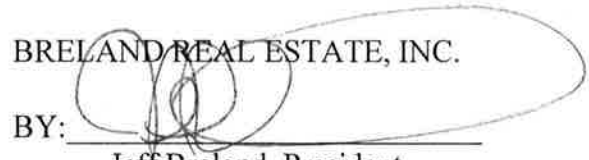
ARTICLE XI RULES OF ORDER

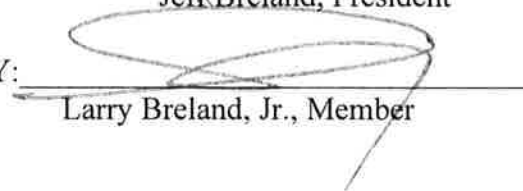
Roberts Rules of Order shall govern the proceedings of all meetings of the association and its constituent parts, except as provided in these by-laws.

ADOPTED BY THE DEVELOPER EFFECTIVE THIS 31 DAY OF
DECEMBER, 2007.

MID-SOUTH DEVELOPERS, LLC

BY: BRELAND REAL ESTATE, INC.

BY: 
Jeff Breland, President

BY: 
Larry Breland, Jr., Member