

BYLAWS
OF
GROVES PARK COMMONS NEIGHBORHOOD ASSOCIATION, INC.

ARTICLE I
DEFINITIONS

The following words and terms, as used in the Bylaws of Groves Park Commons Neighborhood Association, Inc., a Tennessee non-profit corporation, shall, unless the context should otherwise require, mean and be defined as follows:

1. “Association” shall mean and refer to Groves Park Commons Neighborhood Association, Inc., a Tennessee not-for-profit corporation, its successors and assigns.
2. “Board” shall mean and refer to the Board of Directors of the Association.
3. “Bylaws” means the Bylaws of the Association, as same may be amended from time to time.
4. “Charter” shall mean the corporate charter for the Association filed with the Tennessee Secretary of State, as same may be amended from time-to-time.
5. “Common Area” shall mean all real and personal property now or hereafter owned by the Association for the common use and enjoyment of the Owners or other property designated by the Developer for the common use and enjoyment of all Owners.
6. “Declaration” shall mean the Declaration of Easements, Covenants and Restrictions of Groves Park Commons recorded in the office of the Anderson County Register of Deeds at _____ and the covenants, conditions, restrictions, easements and all other provisions therein, as may from time to time be amended.
7. “Developer” shall mean and refer to (i) South Fork Development, LLC or (ii) any successor-in-title or any successor-in-interest to South Fork Development, LLC to all or any portion of the Property, provided in the instrument of conveyance to any such successor-in-title or interest, such successor-in-title is expressly designated as the “Developer” hereunder by the grantor of such conveyance, which grantor shall be Developer hereunder at the time of such conveyance.
8. “Lot” shall mean and refer to any parcel of land shown upon any recorded plat of the Property upon which a single-family residence may be constructed.
9. “Owner” shall mean and refer to the recorded owner, whether one or more Persons, of the fee simple title to any Lot which is a part of the Property, but excluding those having such interest merely as security for the performance of any obligation. The term “Member” as used in these Bylaws may also mean Owner and vice versa.
10. “Person” shall mean and refer to a natural person, corporation, partnership, association, trust, or other legal entity, or any combination thereof.
11. “Plat” shall mean and refer to that certain Final Subdivision Plat for Groves Park Commons in the office of the Register of Deeds for Anderson County, Tennessee, and as may be shown by any amended or supplemental map of the subdivision subsequently recorded in the office of the Register of Deeds for Anderson County.
12. “Property” shall mean and refer to that certain real property generally known as Groves Park Commons and as more specifically identified and described in Exhibit A to the Declaration, together with such additional real property as may by subsequent amendment be added to and subjected to the Declaration.
13. “Rules” shall mean a set of rules and regulations governing design of Dwellings and Improvements, the review and approval of plans, construction and the general use and enjoyment of the Property, the provisions of which are incorporated herein and deemed part of the Declaration.

Any other capitalized term used herein but not otherwise defined herein, shall have the meaning ascribed in the Declaration.

ARTICLE II
DECLARATION OF COVENANTS AND RESTRICTIONS

SECTION 1: The covenants and restrictions contained in the Declaration shall be binding upon the Association and its

members.

ARTICLE III

COMMENCEMENT OF OPERATION

SECTION 1: The Corporation shall commence its operation and business affairs on the date of its initial, organizational meeting notwithstanding any earlier filing of the Charter. Such date shall be determined by the Developer, but shall be not later than ninety (90) days following the date upon which all Lots in Groves Park Commons shall have been sold by Developer. The Developer may, in its sole discretion, hold such organizational meeting prior to such date.

ARTICLE IV

ASSOCIATION PURPOSES AND POWERS

SECTION 1: The Association has been organized to promote the health, safety, general welfare and mutual enjoyment of the residents of Groves Park Commons, in Anderson County, Tennessee and ultimately to own and maintain the Common Areas, including any improvements thereon, and to hold any easements, including any improvements thereon, and otherwise as provided in the Declaration, the Charter and these Bylaws.

SECTION 2: The powers and rights of the Association shall be as specified in the Charter and Bylaws, the Declaration and the Rules, all as may be amended from time to time. Such provisions are incorporated herein as fully and as completely as if specifically set forth.

ARTICLE V

PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON AREAS

SECTION 1: Each member of the Association shall be entitled to the use and enjoyment of the Common Areas as provided by the Declaration.

SECTION 2: Any member of the Association may delegate his rights of enjoyment in the Common Areas to the members of his family who reside upon the Lot or to any of his tenants who reside thereon. Such member shall notify the secretary of the Association in writing of the names of any such persons and of the relationship of the member to such person. The rights and privileges of such persons are subject to the Rules regarding their personal conduct and their use of the Common Areas as those of the members.

ARTICLE VI

MEMBERSHIP

SECTION 1: Every person or entity who is the Owner of a Lot or Lots of Groves Park Commons, as defined in Article I, shall be a member of the Association. Likewise, the Developer shall be an Owner and a member as long as it owns any Lot or other portion of the Property.

SECTION 2: Voting rights shall be appurtenant to the Lots. One (1) vote may be cast on behalf of each Lot except the Developer shall be entitled to four (4) votes for each Lot owned by the Developer. If more than one person owns any one Lot, all such persons shall be members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any one Lot.

SECTION 3: If an Owner shall have failed to pay when due any Assessment or charge lawfully imposed upon him or her on any property owned by him or her, or if the Owner, his or her family, or guests shall have violated any of the covenants contained in the Declaration or any of the Rules, then the Board shall provide written notice to the Owner by certified mail, setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. If the Owner shall not have taken reasonable steps toward the required remedy within twenty (20) days of the mailing of the aforesaid notice of violation, then the Board may suspend the membership rights (including voting rights) of that Owner.

ARTICLE VII

EVIDENCE OF MEMBERSHIP AND TRANSFER

SECTION 1: Certificates of membership in the Association may be issued to the members thereof, but are not required.

Such certificates shall be in such form as the Board shall from time to time designate and shall be issued under the signature of the president or other designated officers of the Association. Such certificate shall indicate the name of the member and shall indicate the Lot, the ownership of which gives rise to the member's membership. Such certificates shall also clearly state on their face that the Association is a nonprofit corporation. Adequate records shall be maintained at the office of the Association showing the names of the members, the date that such person became a member of the Association, and a sufficient description of the Lot or Lots giving rise to such membership.

SECTION 2: Membership in the Association is transferable only upon the transfer of ownership, (i.e., the fee simple title) of the Lot giving rise to such membership. All transfers shall be subject to the payment of all indebtedness to the Association of the member whose membership is transferred. It is the responsibility and obligation of the transferor to make payment of all unpaid fees and Assessments on a pro rata basis to date of transfer of the Lot, and to notify the secretary of the Association in writing of the transfer of membership with the necessary information to enable the secretary to provide the new Owner, when in good standing, with copies of Bylaws, the Declaration, the Rules, and any membership cards, etc.

ARTICLE VIII

MEETINGS OF MEMBERS

SECTION 1: The first annual meeting of the Owners shall be held on the first anniversary of the date of the initial, organizational meeting determined by the Developer pursuant to Article III, Section 1. Thereafter, the annual meeting of the Owners shall be on such date, at such time and at such place as designated by the Board. The Owners shall elect directors at their annual meetings; and, further, the Owners shall consider the annual budget, the Assessments, and any rules and regulations, and amendments thereto, suggested and presented by the Board. The Owners may reject or adopt any or all of the Board's recommendations, each in whole or in part, and may establish such budget, fix such Assessments, and effect such rules and regulations, and amendments thereto, of the Association as they may desire. (In the absence of a quorum for such annual meeting of the Owners, the budget, the Assessments, and rules and regulations, and amendments thereto, for the Association submitted by the Board shall be deemed to have been approved by the members.) In addition, the Owners shall consider such other business which may regularly come before the meeting.

SECTION 2: Special Meetings. Special meetings of the Owners may be called by any two or more members of the Board. A special meeting may also be called upon the written petition of the Owners representing at least twenty percent of all the votes entitled to be cast at such special meeting. Said petition shall be addressed to the president of the Association, who shall thereupon fix the most commonly convenient place for such meeting and a time not more than thirty days after receipt of the petition. Petitions for such special meetings shall set forth the purpose for which the special meeting has been called; and the notice of any special meeting shall set forth the purpose of said meeting; and no business other than that specified in the notice of said meeting shall be considered at such special meeting.

SECTION 3: Notice. Written or printed notice stating the place, date and hour of the meeting and, in cases of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten days nor more than two months before the date of the meeting either personally or by mail to each member entitled to vote in such meetings. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the member at his address as it appears on the records of the Association, with postage thereon prepaid.

SECTION 4: Voting. The presence of a majority of the votes entitled to be cast (determined on a "one vote per Lot basis"), present in person or by proxy, shall constitute a quorum for the transaction of business. Where Lots have multiple Owners, the presence of any one Owner shall be sufficient to count the vote of that Lot, both to constitute a quorum and for actual voting. A meeting may be adjourned to a subsequent date or time despite the absence of a quorum, and the meeting may be held at the date and time so adjourned without further notice; provided, however, in no event shall such adjourned date and time be more than thirty (30) days after the original meeting date. When a quorum is present at any meeting, a majority of the votes there represented shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the Charter, these Bylaws, the Declaration, the Rules or by statute or other applicable law, a larger or different vote is required, in which case such express provision shall govern the decision of such question. Members shall have no right to cumulate their votes on any matter submitted to a vote. In the case of Lots with multiple Owners, the Owners must unanimously agree as to the manner in which the vote of their Lot shall be cast; in the event the Owners of a particular Lot cannot so agree, the vote of such Lot shall not be counted for purposes of any vote (although such Lot shall be deemed present for quorum purposes).

SECTION 5: Proxies. Every Owner entitled to vote at a meeting may do so either in person or by written proxy signed by such Owner or his attorney-in-fact, which proxy shall be filed with the secretary of the Association before the meeting. Such a proxy shall entitle the holder thereof to vote at any adjournment of such meeting, but shall not be valid after final adjournment thereof. No proxy shall be valid after the expiration of eleven months from the date of its execution unless otherwise provided for in the proxy. Provided, however, only one proxy may be submitted for each Lot and all Owners of such Lot shall sign such proxy or the Association shall be under no obligation to recognize the proxy.

SECTION 6: Records. There shall be a record of the proceedings of all meetings of the Owners, which record shall be

verified by the signatures of the president and secretary of the Association.

SECTION 7: Conduct of Meetings. Meetings of the Owners shall be conducted in accordance with Roberts Rules of Order. Voting shall be by secret ballot if requested by at least twenty-five percent of those present in person and entitled to vote, or at the discretion of the presiding officer. Any meeting of the Owners shall be called to order by the president of the Association, and the president shall preside over the meeting throughout its proceedings.

ARTICLE IX

BOARD OF DIRECTORS

SECTION 1: Composition. The affairs of the Association shall be governed by the Board. The initial Board shall be composed of three (3) persons. The initial directors may be appointed by the Developer. Directors appointed by the Developer need not be Owners. Otherwise, the directors shall be Owners or spouses of Owners; provided, however, that no Owner and his or her spouse may serve on the Board at the same time. In the event that an Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any shareholder, officer or beneficiary or individual trustee of such trust, or manager of such other legal entity, may be eligible to serve as a director. A director may succeed himself or herself in office. The number of directors may be changed from time-to-time as approved by the Owners; provided, however, the total number of directors shall never be less than three (3) and not more than seven (7) and shall never be an even number.

SECTION 2: Term of Office. The directors shall be elected as provided in Section 7 of this Article IX. Each director, except in case of death, resignation, retirement, disqualification or removal, shall serve until his or her successor shall have been elected and qualified.

SECTION 3: Removal of Directors. At any regular or special meeting of the Owners duly called, any one or more of the directors may be removed with or without cause by a majority vote of the Owners and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Owners shall be given at least ten (10) days notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting.

SECTION 4: Vacancies. Vacancies in the Board caused by any reason, but excluding the removal of a director by vote of the Owners, shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the Board for the remainder of the term of the director being replaced. Said director shall serve until a successor shall be elected at the annual meeting of the Members to fill the unexpired portion of the term.

SECTION 5: Compensation. Directors shall not be compensated unless and to the extent two-thirds (2/3) of the Owners authorize compensation at any meeting duly called for that purpose.

SECTION 6: Nomination. Nomination for election to the Board shall be made by any existing director or by the president. Any number of qualified individuals may be nominated, but no less than the number of directors to be elected. The nominations shall be made at least twenty-one (21) days prior to the annual meeting and a brief statement about the qualifications of each individual nominated shall be included with the notice of the annual meeting. Nominations by the Owners shall also be allowed from the floor at the meeting. Failure to comply with the provision hereof shall in no way invalidate the election of directors so nominated.

SECTION 7: Elections. At each meeting of the Owners at which directors are elected, the Owners shall be entitled to cast one (1) vote for each director position subject to election but only one (1) vote for any one candidate. For purposes of illustration only, if three (3) director positions are subject to election and there are five (5) candidates, Owners can vote for any three (3) candidates but can only cast one (1) vote for any one (1) candidate. The number of candidates receiving the highest number of votes with respect to the number of positions to be filled shall be deemed to be elected.

SECTION 8: Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by the Board, but such meetings shall be held at least once every six (6) months. The Board shall meet within ten (10) days after each annual meeting of Owners.

SECTION 9: Special Meetings. Special meetings of the Board may be called by the President of the Association or by at least two (2) directors on three (3) days notice to each director given by mail, in person or by telephone, which notice shall state the time, place and purpose of the meeting.

SECTION 10: Quorum. A quorum of directors shall be deemed present throughout any Board meeting at which a majority of the directors are present at the beginning of such meeting.

SECTION 11: Conduct of Meetings. The President of the Association shall preside over all meetings of the Board and the Secretary shall keep a minute book recording therein all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. Robert's Rules of Order (latest edition) shall govern the conduct of the meetings of the Board when not in conflict with the Declaration or the Bylaws.

SECTION 12: Action Without a Meeting. Any action by the Board required or permitted to be taken at any meeting may be taken without a meeting if all of the directors consent in writing to such action. Such written consent or consents shall be filed with the minutes of the Board.

ARTICLE X

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

SECTION 1: The Board shall exercise for the Association all powers, duties and authority vested therein by the Declaration, Bylaws and/or the Rules, except for such powers, duties and authority reserved thereby to the Owners or the Developer. The Board shall have the following powers and duties:

- (a) to elect the officers of the Association as hereinafter provided;
- (b) to administer the affairs of the Association;
- (c) to engage the services of an agent (hereinafter sometimes referred to as the "Managing Agent") to maintain, repair, replace, administer the Common Areas or any part thereof, upon such terms and for such compensation as the Board may approve, including a Managing Agent which is affiliated with one or more directors, or the Developer, or both;
- (d) to provide for the operation, care, upkeep, maintenance, repair, replacement and improvement of the Common Areas and payments therefore, and to approve payment vouchers or to delegate such approval to the officers of the Association or the Managing Agent;
- (e) to have access to each Lot excluding Dwellings from time to time as may be necessary for the maintenance or repair of a Lot or to access a Common Area accessible therefrom, or for making emergency repairs necessary to prevent damage to the Common Area or to one or more other Lots;
- (f) to obtain adequate and appropriate insurance as provided in Article XI of the Declaration;
- (g) to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement administration, management and operation of the Common Area, and to delegate any such powers to a Managing Agent (and any employee or agents of a Managing Agent);
- (h) to appoint committees and to delegate to such committees the Board's authority to carry out certain duties of the Board, specifically including an Architectural Control Committee;
- (i) to determine the fiscal year of the Association and to change said fiscal year from time to time, as the Board deems advisable;
- (j) to estimate the amount of, prepare, adopt and distribute the budget for the Association not less frequently than annually, to provide the manner of assessing, levying on and collecting from the Owners the annual and special Assessments;
- (k) to cause to be kept a complete record of all its acts and corporate affairs, to present a statement thereof to the Owners at the annual meeting of the Owners, or any special meeting when such statement is requested in writing by one-fourth (1/4) vote of the Owners;
- (l) to bid and purchase, for and on behalf of the Association, any Lot, or interest therein, at a sale pursuant to a deed of trust foreclosure, a foreclosure of the lien for any Assessment, or both, or any order or direction of a court, or at any other involuntary sale, upon the affirmative vote of not less than seventy-five percent (75%) of the Owners at a meeting duly called for that purpose, provided that the Owners shall set forth a maximum price that the Board or its duly authorized agent may bid and pay for such Lot or interest therein;
- (m) to make such mortgage loan arrangements and special Assessments proportionately among the respective Owners, and other such financing arrangements, as the Board may deem desirable, in order to close and consummate the purchase of a Lot, or interest therein, by the Association; provided, however, that no such financing arrangement shall be secured by an encumbrance on any interest in the Property other than the Lot, or interest therein, to be purchased or leased;
- (n) to act in a representative capacity in relation to matters involving the Common Area or any Lot, on behalf of the Owners, as their interests may appear;

- (o) to enforce by legal means the provisions of this Declaration, the Bylaws and the Rules with respect to the Property;
- (p) to renew, extend or compromise indebtedness to or by the Association;
- (q) unless otherwise provided herein, to comply with the instructions of a majority of the Owners as expressed in a resolution duly adopted at any annual or special meeting of the Owner;
- (r) to issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an Assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (s) to supervise all officers, agents and employees of the Association, and see that their duties are properly performed.
- (t) to employ bookkeepers or accountants to keep books and records of financial affairs and/or to file federal and state tax returns as required by law;
- (u) to employ attorneys to represent the Association when deemed necessary;
- (v) to enforce the Rules, to establish penalties for infractions thereof and amend the Rules as deemed necessary from time-to-time;
- (w) to suspend the voting rights of an Owner during any period in which such Owner shall be in default under the provisions of this Declaration or the Bylaws in the payment of any Assessment, fines or charges levied by the Board or the ACC. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for violation of the Rules;
- (x) to declare the office of a director of the Board to be vacant in the event such director shall be absent from three (3) consecutive regular meetings of the Board;
- (y) to call special meetings of the Owners whenever it deems necessary; and
- (z) to establish, levy, assess and collect Assessments, fines or charges pursuant to the provisions of the Declaration and/or the Rules, subject, however, to the proviso that the Owners shall have the right of approval of the establishment, fixing and increasing of Assessments, as provided in Article VII of the Declaration.

SECTION 2: In addition to all those duties normally incident to a board of directors of a Tennessee non-profit corporation, and those duties incident to the authority of the Board as otherwise provided for in these Bylaws, it shall be the duty of the Board:

- (a) To cause to be kept a complete record of all its tax and corporate affairs, to present a statement thereof to the Owners at the annual meeting or at any special meeting at which such is requested in accordance with the Bylaws.
- (b) To supervise all officers, agents and employees of the Association, and to see that their duties are properly performed.
- (c) To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any Assessment has been paid. Such certificate shall be conclusive of any Assessment therein stated to have been paid.
- (d) To present to the members at their annual meetings a budget for the coming year, suggested Assessments for the coming year, and any amendments, addition or deletions to the Rules to be implemented.

SECTION 3. Nondelegation. Nothing in this Article or elsewhere in these Bylaws shall be considered to grant to the Board, the Association or to the officers of the Association any powers or duties which, by law, have been delegated to the Owners.

ARTICLE XI

OFFICERS

SECTION 1: The Association shall have a president, vice president, secretary and treasurer and such other officers as the Board shall deem necessary. Any two or more offices may be held by the same person, except the offices of president and secretary. All officers shall be Owners except the initial officers appointed by the Developer need not be Owners.

SECTION 2: The initial officers of the Association shall be appointed by the Developer at the initial, organizational meeting pursuant to Article III Section I. Thereafter, officers shall be elected by majority vote of the Board. Each officer shall serve for a term of one year or until such officer's resignation or removal.

SECTION 3: All officers shall have such authority and perform such duties in the management of the Association as are normally incident to their offices and as the Board may provide. In addition:

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

(b) The vice president shall perform all the duties of the president in his absence.

(c) The secretary shall record the votes and keep the minutes of all proceedings in a book to be kept for that purpose; sign all certificates of membership in the absence of the president; authenticate all records of the Association; keep the general records of the Association; record in a book kept for that purpose, the names of all members of the Association together with their addresses as registered by such members. The secretary shall receive and deposit in appropriate bank accounts all monies of the Association.

(d) The treasurer shall sign all checks and notes of the Association, provided that such checks and notes shall also be signed by the president or the vice president. The treasurer shall disburse such funds as directed by resolution of the Board, provided, however, that a resolution of the Board shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The treasurer shall keep proper books of account and, upon direction of the Board or majority vote of the Owners, cause an annual audit of the Association books to be made at the completion of each fiscal year by a committee of three persons to be appointed by the president. (One person on such committee must be a member of the Board but may not be the treasurer.) The treasurer shall prepare an annual budget and balance sheet statement, and the budget and balance sheet statement shall be presented to the Board prior to the annual meeting of the Owners.

SECTION 4: Any officer of the Association may resign at any time by giving written notice to the Board or to the president or the secretary of the Association. Any such resignation shall take effect at the time specified therein, or, if no time is specified, then upon its acceptance by the Board.

SECTION 5: Any officer or agent of the Association may be removed by the Board at any time with or without cause.

SECTION 6: Vacancies occurring in any office for any reason, including removal of an officer, may be filled by the vote of a majority of the directors then in office, even if less than a quorum exists; and that officer shall serve until his successor is elected and qualified at a meeting of the directors held for such purpose.

ARTICLE XII

WAIVER OF NOTICE

Owners and directors may waive any notice required to be given by the Bylaws or the Tennessee Nonprofit Corporation Act, either before or after the date and time stated in the notice, by written waiver of notice signed by the Owner or director, as the case may be, who was entitled to the notice, delivered to the Association and filed with the minutes or records of the Association. The attendance at or participation in a meeting by a director waives any required notice of the meeting unless the director, at the beginning of the meeting or promptly upon his arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting. An Owner's attendance at a meeting waives objection to lack of notice or defective notice of the meeting unless the Owner, at the beginning of the meeting or promptly upon his arrival, objects to holding the meeting or transacting business at the meeting; and such attendance waives objection to consideration of a particular matter at the meeting that is not within the purposes described in the meeting notice, unless the Owner objects to considering the matter when it is presented.

ARTICLE XIII

INDEMNIFICATION

The Association shall indemnify its officers and directors in the manner and to the extent allowed by the Tennessee Nonprofit Corporation Act, as the same may be amended from time to time. Without limiting the generality of the foregoing, it is the Association's intent that: The directors of the Board and the officers of the Association shall not be liable to the Owners, for any acts or omissions made in good faith as members of the Board or as officers. The Association shall indemnify and hold harmless directors or officers against all contractual liability to others arising out of contracts made by such directors or officers on behalf of the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of this Declaration or the Bylaws

of the Association. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred or imposed upon him or her in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of his or her being or having been a director or officer of the Association, or any settlement thereof, whether or not he or she is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. The members of the ACC shall be included as persons entitled to indemnification pursuant to this Article XIII to the fullest extent available to any director or officer.

In furtherance of and without in any way waiving the indemnification obligations of the Association as set forth above, the Association shall maintain directors and officers liability insurance with limits of not less than \$500,000.00 and an extended reporting period of not less than three (3) years so long as such coverage may be purchased at commercially reasonable rates. The deductible of such policy shall not exceed an amount specifically reserved by the treasurer for payment of same, shall never be more than \$10,000.00, and shall be paid by the Association.

ARTICLE XIV

AMENDMENTS

SECTION 1: Consistent with the Tennessee Nonprofit Corporation Act, and except as otherwise provided in the Bylaws or the Declaration, these Bylaws may be amended, added to, or repealed in either of the following manners:

1. At any duly constituted meeting of the Owners, by two-thirds of the votes cast or a majority of the total voting power of the membership, whichever is less; provided, however, any amendment of a bylaw that changes a voting requirement for Owners must be adopted by the same voting requirement then in effect or proposed to be adopted, whichever is greater.

2. A majority vote of the entire Board. Provided, however, any change in the Bylaws made by the Board may be amended or repealed by the Owners.

SECTION 2: Any matter stated in the Bylaws to be or which is in fact governed by the Declaration may not be amended except as provided in such Declaration.

ARTICLE XV

BOOKS AND PAPERS

The books, records and papers of the Association shall be subject to the inspection of any Owner at all reasonable times upon reasonable notice. No Owner shall have the right to remove any record. Any copies of books, records and papers of the Association requested by an Owner shall be at the expense of the Owner.

ARTICLE XVI

CONSTRUCTION OF PROVISIONS

SECTION 1. If any provisions of these Bylaws shall be found to be contrary to or in conflict with any provision of the Tennessee Nonprofit Corporation Act or contrary to or in conflict with any other proper and applicable law, rule, regulation or ordinance, federal, state or local, then and in that event, any such provision hereof shall be so construed as being in compliance with such provision of the said Tennessee Nonprofit Corporation Act or with such other law, rule, regulation or ordinance, adhering as closely as possible to the intent of said provision as originally herein set forth.

SECTION 2: In the case of any conflict between the Charter and these Bylaws, the Charter shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. In the case of any conflict between these Bylaws and the Rules, these Bylaws shall control.

Approved and adopted by the Incorporator this ____ day of _____, 200__.

Danny P. Dyer, Incorporator