

BY-LAWS

OF

STEVE HALL
REGISTER OF DEEDS
KNOX COUNTY

**BETHANY SPRINGS CONDOMINIUMS
HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I.

GENERAL

Section 1. **The Name:** The name of the Association shall be **BETHANY SPRINGS CONDOMINIUMS HOMEOWNERS ASSOCIATION, INC.**

Section 2. **The Principal Office:** The principal office of the corporation shall be at the Condominium Location, or at such other place as may be subsequently designated by the Administrative Board.

Section 3. **Definition:** As used herein, the term "Association" shall mean the Bethany Springs Condominiums Homeowners Association, Inc. as used in the Master Deed of Bethany Springs Condominiums dated the 27th day of April, 2005, and recorded as Instrument No. _____ in the Register's Office for Knox County, Tennessee, and as defined in the Tennessee Horizontal Property Act set forth in Tennessee Code Annotated 66-27-101 et seq, herein referred to as the "Act".

ARTICLE II.

MEMBERSHIP

Section 1. **Definition:** Membership in the Association shall be limited to the owners of condominium units in Bethany Springs Condominiums.

Section 2. **Transfer of Membership and Ownership:** Membership in the Association may be transferred only by as an incident of transfer of the transferor's condominium unit and his undivided interest in the common areas and facilities of the condominium, and such transfer shall be subject to the procedures set forth in the Master Deed and the Act.

ARTICLE III.

MEETINGS OF MEMBERS

Section 1. **Place:** All meetings of the Association membership shall be held at the office of the Association or such other place as may be stated in the Notice of Meeting.

Section 2. Annual Meetings:

- a.) The Annual Meeting of the members shall be held at the office of the condominium or other place designated in the Notice of Meeting.
- b.) The Annual Meeting shall be held on the first Thursday of April in each calendar year, unless a different date is established by the Board and proper notice given to the membership.
- c.) All Annual Meetings shall be held at such hour as is determined by the Administrative Board.
- d.) At the Annual Meeting, the members shall elect the new members of the Administrative Board and transact such other business as may properly come before the meeting.
- e.) Written notice of the Annual Meeting shall be served upon or mailed to each member entitled to vote at such address as appears on the books of the Association, at least ten (10) days but not more than fifty (50) days prior to the meeting. Each member shall notify the Secretary of any address change, and the giving of said notice shall be in all respects sufficient if sent to the address of the member which is then on file with the Secretary.

Section 3. Membership List: At least ten (10) but not more than fifty (50) days before every election of the Administrative Board, a complete list of members entitled to vote at said election, arranged numerically by condominium units, with residence of each, shall be prepared by the Secretary. Such list shall be produced and kept for ten (10) days prior and throughout the election at the office of the Association or at such other location as the Board may designate, and shall be open to examination by any member through such time.

Section 4. Special Meetings:

- a.) Special meetings of the members for any purpose or purposes, unless otherwise proscribed by statute, may be called by the President or by the vote of the Administrative Board and shall be called at the request of not less than twenty-five (25%) percent of the members entitled to vote at the meeting. Such request shall state the purpose or purposes of the proposed meeting.

b.) Written notice of special meeting of members stating the time, place, purpose thereof, and the person or persons calling the meeting shall be served upon or mailed to each member entitled to vote at such address as appears on the books of the Association, said notice to be given at least ten (10) days but not more than fifty (50) days before such meeting.

c.) Business transacted at all special meetings shall be confined to the subjects stated in the notice thereof.

Section 5. **Quorum:** Over fifty (50%) percent of the total number of members of the Association present in person or represented by written proxy, shall be requisite to and shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise provided by statute or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the members, the members entitled to vote, present in person or represented by written proxy, shall have power to adjourn the meeting from time to time, without written notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called. If adjournment extends past 30 days, notice of the date on which the adjourned meeting is to reconvene shall be given as here provided for regular meetings.

Section 6. **Vote Required to Transact Business:** When a quorum is present at any meeting, a majority of the votes cast in person or represented by written proxy filed with the Secretary in advance of the meeting, shall decide any question brought before the meeting, unless the question is one, by express provision of the Master Deed or these By-Laws, requiring a higher percentage of the votes cast is, in which case such express provision shall govern and control the decision of such question.

Section 7. **Right To Vote:** Each owner or, if a unit is co-owned, the co-owners shall be entitled to cast a vote as set forth in the Articles of Incorporation of the Homeowners Association. At any meeting of the members, each member having the right to vote shall be entitled to vote in person or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof. Where a unit is co-owned, the co-owners shall be entitled to cast a single vote for each unit owned.

from office or otherwise, a majority of the remaining Board Members though less than a quorum, at a special meeting of the Board duly called for this purpose shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred.

Section 3. **First Administrative Board:** The first Board shall consist of the officers of the original Developer who shall hold office and exercise all powers of the Board until the first membership meeting, anything herein to the contrary notwithstanding; provided any or all of said Board Members shall be subject to replacement in the event of resignation or death as above provided. The first membership meeting shall occur immediately following the expiration of the "Developer Control Period" as defined in the Master Deed.

Section 4. **Powers:** The property and business of the Association shall be managed by the Board which may exercise all powers not specifically prohibited by statute, or the Master Deed to which a copy of these By-Laws are attached. The powers of the Board shall specifically include, but not be limited to the following:

- a.) To make and collect regular and special assessments and establish the time within which payment of same are due.
- b.) To use and expend the assessments collected to maintain, care for and preserve the units and condominium property, except those portions thereof which are required to be maintained, cared for, and preserved by the owners.
- c.) To purchase the necessary equipment and tools required in the maintenance, care and preservation referred to above.
- d.) To enter into and upon the condominium units when necessary and at as little inconvenience to the owner as possible in connection with such maintenance, care and preservation.
- e.) To insure and keep insured said property in the manner set forth in the Master Deed insuring the condominium units owners against public liability, and to purchase such other insurance as the Board may deem advisable, including insurance against Board Members' liability.
- f.) To collect delinquent assessments by suit or otherwise, abate nuisances and enjoin or seek damages from owners for violations of these by-laws and the terms and conditions of the Master Deed.

- g.) To employ and compensate such personnel as may be required for the maintenance and preservation of the Property.
- h.) To make appropriate changes in the Rules and Regulations for the occupancy of the condominium units as may be deemed necessary. Any such changes shall be approved at the next meeting of the membership by a majority of the votes cast.
- i.) To acquire and/or rent and/or lease a condominium unit in the name of the Association or a designee.
- j.) To carry out the obligations of the Association under any restrictions and/or covenants running with the land submitted to the Condominium ownership of this Association or its members.
- k.) To designate, as the Board deems appropriate, assigned parking spaces, other than limited common elements for each condominium unit, visitors, service vehicles and other vehicles.
- l.) To adopt rules and regulations pursuant to Article IX of the By-Laws.
- m.) To retain an attorney to represent the interest of the Association in carrying out the duties and responsibilities owed by the Board to the membership.
- n.) To propose and adopt an annual budget for the property.
- o.) To contract for and engage contractors, as necessary, in the event of damage to the improvements and in conjunction therewith to endorse insurance payments payable to the unit owner and the Association, as a "loss payee" for the purpose of paying for reconstruction of the damaged improvements.

Section 5. **Liability:** The Board Members shall not be liable to the owners for any mistake of judgment, or otherwise except for their own willful misconduct, actual bad faith or gross negligence.

Section 6. **Compensation:** Neither Board Members nor officers shall receive compensation for their services as such unless otherwise directed by the Board.

Section 7. **Meetings:**

- a.) The first meeting of each Board newly elected by the members shall be held immediately upon adjournment of the meeting in which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The

Annual Meeting of the Board shall be held at the same place as the Annual Meeting of the membership, and immediately before or after the adjournment of same.

b.) Special meetings of the Board shall be held whenever called by the direction of the President or a majority of the Board. The Secretary shall give notice of each special meeting either personally, by mail or telegram, at least five (5) days before the date of such meeting, but the Board Members may, in writing, waive the time requirement for adequate notice of the calling of the meeting before or after such meeting.

c.) A majority of the Board shall be necessary and sufficient at all meetings to constitute a quorum for the transaction of business, and the act of a majority present at any meeting at which there is a quorum shall be the act of the Board. If a quorum shall not be present at the meeting, the Board Members then present may adjourn the meeting to a future date certain by announcing said date publicly at the meeting and no further notice shall be required.

Section 8. **Order of Business:** The agenda for the Annual Meeting of the Board shall be:

- a.) Roll call
- b.) Proof of Notice of meeting or waiver of notice
- c.) Reading of minutes of last meeting
- d.) Consideration of communications
- e.) Elections of necessary Board Members and officers
- f.) Reports of officers and employees
- g.) Reports of committees
- h.) Unfinished business
- i.) Original resolutions and new business
- j.) Adoption of budget (when appropriate)
- k.) Adjournment

Section 9. **Annual Statement:** The Board shall present no less often than at the Annual Meeting, a full and clear statement and accounting of the business and condition of the Association, including a report of the operating expenses of the Association and the assessments paid by each member.

ARTICLE V.

OFFICERS

Section 1. **Executive Officers:** The executive officers of the Association shall be a President, a Secretary, and a Vice-President-Treasurer. The offices shall be filled by a member serving upon the Board. No two offices may be united in one person. The term of each office shall be one year, with the following stipulation. The member of the Board serving as the Vice-President-Treasurer shall ascend to the office of President during the subsequent year so that after the initial election of officers, the only two offices that will be elected annually will be those of Vice-President-Treasurer and Secretary, unless an office is vacated by the ascending Vice-President prior to or during his term as President.

Section 2. **Subordinate Officers:** The Board may appoint such other officers and agents from the membership as they may deem necessary, who shall have such authority and perform such duties as from time to time may be prescribed by said Board.

Section 3. **Tenure of Officers: Removal:** All officers shall be subject to removal, with or without cause, at any time by action of the Board. The Board may delegate powers of removal or subordinate officers and agents to any officer.

Section 4. **The President:**

- a.) The President shall preside at all meetings of the members of the Board; the President shall have general and active management of the business of the Association; he shall see that all orders and resolutions of the Board are carried into effect; he shall execute bonds, mortgages and other contracts as the officer of the Association.
- b.) The President shall have general supervision and direction of all the other officers of the Association, and shall see that their duties are performed properly.
- c.) The President shall submit a report of the operations of the Association for the fiscal year to the Board Members whenever called for by them and to the members at the Annual Meeting, and from time to time shall report to the Board all matters within his knowledge which the interest of the Association may require be brought to their attention.

d.) He shall be an ex-official member of all committees, and shall have general powers and duties of supervision and management, usually vested in the office of the President of an Association.

Section 5. The Secretary:

- a.) The Secretary shall keep the minutes of the meetings of the Board in one or more books provided for that purpose.
- b.) The Secretary shall see that all notices are fully given in accordance with the provisions of these By-Laws or as required by law.
- c.) The Secretary shall be custodian of the records.
- d.) The Secretary shall keep a register of the mailing address of each member.
- e.) In general, the Secretary shall perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board.

Section 6. The Vice-President/Treasurer:

- a.) The Vice-President/Treasurer shall be vested with all powers and required to perform all the duties of the President in his absence, and such other duties as may be prescribed by the Board.
- b.) The Vice-President/Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies and other valuable effects in the name and to the credit of the Association, in such depositories as may be designated by the Board.
- c.) The Vice-President/Treasurer shall disburse the funds of the Association as ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and Board Members at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Association. Such records shall be open to inspection by members at reasonable times.
- d.) The Vice-President/Treasurer may be required to give the Association, at the Association's cost, a bond in a sum and with one or more sureties satisfactory to the Board for the faithful performance of the duties of his office, and the restoration to

the Association, in case of his death, resignation or removal from office, of all books, papers, vouchers, money or other property of whatever kind in his possession belonging to the Association.

e.) The Vice-President/Treasurer shall maintain a register for the names of any mortgage holders or lien holders on units who have requested in writing that they be registered and to whom the Association will give notice of default in case of non-payment of assessments. No responsibility by the Association is assumed with respect to said register except that it will give notice of default to any registered mortgagee or lienor therein, if so requested by said mortgagee or lienor.

f.) With the approval of the Board, the Vice-President/Treasurer shall be authorized to delegate all or part of his responsibilities to competent accounting, collection or management personnel, pursuant to written definition of the responsibilities to competent accounting, collection or management personnel, but in such event, the Treasurer shall retain supervisory responsibilities.

Section 7. **Vacancies:** If any office becomes vacant by reason of death, resignation, disqualification or otherwise, the remaining Board Members, by a majority vote of the remaining Board Members provided for in these By-Laws, may choose a successor or successors who shall hold office for the unexpired term. If the number of Board Members falls below two, a meeting of the Board shall be called for the purpose of filling such vacancies in the Administration Board.

Section 8. **Resignations:** Any Board Member or officer may resign his office at any time, such resignation to be made in writing, and to take effect from the time of receipt by the Board, unless some time be fixed in the resignation and then from that date. The acceptance of a resignation by the Board shall not be required to make it effective.

ARTICLE VI.

NOTICES

Section 1. **Definition:** Whenever under the provisions of the statutes, the Master Deed or these By-Laws, notice is required to be given to any Board Member, or member, it shall not be construed to mean personal notice; but such notice may be given in writing by mail, by depositing the same in a post office or letter box in a postpaid, sealed envelope, addressed as appears on the records of the Association, or by delivery of the same by hand to the condominium owned by the member,

unless it appears from the records of the Association that the member does not reside in the condominium.

Section 2. **Service of Notice - Waiver**: Whenever any notice is required to be given under the provisions of the statutes, the Master Deed or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

Section 3. **Address**: The address for notice to the Association shall be that of the Registered Agent for Service of Process or the President then serving.

ARTICLE VII.

FINANCES

Section 1. **Fiscal Year**: The fiscal year shall be the calendar year.

Section 2. **Checks**: All checks or demands for money and notes of the Association shall be signed by any one of the following officers: President, Secretary or Vice-President/Treasurer, or by such officer or officers or such other person or persons as the Administrative Board may from time to time designate.

Section 3. **Determination Of Assets**:

a.) The Board shall determine from time to time the sum or sums necessary and adequate for the common expenses of the property. As approved by the Board, the budget shall constitute the basis for all Regular Assessments for common expenses against condominium units owners, which assessments shall be due and payable periodically as determined by the Board. Common expenses shall include expenses for operation, maintenance, repair or replacement of the common areas and facilities and the limited common areas and facilities, cost of carrying out the powers and duties of the Association, all insurance premiums and expenses relating thereto, taxes on the common areas and any other expenses designated as common expenses from time to time by the Administrative Board of the Association.

b.) The Board is specifically empowered on behalf of the Association to make and collect assessments and to maintain, repair and replace the common areas and facilities and the limited common areas and facilities of the property. Funds for the payment of common expenses shall be assessed against the condominium unit owners in the

proportions or percentages of sharing common expenses provided in the Master Deed. Assessments shall be payable periodically as determined by the Board. A Reserve Fund shall be established and maintained through the Regular Assessments for common expenses. Said fund shall be for the replacement of improvements to the common elements and those limited common elements the Association is obligated to maintain.

c.) Special assessments for budgeted items not adequately funded through the regular assessments may be required by the Board and shall be levied and paid in the same manner as hereinbefore provided for Regular Assessments. No other special assessment shall be made by the Board without the approval of a majority vote of the membership, except for the repair of the condominium property due to damage and destruction, which shall occur as provided in the Master Deed.

d.) When the Board has determined the amount of any assessment, the Vice-President, Treasurer of the Association shall mail or present all statements of the assessment to each of the assessed owners. All assessments shall be payable to the Association and upon request, the Vice-President, Treasurer or his designated agent shall give a receipt for each payment made.

e.) All assessments not paid within thirty (30) days of the date due shall bear interest at the rate of eighteen percent (18%) per annum.

ARTICLE VIII.

DEFAULT

Section 1. **Enforcement of Lien For Assessments:** In the event an owner does not pay any sums, charges or assessments required to be paid to the Association by the due date, the Association acting on behalf or through its Board, may enforce its lien for assessments, or take such other action to recover the sums, charges or assessments to which it is entitled, in accordance with the Master Deed and the Act, or both.

Section 2. **Governmental Liens and Assessments:** In the event that an owner fails to pay any tax or assessment lawfully assessed by any governmental subdivision within which the property is situated, by the date such tax or assessment is due, the Board may pay the same from the funds of the Association and assess such owner for the amount paid, plus interest thereon.

Section 3. **Legal Costs:** In the event such legal action is brought against an owner by way of enforcement of a lien against the property or by filing suit and recovery of a judgment against the owner, the owner shall pay the Association reasonable attorney's fees, costs of collection and court costs.

Section 4. **Other Remedies:** In the event of violation of the provisions of the Master Deed as the same are defined in the Master Deed, the Owner shall be notified in writing of the violation and shall have ten days to cure the problem. Should the Owner fail to cure the violation, the Association, acting through its Administrative Board, may bring appropriate action to enjoin such violation or may enforce the provisions of said Master Deed, or may sue for damages, or take such other courses of action, or other legal remedy as it or they may deem appropriate.

Section 5. **Intent:** Each owner, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default, imposition of a lien, injunctive relief and such other remedy that may be available. It is the intent of all owners of condominium units to give to the Association a method and procedure which will enable it at all times to operate on a business-like basis, to collect those monies due and owing it from the owners of condominium units and to preserve each condominium unit owner's right to enjoy his condominium free from unreasonable restraint and nuisance.

ARTICLE IX.

RULES AND REGULATIONS

In addition to the other provisions of these By-Laws, any rules or regulations which may be adopted in the future by the membership, together with any subsequent amendments, shall govern the use of the condominium units general and limited common areas and the conduct of all residents and guests.

ARTICLE X.

INDEMNIFICATION

The Association may indemnify any person made a party to an action due to serving as an officer or Board member of the Association against the reasonable expenses, including attorney fees, actually and necessarily incurred by him in connection with the defense of the action and any appeal thereof, except in relation to such matters as to which such Board member or officer is judged to have been guilty of gross negligence or willful misconduct.

members, provided (i) that the notice of the meeting shall contain a full statement of the proposed amendment; and (ii) that the quorum requirement for such purposes shall be sixty-seven percent (67%) of the members entitled to vote, in person or by proxy; and (iii) it shall be necessary that the vote upon the amendment carry by sixty-seven percent (67%) voting in favor of the amendment rather than a simple majority of those votes cast.

No amendment to these By-Laws shall be passed which would operate to impair or prejudice the right or liability of any mortgagee nor shall any amendment be passed in violation of any provision in the Act.

ARTICLE XII.

CONSTRUCTION

Whenever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, wherever the context so requires.

Should any of the covenants herein imposed be void or become unenforceable at law or in equity, the remaining provisions of this instrument shall nevertheless be and remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have executed this instrument this the 27
day of APRIL, 2005.

BETHANY SPRINGS CONDOMINIUMS
HOMEOWNERS ASSOCIATION, INC.

By: _____

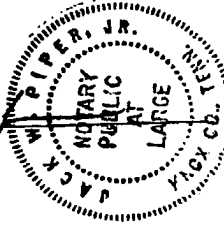
Its: _____

STATE OF TENNESSEE)
)SS:
COUNTY OF KNOX)

Before me, the undersigned authority, a Notary Public in and for said County and State aforesaid, personally appeared Dwight A. Disney, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who acknowledged himself to be the President of **BETHANY SPRINGS CONDOMINIUMS HOMEOWNERS ASSOCIATION, INC.**, the within bargainer, a corporation, and that he as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by him self as President.

Witness my hand and seal at office, in Knox County, this 27th day of April, 2005.

Jack R. Piper, Jr.
NOTARY PUBLIC



My Commission Expires: 1/27/05

