

BY-LAWS  
OF  
SUMMERFIELD SUBDIVISION PROPERTY OWNERS ASSOCIATION  
PHASE II  
ARTICLE I  
Members (Lot Owners)

**Section 1. Members.** The Members of Summerfield Subdivision Property Owners Association, Inc. will be every person who is a record Owner of a fee or undivided fee interest of any Lot within Phase II, Section 1, of Summerfield Subdivision as platted in Plat Cabinet D, Slide 32, in the Register's Office of Gibson County, Tennessee, (the "Property") shall be a Member of the Association, as defined, provided, however, that anyone who holds such interest solely as security for the performance of an obligation shall not be a Member. Membership shall be appurtenant to and may not be separated from ownership of any Lot within Summerfield Subdivision. Ownership of such Lot shall be the sole qualification for membership.

**Section 2. Voting Rights.** The voting rights of the membership shall be appurtenant to the ownership of a Lot, each Owner of a Lot being entitled to one (1) vote for each Lot owned except the Developer, which shall be entitled to two (2) votes for each Lot owned by it. After the expiration of two (2) years from the date of the conveyance of the first Lot from Developer to the purchaser, Developer shall only be entitled to one (1) vote for each Lot still owned by it.

**Section 3. Secured Parties.** No individual or legal entity holding title to a Lot as security for any debt or obligation shall be considered as Owner of such Lot, and such individual or entity shall not be entitled to membership in the Association or to cast a vote on any question or matter affecting the administration of the Association.

**Section 4. Voting.** At every meeting of the Members, each of the Members shall have the right to cast his vote on each question. The vote of the Members representing a seventy-five percent (75%) majority of the total votes cast, in person or by proxy (provided a quorum exists), shall decide any question brought before such meeting, unless the question is one upon which, by express provisions of statute or of the corporate Charter, or this Declaration, or of the Bylaws, a different vote is required, in which case such express provision shall govern and control. The vote for any membership which is owned by more than one person may be exercised by any of them present at any such meeting unless any objection or protest by any other owner of such membership is noted at such meeting. In the event all of the co-owners of any membership who are present at any meeting of the Members are unable to agree on the manner in which the vote for such membership shall be cast on any particular question, then such vote shall not be counted for purpose of deciding that question. No Member shall be eligible to vote, either in

person or by proxy, or to be elected to the Board of Directors, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association.

**Section 5. Proxies.** A Member may appoint any other Member or the Developer or any other person permitted by law or by the Bylaws as his proxy. In no case may any Member (except the Developer) cast more than one vote by proxy in addition to his own vote. Any proxy must be in writing and must comply with all requirements imposed by law or by the Association's Bylaws.

**Section 6. Quorum.** The presence, either in person or by proxy, of Members representing at least twenty-five percent (25%) of the total votes entitled to be cast shall constitute a quorum for, the transaction of business at all meetings of members. If the number of Members at a meeting drops below the quorum and the question of a lack of a quorum is raised, no business may thereafter be transacted.

**Section 7. Regular Meetings.** The first regular annual meeting of Lot Owners (the "First Meeting") may be held, subject to the terms hereof, on any date, at the option of the Board, provided, however, that said First Meeting shall be held not less than thirty (30) days and not more than one hundred twenty (120) days after Developer has sold and delivered its deed for all Units at any time brought under the provisions of the Master Deed, but in any event not later than three (3) years following conveyance of the first Unit by Developer. Subsequent to the First Meeting, there shall be a regular annual meeting of Lot Owners held each year within thirty (30) days after the end of each fiscal year of the Association. All such meetings of Lot Owners shall be held at such place and at such time as specified in the written notice of such meeting which shall be delivered to all Lot Owners at least ten (10) days prior to the date of such meeting.

**Section 8. Special Meetings.** Special meetings of the Lot Owners may be called by the President or by a majority of the directors of the Board, or by Lot Owners having at least one-tenth (1/10) of the votes entitled to be at such meeting. Said special meetings shall be called by delivering written notice to all Lot Owners not less than ten (10) days prior to the date of said meeting, stating the date, time and place of said special meeting and the matters to be considered.

**Section 9. Delivery of Notice of Meetings.** Notices of meetings may be delivered either personally or by mail to a Lot Owner at the address given to the Board by said Lot Owner for such purpose, or the Lot Owner's property lot address, if no address for such purpose has been given to the Board.

## ARTICLE II Board of Directors

**Section 1. Number, Election and Term of Office.** The Board of Directors of the Association and (sometimes referred to herein as the "Board") shall consist of five

(5) members (hereinafter referred to as "directors"). Directors shall be elected at the regular annual meeting of Association members by the vote of Lot Owners as hereinafter provided, except that the Developer shall appoint the Interim Board of Directors, consisting of five (5) persons, ("Interim Board") until the First Meeting. At the First Meeting, the Lot Owners shall among other business elect five (5) members of the first Board of Directors ("First Board"). Those candidates for election as director receiving the greatest number of votes cast either in person or by proxy at the meeting shall be elected. Directors, except for members of the First Board and Interim Board shall hold office for the term of one (1) year and until his or her successor shall be elected and qualified.

**Section 2. Qualification.** Except for members of the Interim Board, each director shall be a Lot Owner or the spouse of a Lot Owner (or, if a Lot Owner is a trustee of a trust, a director may be a beneficiary of such trust, and if a Lot Owner or such a beneficiary is a corporation or partnership, a director may be an officer, partner or employee of such Lot Owner or beneficiary). If a director shall cease to meet such qualifications during this term, such director shall cease to be a director and his place on the Board shall be deemed vacant.

**Section 3. Vacancies.** Any vacancy occurring in the Board shall be filled by majority vote of the remaining members thereof. Any director so elected to fill a vacancy shall hold office for a term equal to the unexpired director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action proposed to be taken by the Board without a meeting. A director's attendance at a meeting shall constitute waiver of notice of such meeting.

**Section 4. Meetings.** A regular annual meeting of the Board shall be held within ten (10) day following the regular annual meeting of Lot Owners. Special meetings of the Board shall be held upon a call by the President or by a majority of the Board on not less than forty-eight (48) hours notice in writing to each director, delivered personally or by mail or telegram. Any director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action proposed to be taken by the Board without a meeting. A director's attendance at a meeting shall constitute waiver of notice of such meeting.

**Section 5. Removal.** Any director may be removed from office for cause by the vote of four-fifths (4/5th) of the total vote of the Members.

**Section 6. Compensation.** Directors shall receive no compensation for their services as directors, unless expressly provided for in resolutions duly appointed by the Lot Owners.

**Section 7. Quorum.** Three (3) directors shall constitute a quorum. Section 8. Powers and Duties. The Board shall have the following powers and duties:

- (a) to elect and remove the officers of the Association as hereinafter provided;
- (b) administer the affairs of the Association and the Property;

(c) to engage the services of an agent to maintain, repair, replace, administer and operated the Property or any part thereof for all of the Lot Owners, upon such terms and for such compensation and with such authority as the Board may approve; provided, however, that the First Board, appointed as provided herein, shall ratify and approve the Management Agreement between the Developer, on behalf of the Association, and a management corporation, to act as Managing Agent for the Property; provided further, that the Board shall not have the authority to adopt any form of management of the Property which excludes professional management by an independent agent;

(d) to formulate policies for the administration, management and operation of the Property and the Common Elements thereof;

(e) to adopt rules and regulations, with written notice thereof to all Lot Owners, governing the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time to time. This responsibility is permanent and shall be administered by the association for as long as the association holds deed to such common areas.

(f) to provide for the maintenance, repair and replacement of the Common Elements and payments therefor, and to approve payment vouchers or to delegate such approval to the officers.

(g) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements, and to delegate any such powers any such employees or other personnel.

(h) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;

(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 the annual budget, and to provide the manner of assessing and collecting from the Unit Owners their respective shares of such estimated expenses, as hereinafter provided;

(k) unless otherwise provided herein, to comply with the instructions of a majority of the Membership as expressed in a resolution duly adopted at any annual or special meeting of the Membership;

ARTICLE III  
Officers

**Section 1. Designation.** At each regular annual meeting, the directors present at said meeting shall elect the following officers of the Association by a majority vote:

- (a) a President, who shall be a director and who shall preside over the meetings of the Board and of the Unit Owners, and who shall be the chief executive officer of the Association;
- (b) a Vice President, who shall preside over the meetings of the Board in the absences of the President and who shall perform duties delegated to him by the President;
- (c) a Secretary, who shall keep the minutes of all meetings of the Board and of the Unit Owners, and who shall, in general, perform all the duties incident to the office of Secretary, and who may be a representative of the Managing Agent;
- (d) a Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported;
- (e) such additional officers as the Board shall see fit to elect.

**Section 2. Powers.** The respective officer shall have the general powers usually vested in such officers; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

**Section 3. Term of Office.** Each officer shall hold office for the term of one (1) year and until a successor shall have been appointed or elected and qualified.

**Section 4. Vacancies.** Vacancies in any office shall be filled by the Board by a majority vote of the remaining members thereof at a special meeting of said Board. Any director so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer succeeded. Any officer may be removed for cause at any time by vote of three-fifths (3/5) of the total members of the Board at a special meeting thereof

**Section 5. Compensation.** The officers shall receive no compensation for their services as officers, unless expressly provided for in a resolutions duly adopted by the Lot Owners.

ARTICLE IV  
Assessments

**Section 1. Annual Budget.** The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the

estimated common expenses and cash requirements for the year, including but not limited to salaries, wages, payroll taxes, legal and accounting fees, working capital fund, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, and all other common expenses. To the extent that the assessments and other cash income collected from the Lot Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account. The association is responsible for other items including maintenance of common / recreational areas, local taxes on such areas, and shall maintain sufficient liability insurance as to protect the association and its members.

**Section 2. Assessments.** The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each Lot Owner. Each Lot Owner shall pay an annual assessment within thirty (30) days of such notice. No Lot Owner shall be relieved of the obligation to pay such Owner's assessment by abandoning or not using such Owner's Lot, the Common Elements. Each Lot Owner must pay their pro-rata share of all costs levied and the association can become a lien holder on the property.

**Section 3. Annual Report.** Within ninety (90) days after the end of fiscal year by an annual budget, or as soon thereafter as shall be practicable, the Board shall upon request furnish to each Lot Owner a statement for such year so ended, showing the receipts and expenditures and such other information as the Board may deem desirable.

**Section 4. Supplemental Budget.** In the event the during the course of any year, it shall appear to the Board that the usual assessments, determined in accordance with the estimated common expenses and limited common expenses and limited common expenses for the remainder of such year will be inadequate, then the board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Lot Owner, and thereupon a supplemental assessment shall be made to each Lot Owner for such Owner's proportionate share of such supplemental budget.

**Section 5. Expenditures.** The Board shall not approve any expenditure in excess of Five Hundred and no/100 (\$500.00) Dollars unless required for emergency repair, protection or operation of the Common Elements nor enter any contract for more than three (3) years without the prior approval of a majority of the votes of the Lot Owners.

**Section 6. Holding of Funds.** All funds collected hereunder shall be held and expended for the purposes designated herein, and (except) for such special assessments as may be levied hereunder against less than all the Lot Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments shall be deemed to be held for the benefit, use and account of all the Lot Owners.

**Section 7. Enforcement and Collection of Assessments.** In the events any lot owner fails to promptly pay any assessment the Association, through any appropriate officer,

may institute an action in the appropriate Court to collect the assessment. The Association through the appropriate officer is also entitled to file a lien in the Register's Office of Gibson County, Tennessee, which shall serve as notice that the Homeowners' Association is due an assessment on that particular lot and that lien notice shall constitute a lien on the lot owners property until paid in full.

In addition, the event the Association dues and Assessments are not promptly paid, the lot owner shall be responsible for all costs of enforcing the assessment including but not limited to a reasonable attorneys fees.

#### ARTICLE V Contractual Powers

No contract or other transaction between the Association and one or more of its directors or between the Association and any corporation, firm or association in which one or more of the directors of the Association are directors, or are financially interested, is void or voidable because such director or directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exist:

- (a) the fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such director or directors; or
- (b) the contract or transaction is just and reasonable as to the corporation the time it is authorized or approved.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies a contract or transaction.

#### ARTICLE VI Amendments

To the extent such amendments are not in conflict with the Charter of the Association, these Bylaws may be amended or modified from time to time by action or approval of two-thirds (2/3) of the Lot Owners casting one (1) vote for each Lot owned, as provided in Article I, Section 6 and 7 of these Bylaws. Such amendments shall be recorded in the Register's Office of Gibson County, Tennessee.

ARTICLE VII  
Indemnification

No director, officer, or member of the Association shall be personally liable to the Association, or its members, Unit Owners, for monetary damages for breach of fiduciary duty as a director, officer, or member except that this provision shall not eliminate or limit the liability of a director:

- (a) For any breach of a director's duty of loyalty to the Association or its members;
- (b) For acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or
- (c) Under the provisions of TCA §48-1 8-3 04.

The Association shall indemnify and hold harmless each of its director, officers and members from and against all contractual and other liabilities to others arising out of contracts made by or other acts of such persons on behalf of the Unit Owners, or arising out of their status as directors, officers, or members, to the extent permissible and allowable under TCA §48-58-501 through 509 and TCA §48-58-601, and in accordance with the aforescribed statutes. The Association and the Board shall have the power and responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Article.

ARTICLE VII  
Conflicts

These Bylaws are set forth to comply with the requirements of the "Tennessee Non-Profit Corporation Act" so designated at TCA §48-51-101, now in existence, and as it may be amended from time to time, to allow these Bylaws to control in specific situations where such law allows. In case any provision herein shall be invalid as being impermissible under any provision within the "Tennessee Non-Profit Corporation Act", or in case any of these Bylaws conflict with a mandatory provision of said "Tennessee Non-Profit Corporation Act", or with the Master Deed, the provisions of said statute or the Master Deed as the case may be, shall control.

While it is intended that the Homeowners' Association operate as a Non-Profit Corporation, the Homeowners' Association shall have the right if it chooses upon a proper vote to operate under these ByLaws as an incorporated Association.

ARTICLE VIII  
Consent to Amendment of Restrictive Covenants

The undersigned, Meredith A. Goodman, purchased Lot 92, Phase 2, Section I, Summerfield Subdivision by Deed of Record in Record Book 919 at page 582 in the



Register's Office of Gibson County, Tennessee. Meredith A. Goodman hereby consent to the Amendment of the Restrictive Covenants and acknowledge that Lot 92, as well as all other lots in Summerfield Subdivision, Plat Cabinet D, at page 32, shall be subject to this Amendment. Meredith A. Goodman joins in this document for the sole purpose of this consent.

The undersigned, LeAnn E. Ashburn, purchased Lot 101, Phase II, Section I, Summerfield Subdivision by Deed of Record in Record Book 921 at page 1621 in the Register's Office of Gibson County, Tennessee. LeAnn E. Ashburn hereby consent to the Amendment of the Restrictive Covenants and acknowledge that Lot 101, as well as all other lots in Summerfield Subdivision, Plat Cabinet D, at page 32, shall be subject to this Amendment. LeAnn E. Ashburn joins in this document for the sole purpose of this consent.

The foregoing Amendment to Restrictive Covenants and Bylaws are hereby adopted and approved by the Developer on the \_\_\_ day of January, 2007.

Clark Family Holdings, LLC

BY: Kevin D. Clark

CONSENT BY:

Meredith A. Goodman  
Meredith A. Goodman

LeAnn E. Ashburn  
LeAnn Ashburn

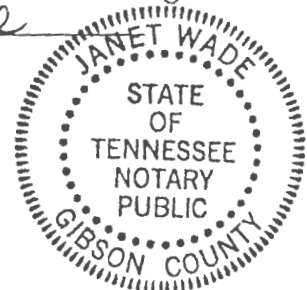
STATE OF Tennessee  
COUNTY OF Gibson

Before me, the undersigned Notary Public, in and for the aforesaid County and State, personally appeared Kevin Clark with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be Kevin Clark of Clark Family Holdings, LLC, a Tennessee Limited Liability Company, the within named bargainor, a Limited Liability Company, and that he as such chief managing member, executed the foregoing instrument for the purposes therein contained, by signing the name of the Limited Liability Company by himself as chief managing member of such.

WITNESS MY HAND and Official Seal, this the 26th day of February, 2008.

Janet Wade  
Notary Public

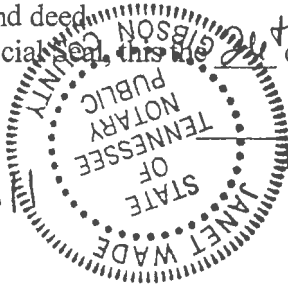
My Commission Expires: 9-12-2011



STATE OF TN  
COUNTY OF Gibson

Personally appeared before me, the undersigned Notary Public, in and for the aforesaid County and State, the within named Meredith A. Goodman with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who, acknowledged that she executed the foregoing instrument for the purposes therein contained and as her free act and deed.

WITNESS MY HAND and Official Seal, this the 21<sup>st</sup> day of February, 2008.



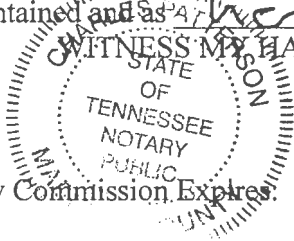
Janet Wade  
Notary Public

My Commission Expires: 9-12-2011

STATE OF TN  
COUNTY OF Madison

Personally appeared before me, the undersigned Notary Public, in and for the aforesaid County and State, the within named LeAnn E. Ashburn with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who, acknowledged that she executed the foregoing instrument for the purposes therein contained and as her free act and deed.

WITNESS MY HAND and Official Seal, this the 18 day of Jan, 2008.



[Signature]  
Notary Public

My Commission Expires: 1/20/2009