

BY-LAWS OF
DEERFIELD CONDO OWNER'S ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION. The name of the corporation is Deerfield Condo Owners Association, Inc., hereinafter referred to as the "Association". The principle office of the Corporation shall be located at 1632 Jacksboro Pike, LaFollette, TN 37766, but the meetings of members and directors may be held at such places as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. Unit Owner or Owners means "co-owner" as defined by the Horizontal Property Act.

Section 2. Association means Deerfield Condo Owners Association, Inc., a Tennessee non-profit corporation, its successors and assigns. The Charter of the Association is attached hereto as an exhibit.

Section 3. Board of Directors means the governing body of the Association with the powers and duties as set forth in the By-Laws.

Section 4. Common Elements includes all items defined as general and limited common elements in the Horizontal Property Act, and shall be all portions of the condominium other than the units.

Section 5. Master Deed shall mean the document recording the property pursuant to the provisions of the Horizontal Property Act of the State of Tennessee.

Section 6. Property shall mean the entire parcel of real property referred to in this Master Deed to be divided into condominiums including the land, the buildings, all improvements and structures thereon, all owned in fee simple absolute, all easements, rights, and appurtenances belonging thereto, and all articles of personal property intended for common use in connection therewith.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members and each subsequent regular annual meeting of the members shall be held April 14th of each year at the hour of two o'clock p.m. If the Directors find it necessary to change the date of the Annual Meeting, all members are to notified in writing at least (30) days in advance of both the regular and the revised meeting dates.

Section 2. Special Meetings. Special Meetings of the members may be called at any time by the Board of Directors, or upon written request of the members who are entitled to vote the majority of all the votes of the membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 30 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association, for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting, and, in case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, a majority of votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meeting of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his unit.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Five (5) directors, who must be members of the Association, and the same will serve as officers of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect five directors who will also serve as officers for a term of one year. At each annual meeting thereafter the members shall elect five directors who will also serve as officers for a term of one year.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death,

resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action taken without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made from the floor at the annual meeting.

Section 2. Election. Election to the Board of Director shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Master Deed. The persons receiving the largest number of votes shall be elected.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held semi-annually without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the chairman, or by any two directors.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.

(b) Suspend the voting rights and right to use of the recreational facilities of a member during any period in which member shall be in default in the payment of any dues or assessments levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations.

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Master Deed.

(d) Declare the office a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors and

(e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote.

(b) Supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed.

(c) Fix the amount of the annual assessment against each unit at least 15 days in advance of each annual assessment period.

(d) Send written notice of each assessment to every Owner subject thereto at least 15 days in advance of each annual assessment period, and

(e) Foreclose the lien against any property for which assessments are not paid within 60 days after due date or to bring an action at law against the owner personally obligated to pay the same.

(f) 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.

(g) Procure and maintain adequate liability and hazard insurance on property owned by the Association.

(h) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

(i) Cause the Common Area, which includes the roads, parking lot, boat dock, swimming pool, and recreation area, to be maintained.

(j) Cause the exterior of the dwellings to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The Officers of this Association shall be a President, Vice-President, Second Vice-President, Treasurer, and Secretary who shall constitute the Board of Directors, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the members.

Section 3. Term. The officers (directors) of this Association shall be elected annually by the members and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period,

have such authority, and perform such duties as the Board may from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The Officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. No person shall simultaneously hold more than one of any of the offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments.

Vice-Presidents

The Vice-Presidents shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Treasurer

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such refunds as directed by resolution of the Board of Directors, with each individual or recurring disbursement up to \$1,000.00 requiring approval of three Directors; disbursements between \$1000.00 and \$1,500.00 requiring approval of all five Directors; and disbursements over \$1,500.00 requiring approval of all five Directors and one-half (1/2) of the membership (membership approval can, if required, be obtained by phone and recorded). Any check written for more than \$1,500.00 requires the signatures of two Directors. The Treasurer shall sign all checks of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

Secretary

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

ARTICLE IX

COMMITTEES

The Board of Directors shall appoint committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Master Deed, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principle office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS FOR COMMON EXPENSES

Each member is obligated to pay the Association annual and special assessments which are secured by continuing lien upon the property against which the assessment is made. These assessments are for the Common Expenses as described in the Master Deed. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within 15 days after the due date, the owner shall pay a late fee of Fifty and no/100 (\$50.00) Dollars, and after 60 days the Association may bring an action against the property, and in such event the Owner shall also be responsible for payment of any accrued costs, and reasonable attorney's fees for the prosecution of any such action shall be added to the amount of such assessment. No owner may waiver or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his unit.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Deerfield Condo Association, Inc.

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of more than one-half (1/2) of the members.

Section 2. In case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Master Deed and these By-Laws, the Master Deed.

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of the incorporation.

DEERFIELD CONDO OWNERS ASSOCIATION, INC.

BY:

Paul Fields

Mary Lynn Ratcliff

William Ray Ellison

Bruce Ziegler

Don Pence

