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38 PGS : AL - RESTRICTIONS	
HANCY BATCH: 88287	
12/22/2008 - 03:01 PM	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	190.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	192.00

STATE OF TENNESSEE, MAURY COUNTY

JOHN FLEMING  
REGISTER OF DEEDS

THIS INSTRUMENT PREPARED BY:

Boult Cummings Conners Berry, PLC (CSS)  
1600 Division Street, Suite 700  
Nashville, Tennessee 37203

PICK UP:

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
THE MEADOWS OF SPRING HILL**

THIS Declaration of Covenants, Conditions and Restrictions for THE MEADOWS OF SPRING HILL (this "Declaration") is made and entered into by CMH PARKS, INC., a Tennessee corporation, hereinafter referred to as the "Declarant".

**WITNESSETH:**

WHEREAS, the Declarant is the record owner and holder of the legal title in and to certain property situated in Maury County, Tennessee, and more particularly described on Exhibit "A" attached (hereinafter referred to as the "Property"); and,

NOW THEREFORE, Declarant hereby declares that all of the Property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part therein, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof;

NOW, THEREFORE, the Declarant declares as follows:

**ARTICLE I**  
**DEFINITIONS**

Section 1. "Association" shall mean and refer to The Meadows of Spring Hill Homeowners Association, Inc., its successors and assigns.

Section 2. "Owner" (also referred to herein as "Lot Owner") shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Property" (or "Properties") shall mean and refer to that certain real property described on Exhibit "A" attached hereto, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property (including the improvements and amenities thereto) owned or controlled by the Association for the common use and enjoyment of the owners, including but not limited to, any retention ponds and entry signs. Each Owner shall have an easement in common with the Owners of all other Lots to use all of the common elements located in and serving his or other Lots.

Section 5. "Development Area" shall mean and refer to the Property together with any land contiguous thereto added to the Property pursuant to Article II of this Declaration.

Section 6. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties, with the exception of the Common Area, (and where the context indicates any improvement thereto).

Section 7. "Declarant" shall mean and refer to **CMH PARKS, INC.**, a Tennessee corporation, its successors and assigns.

Section 8. "Eligible Mortgage Holders" shall mean those holders of a first mortgage on a Lot who have requested in writing the Association to notify them on any proposed action that requires the consent of a specified percentage of mortgage holders.

Section 9. "By-Laws" shall mean the By-Laws of The Meadows of Spring Hill Homeowners Association, Inc., attached hereto as Exhibit "B" and made a part hereof. All provisions contained in the body of this Declaration dealing with the administration and maintenance of the Property shall be deemed to be part of the By-Laws.

Section 10. "Parcel" means any part of the Development Area that is subject to the same Supplemental Declaration or is declared by Declarant to constitute a "Parcel".

Section 11. "Paths" means those walkways and/or bikeways installed pursuant to Article III and such other real estate or interest therein as is conveyed or granted to the Association for the purpose of being used for walkways and/or bikeways.

Section 12. "Plat" means a final secondary plat of a portion of the Development Area recorded in the Office of the Register of Deeds of Maury County, Tennessee.

Section 13. "Supplemental Declaration" shall mean a Supplemental Declaration of Covenants and Restrictions for any Parcel within the Development Area and any Plat or other supplementary declaration of covenants, conditions or restrictions which may be recorded and which extends the provisions of this Declaration or any previously recorded Supplemental Declaration to a Parcel and contains such complementary or supplementary provisions for such Parcel as are required or permitted by this Declaration.

**ARTICLE II**  
**ADDITIONS TO THE PROPERTY**

Section 1.     Additions to the Property. Declarant shall have the right to bring within the scheme of this Declaration and add to the Property real estate that is a part of the Development Area or that is contiguous to the Development Area. In determining contiguity, public rights of way shall not be considered.

Section 2.     The additions authorized under this Article II shall be made by the filing of record of one or more Supplemental Declarations with respect to the additional real estate. For purposes of this Article II, a Plat depicting a portion of the Development Area shall be deemed a Supplemental Declaration.

Section 3.     As each new Plat is added to the Property, the Lots in each new Plat shall be entitled to the votes in the Association as set forth in Article V below.

**ARTICLE III**  
**INTENTIONALLY OMITTED**

**ARTICLE IV**  
**PROPERTY RIGHTS**

Section 1.     Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a)     The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) The right of the Association to suspend the voting rights and right to use the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed up to sixty (60) days for any infraction of its published rules and regulations;

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members.

Section 2. Encroachments. If any portions of the Common Area shall actually encroach upon any Lot, or if any Lot shall actually encroach upon any portions of the Common Area, as the Common Areas and Lots are shown on the Plat, there shall be deemed to be mutual easements in favor of the owners of the Common Areas and the respective Lot Owners involved, to the extent of such encroachments, so long as the same shall exist.

## **ARTICLE V**

### **MEMBERSHIP AND VOTING RIGHTS**

Section 1. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be

exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant, and it shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) Within ten (10) years from the conveyance of the first Lot to an Owner.

**ARTICLE VI**  
**COVENANT FOR MAINTENANCE ASSESSMENTS**

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- (1) annual assessments or charges, and
- (2) special assessments for maintenance and capital improvements, such assessments to be established and collected as hereinafter provided.

The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs, and

reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the residents in the Properties, for the improvements, insurance and maintenance of amenities and the Common Areas and to maintain an adequate reserve fund to provide for necessary repair and/or replacement of improvements to the Common Areas and for such other purposes as the Association shall deem to be in the best interests of the Owners.

Section 3. Maximum Annual Assessment.

(a) The Board of Directors shall fix the annual assessment.

(b) Without limiting any provision hereof, the annual assessments shall be used for, and allocated for, reasonable amounts for maintenance of the private roadways, maintenance and repair of the Common Areas, taxes, insurance and other miscellaneous expenses.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any financial needs, including, but not limited to, the costs of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the total allocated votes in the Association (and if applicable, the assent of fifty-

one percent (51%) of Eligible Mortgage Holders as established by the Association By-Laws) who are voting in person or by proxy, at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4.

Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 shall be sent to all members (and Eligible Mortgage Holders, if applicable) not less than thirty (30) days nor more than sixty (60) days in advance of the meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and will be collected at a frequency to be determined by the Board of Directors of the Association.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to each Lot on the day of the month of the conveyance to the first owner occupant from the Declarant or from a builder who took title to the Lot in a conveyance from Declarant (provided, however, that any builder who takes title from Declarant will be subject to assessments after twelve (12) months from the date of the conveyance from Declarant). The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association (or a designated agent) setting forth whether the assessments on a specified Lot have



been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Working Capital Fund. In order to insure that the Association will have funds to meet initial or unforeseen expenditures; purchase additional equipment and/or secure services, the Declarant shall establish a working capital fund equal to at least two-twelfths (2/12) of the initial annual assessment for common expenses for each Lot which shall be collected at the sale of the Lot to the first owner occupant (provided, however, that the working capital fund shall be collected from any builder who takes title from Declarant and who, after twelve (12) months from the date of the conveyance from Declarant, has not conveyed the Lot to the first owner occupant). Each Lot's share of the working capital fund shall be collected at the time the sale of the Lot is closed or upon the termination of the Class B membership in the Association as recited in Article III, whichever is earlier. The Declarant may not use any of the working capital fund to defray its expenses, reserve contributions construction costs or to make up budget deficits. The working capital fund shall not be considered as advance payment of regular assessments and shall be maintained by the Association in a segregated fund. After the termination of the Class B membership (and only to the Lots still owned by Declarant) when Lots are sold, the Declarant may use working capital funds collected at closing to reimburse itself for funds Declarant paid to the Association for each unsold Lot's share of the working capital fund.

Section 9. Subordination of the Lien to Mortgages. The lien for assessments payable by a Lot Owner shall be subordinate to the lien of a recorded first Mortgage or Deed of Trust on the interest of such Lot Owner, except for the amount of the proportionate share of common expenses which become due and payable from and after the date on which the mortgagee or beneficiary thereunder either takes possession of the Lot encumbered thereby, accepts a

conveyance of any interest therein (other than as security) or forecloses its Mortgage or Deed of Trust. Sale or transfer of any Lot shall not affect the assessment lien. This Section shall not be amended, changed, modified, or rescinded without the prior written consent of all mortgagees and beneficiaries of record.

Section 10. Effect of Delinquent and/or Nonpayment of Assessments: Remedies of the Association. Any assessment paid more than fifteen (15) days after the due date shall be subject to and include a "late charge", as determined by the Association, to cover the extra expense involved in handling delinquent payments. In addition to the late charge hereinabove recited, any assessment not paid within thirty (30) days after the due date shall bear interest at the highest permissible rate of interest per annum allowed under the laws of the State of Tennessee. Any and all delinquent assessments shall constitute a continuing lien against the Lot and improvements thereon. Upon recording of a notice of lien on any Lot, there shall exist a perfected lien for unpaid assessments prior and superior to all other liens, except (1) all taxes, bonds, assessments, and other levies which by law would be superior thereto, and (2) the lien or charge of any first mortgage of record (meaning any recorded mortgage with first priority over other mortgages) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment, and foreclosure. Declarant and the Owner of each Lot hereby appoint Donald Gibson Catron, Jr. as trustee with power of sale, to enforce the lien created herein (and for such purpose hereby grant, bargain, sell and convey each Lot to Trustee with power of sale, in trust for the sole purpose of enforcing said lien). The Board of Directors of the Association shall have the authority to appoint a substitute trustee at any time with or without cause. The Association, acting on behalf of the Owners, shall have the power to bid for the Lot at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Lot is

owned by the Association following foreclosure: (a) No right to vote shall be exercised on its behalf; (b) no assessment shall be assessed or levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Lot had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid assessments and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same. No Owner(s) may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of the Lot. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

**ARTICLE VII**  
**ARCHITECTURAL CONTROL**

Section 1.     Improvements. No building, fence, wall, radio towers, satellite dishes, parking pads, sheds, carports, patios, driveways or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration (including painting or re-painting) therein be made until the plans and specifications showing the nature, kind, shape, height, materials, color, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. All matters submitted to the Architectural Review Committee shall be decided and announced in writing within twenty-one (21) days after submission by the Owners or builders. Satellite dishes, if approved, shall only be permitted in the backyards of any Lot. All driveways and sidewalks shall be constructed of concrete.

Section 2.     Vehicle Storage. Recreation vehicles, boats and trailers must be parked on paved surfaces that are approved by the Architectural Review Committee, and these vehicles must be screened from sight. Screening must be approved by the Architectural Review Committee.

Section 3.     Architectural Review Committee Membership. The Architectural Review Committee shall be composed of no less than three (3) representatives appointed by the Board. Board members may serve on the Architectural Review Committee. All matters submitted to the Architectural Review Committee shall be decided and announced in writing within twenty-one (21) days after submission to the Owners or builders.

(a)     The Architectural Review Committee shall serve for ten (10) years from the date of the filing of this Declaration. Provided, however, the Board of Directors of the Association shall have the right to replace or remove members at any time.

(b)     For the purpose of assuring the maintenance of the Lots as a neighborhood of high standards, the Declarant hereby adopts the following standards for architectural control. The Committee shall have the right to disapprove any plans submitted hereunder because of failure to comply with any restrictions contained herein, failure to include any information required herein, objection to exterior design, or such other matters which would render the proposed structure or use thereof inharmonious with the structures located upon other Lots within the neighborhood.

Section 4.     Roofs. All roofs for the structures on each Lot shall maintain a minimum five-twelfths (5/12) roof pitch.

**ARTICLE VIII**  
**INSURANCE**

Section 1. Casualty Insurance on Insurable Common Area. The Association shall keep all insurable improvements and fixtures of the Common Area insured against loss or damage by fire or other hazards and casualties for the full insurance replacement cost thereof, and may obtain insurance against such other hazards and casualties as the Association may deem desirable with the Association as the owner and beneficiary of such insurance. The Association shall also maintain adequate liability insurance and fidelity bond coverage as may be required and/or directed by underwriting guidelines established by the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal Housing Administration (FHA) and/or the Veterans Administration (VA). The insurance coverage with respect to the Common Area shall be written in the name of, and the proceeds thereof shall be payable to the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are Common Expenses included in the common assessments made by the Association.

Section 2. Replacement or Repair of Property. In the event of damage to or destruction of any part of the Common Area Improvements, the Association shall repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a Special Assessment against all Lot Owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other Assessments made against such Lot Owner.

Section 3.     Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the property which may have been damaged or destroyed.

Section 4.     In the event of a taking of part of the Common Areas in condemnation or by eminent domain, the award ("Award") made for such taking shall be payable to the Association. If a majority of the Board in their sole and absolute discretion approves the repair and restoration of such Common Areas, the Board shall arrange for the repair and restoration of such Common Areas, and the Board shall disburse the proceeds of such awards to the Contractors engaged in such repair and restoration in appropriate progress payments. In the event the Board does not approve the repair and commencement of restoration of such Common Areas within one hundred twenty (120) days after the payment of the Award, the Board shall disburse the net proceeds of such award on an equal basis to each record Lot Owner (and any mortgagee having a security interest in said Lot).

**ARTICLE IX**  
**ADDITIONAL RESTRICTIONS**

Section 1.     Enforcement. The Property shall be used only for residential and related purposes (which may include, without limitation, offices for any property manager retained by the Association or business offices for the Declarant, all as may more particularly be set forth in this Declaration or amendments hereto).

The Association, acting through its Board of Directors, shall have authority to make and to enforce standards and restrictions governing the use of the Property in addition to those contained herein, and to impose reasonable user fees for use of Common Area facilities. This

authority shall include, without limitation, the power to regulate the speed and flow of traffic on any private roads within the Property. Such regulations and use restrictions shall be binding upon all Owners and occupants until and unless overruled, cancelled or modified in a regular or special meeting of the Association by the vote of a majority of the total Class A members and by concurring vote of the Class B member(s), so long as such membership shall exist.

Section 2. Signs and Billboards. No sign or billboard of any kind shall be displayed to the public view on any Lot or portion of the Common Area, except for (1) directional or informational signs, established by the Association, and (2) signs not in excess of three (3) square feet per side erected by an Owner upon that Owner's Lot to advertise the sale or lease of that Lot. The Association shall have the right to remove any unapproved sign, advertisement, billboard or structure that is placed on the Property without notice, and in doing so shall not be subject to any liability for trespass or other tort in connection therewith or arising from such removal.

Section 3. Construction of Residence.

(a) Each residence shall be single family homes only. All house plans and plans for out buildings must be approved by the Architectural Review Committee. All out buildings, shops, etc. must be located at the rear of house. All fencing shall be limited to rear yard areas. Each residence constructed in the Development Area shall contain at least 1,000 square feet of living area and a one-car garage. For this purpose, the term "living area" shall exclude basements, garages, porches, breezeways, terraces, balconies, decks, and similar appurtenances. All homes shall have exteriors which are approved in writing by the Architectural Review Committee.

(b) All construction of homes shall be completed within 12 months of starting construction, unless approved in writing from the Architectural Review Committee.

(c) No parking of buses, heavy equipment, trucks for hire, tractors or trailers shall be permitted without Association approval and no parking on the streets shall be allowed.

(d) All homes shall comply with any sprinkler code or similar requirements adopted by the State of Tennessee and Maury County, Tennessee.

(e) All driveways shall be finished in an attractive first-class manner and shall consist of a hard surface, concrete material.

(f) All sidewalks and driveways shall be finished in an attractive first-class manner and shall consist of a hard surface, "broom finished" concrete material.

(g) All mailboxes shall be finished in an attractive first-class manner and shall conform to a common mailbox style, as determined by the Architectural Review Committee.

Section 4. Occupants Bound. All provisions of the Declaration, By-Laws and of any rules and regulations or use restrictions promulgated pursuant thereto that govern the conduct of Owners and that provide for sanctions against Owners shall also apply to all occupants, guests and invitees of any Lot. Every Owner shall cause all occupants of his or her Lot to comply with the Declarations, By-Laws, and rules and regulations adopted pursuant thereto, and shall be responsible for all violations and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a Lot are fully liable and may be sanctioned for any violation of the Declaration, By-Laws, and rules and regulation adopted pursuant thereto.



Section 5.     Animals and Pets. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any portion of the Property, except that a reasonable number of dogs, cats or other usual and common household pets are permitted. No pets are permitted to roam free. At the sole discretion of the Association, pets that endanger the health, make objectionable noise or constitute a nuisance or inconvenience to the Owners of other Lots or the owner of any portion of the Property, shall not be allowed and shall be removed upon the request of the Board; if the owner fails to honor such request, the pet may be removed by the Board. No pets shall be kept, bred or maintained for any commercial purpose. Dogs which are household pets shall at all times, whenever they are outside, be confined on a leash held by a responsible person. All dog kennels shall be kept to the rear of property and shall be concealed by privacy screening or shrubbery. No wild animals shall be permitted. Provided, the Board shall have the right to establish rules for the reasonable equestrian use of portions of the Common Areas.

Section 6.     Parking. No car or vehicle of any kind shall be parked on any Common Area. All parking of all vehicles shall be limited to the finished driveways constructed on each Lot.

Section 7.     Nuisance. No portion of the Property shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any portion of the Property that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious, offensive activity or unlawful trade shall be carried on upon any portion of the Property, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the

Property. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Property.

Section 8. Unsightly or Unkempt Conditions. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Lot. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices (or the storage or parking of inoperative motor vehicles or devices) which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Property.

Section 9. Subdivision of Lot. No Lot shall be subdivided or its boundary lines changed except with the prior written approval of the Board of Directors of the Association. Declarant, however, hereby expressly reserves the right to replat any Lot or Lots owned by Declarant. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations.

Section 10. Tents, Trailers and Temporary Structures. Except as may be required during initial construction with the Property, no tent, utility shed, shack, trailer or other structure of a temporary nature shall be placed upon a Lot or any part of the Property.

Section 11. Drainage and Sewer Systems. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No one other than Declarant may obstruct or rechannel the drainage flows after location and

installation of drainage swales, storm sewers, or storm drains. Declarant hereby reserves a perpetual easement across the Property for the purpose of altering drainage and water flow.

**ARTICLE X**  
**GENERAL PROVISIONS**

Section 1.     Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Costs of enforcement (including attorney' fees) shall be paid by the Owner violating such restrictions, conditions, covenants and/or reservations. The Board of Directors of the Association shall have the right to establish fines for the violation of these covenants.

Section 2.     Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3.     Amendments. The covenants, conditions and restrictions contained in this Declaration shall run with and bind the land and shall be amended as provided in the By-Laws attached hereto as Exhibit "B". Declarant hereby reserves the right unilaterally to amend and revise the standards, covenants and restrictions contained in this Declaration during the period continuing two (2) years from the date each Plat is recorded. Such amendments shall be in writing, executed by Declarant, and recorded with the Register of Deeds of Maury County, Tennessee. No such amendment, however, shall restrict or diminish materially the rights or increase or expand materially the obligations of Owners with respect to Lots conveyed to such

Owners prior to the amendment or materially and adversely affect the rights and interests of Mortgagees holding first mortgages on Lots at the time of such amendment. Declarant shall give notice in writing to such Owners and Mortgagees of any amendments. Declarant shall not have the right at any time by amendment of this Declaration to grant or establish any easement through, across or over any Lot which Declarant has previously conveyed without the consent of the Owner of such Lot.

Section 4. FHA/VA Approval. If the Directors of the Association have secured Federal Housing Administration ("FHA") and/or Veterans Administration ("VA") approval and as long as there is a Class B membership, the following actions will require the prior approval of the FHA or the VA if required by applicable law: Amendment of this Declaration; mergers and consolidation of the Association, mortgaging of Common Area, dedication of common area and dissolution of the Association.

Section 5. Common Area. Any Common Area established by an adopted by any Plat shall be subject to the following:

(a) In the event that the organization established to own and maintain the Common Area, or any successor organization, shall at any time fail to maintain the Common Area in reasonable order and condition in accordance with the adopted master development plan, the zoning administrator may serve written notice upon such organization and/or the Owners of the Association and hold a public hearing. If deficiencies of maintenance are not corrected after thirty (30) days, the zoning administrator shall call upon any public or private agency to maintain the Common Area for a period of one (1) year. If the zoning administrator determines that the

Association is not prepared for the maintenance for the Common Area, such agency shall continue maintenance for yearly periods.

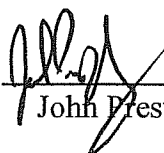
(b) The cost of such maintenance by such agency shall be assessed proportionately against the Lots within the Association that have a right of enjoyment of the Common Area, and shall become a lien on said Lots.

Section 6. Captions. The captions herein are inserted only as a matter of convenience and in no way define, limit or describe the scope of these provisions or the intent of any provision hereof.

Section 7. Gender. The use of the masculine gender in this Declaration and in the By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural whenever the context so requires.

IN WITNESS WHEREOF the undersigned being the Declarant herein, has hereto set his hand this the 19th day of December, 2008.

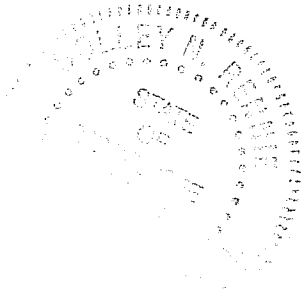
CMH PARKS, INC., a Tennessee corporation

By:  \_\_\_\_\_  
John Preston Thompson, Vice-President

STATE OF TENNESSEE            )  
COUNTY OF DAVIDSON        )

Before me, Dolley N. Rennie the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared John Preston Thompson, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Vice-President of CMH Parks, Inc., the within named bargainor, a Tennessee corporation, and that as such Vice-President of the corporation, he, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as such Vice-President.

WITNESS my hand and seal at office in Nashville, Tennessee, this the 19<sup>th</sup> day of December, 2008.



Dolley N. Rennie  
Notary Public  
My Commission Expires: 5/22/2010

**EXHIBIT A**

The Property

Certain real property located in Maury County, Tennessee, being all of those lots shown on the Final Plat of Section One, The Meadows of Spring Hill Subdivision, of record in Plat Book P18, page 197, Register's Office for Maury County, Tennessee and being part of the property conveyed to CMH Parks, Inc., a Tennessee corporation, by deed of record in Deed Book R1885, Page 1032, Register's Office for Maury County, Tennessee.

**EXHIBIT B**  
**BYLAWS**  
**OF**  
**THE MEADOWS OF SPRING HILL HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I**

**NAME**

Section 1.1. **Name of Corporation.** The name of the corporation is The Meadows of Spring Hill Homeowners Association, Inc. (the "Corporation"). It is intended that the Corporation shall have the status of a corporation which is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended, or any corresponding provisions of any future federal tax laws (hereinafter referred to as the "Code"), as an organization described in Section 501(c)(3) of the Code.

**ARTICLE II**

**OFFICES**

Section 2.1. **Corporate Office.** The principal office of the Corporation shall be located at c/o CMH Parks, Inc., 5000 Clayton Road, Maryville, Tennessee 37804. The Corporation may have such other offices, either within or without the State of Tennessee, as the Board of Directors may designate or as the affairs of the Corporation may require from time to time.

Section 2.2. **Registered Office.** The registered office of the Corporation required to be maintained in the State of Tennessee and the address of the registered office may be changed from time to time by the Board of Directors.

**ARTICLE III**

**PURPOSE AND USE OF FUNDS**

Section 3.1. **Purpose.** The Corporation is organized exclusively for charitable, scientific, literary and educational purposes within the meaning of Section 501(c)(3) of the Code, including the receipt and acceptance of property, whether real, personal, or mixed, by gift, grant, or bequest from any person or entity; the retention, administration and investment of such property in accordance with the terms of the Corporation's Charter and these Bylaws; and the distribution of such property for the purposes as herein delineated. Specifically, the purpose of



the Corporation is to operate, maintain, and manage common facilities and other real property that are a part of and subject to a certain real property declaration or property owner's association restriction for the maintenance and management of certain real property located in Maury County, Tennessee.

Section 3.2. **Use of Funds.** In making distributions to effectuate the charitable, scientific, literary and educational purposes of the Corporation, as delineated in Section 3.1 above, the Board of Directors shall have the authority to make distributions of both income and principal in such proportions and amounts as the Board of Directors, in its discretion, determines advisable, provided that all such distributions are consistent with all applicable federal tax laws and regulations, as herein provided. The Corporation is not formed for financial or pecuniary gain; and no part of the assets, income, or profits of the Corporation shall be distributable to, or inure to, the benefit of its directors or officers or any other private person, except as provided in Section 5.11, Section 6.10 and Article XI as reimbursement for expenses or reasonable compensation for services rendered to the Corporation, and except to make payments and distributions in furtherance of the Charitable Purposes of the Corporation, as set forth in the Charter and Section 3.1 above. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation; and no part of the activities of the Corporation shall be the participation in, or intervention in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

Section 3.3. **Administration of Funds.** In the event the Corporation is a private foundation within the meaning of Section 509 of the Code for a taxable year, the Corporation (a) shall distribute its income for each tax year in such manner so that it will not become subject to the tax on undistributed income imposed by Section 4942 of the Code; (b) shall not engage in any act of self-dealing, as defined in Section 4941(d) of the Code; (c) shall not retain any excess business holdings, as defined in Section 4943(c) of the Code; (d) shall not make any investments in a manner that would incur tax liability under Section 4944 of the Code; and (e) shall not make any taxable expenditures, as defined in Section 4945(d) of the Code. In order fully to effectuate the provisions of this Section, the Corporation shall adopt such procedures, and shall otherwise adhere to such administrative requirements as may from time to time be necessary, in order fully to comply with all applicable federal tax laws and regulations.

Section 3.4. **Termination of Corporation.** The Board of Directors shall have the authority to terminate the Corporation at any time that, by a unanimous vote, it deems such termination appropriate or advisable. In such event, after paying, or making provision for the payment of, all liabilities of the Corporation then outstanding and unpaid, the Board of Directors shall distribute the assets of the Corporation exclusively for the religious, charitable, scientific, literary and educational purposes of the Corporation within the meaning of Section 501(c)(3) of the Code, in such manner as the Board of Directors shall determine. Any assets not so distributed shall be distributed to one or more governmental units then described under Section 170(c)(1) of the Code, or to one or more organizations then described under Section 501(c)(3) of the Code and Section 170(c)(2) of the Code, as the Board of Directors shall determine. Any assets not so disposed of by the Board of Directors shall be disposed of by a court having equity jurisdiction in the county in which the principal office of the Corporation is then located, with the distribution of assets to be made for such charitable purposes, or to such

governmental units then described under Section 170(c)(1) of the Code, or to such organization or organizations then described in Section 501(c)(3) of the Code and Section 170(c)(2) of the Code, as such court shall determine.

## ARTICLE IV

### MEMBERS

Section 4.1. **Membership.** Every owner of a lot which is subject to assessment under the Declaration of Covenants, Conditions and Restrictions for The Meadows of Spring Hill (the "Declaration") shall be a member of the Corporation. Membership shall be appurtenant to and shall not be separated from ownership of any lot which is subject to assessment.

Section 4.2. **Voting Rights.** The Corporation shall have two classes of voting membership:

(a) **Class A.** Class A members shall be all Owners of a Lot, as those terms are defined in the Declaration, with the exception of CMH PARKS, INC., and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

(b) **Class B.** The Class B member shall be CMH PARKS, INC., and it shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(1) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(2) Within ten (10) years from the conveyance of the first Lot to an Owner.

## ARTICLE V

### BOARD OF DIRECTORS

Section 5.1. **General Powers.** The business and affairs of the Corporation shall be supervised by its Board of Directors, which shall exercise in the name of and on behalf of the Corporation all of the rights and privileges legally exercisable by the Corporation as a corporate entity, except as may otherwise be provided by law, the Charter, or these Bylaws. The Board of Directors, as the governing body of the Corporation, shall have the authority to receive, administer, invest and distribute property on behalf of the Corporation in accordance with the provisions set forth in these Bylaws.

Section 5.2. **Number, Tenure, and Qualifications.** The number of the members of the Board of Directors shall be not less than two (2) nor more than ten (10). However, the number of directors may be increased or decreased from time to time by the Board of Directors by amendment of these Bylaws, but no decrease shall have the effect of shortening the term of an incumbent director or reducing the number of directors below two (2). The initial members of the Board of Directors shall be appointed by the Incorporator to serve until after the first annual meeting of the Board of Directors and until his or her successor shall have been elected and qualified. Thereafter, the board of directors shall elect individuals to serve on the Board of Directors of this Corporation for such terms of office as the Board of Directors may from time to time establish, provided such term does not exceed five (5) years. Each director shall hold office until his or her term shall have expired and his or her successor shall have been elected and qualified, or until his or her earlier resignation, removal from office, or death. A retiring director may succeed himself or herself. Directors shall be natural persons who have attained the age of twenty-one (21) years, but need not be residents of the State of Tennessee.

Section 5.3. **Advisory Members.** The Board of Directors may elect advisory members from time to time, who may attend, without vote, all meetings of the Board of Directors. Advisory members shall serve at the pleasure of the Board of Directors and shall advise and counsel the Board of Directors on appropriate matters.

Section 5.4. **Annual Meeting.** The annual meeting of the Board of Directors shall be held within or without the State of Tennessee at such time and date as shall be determined by the Board of Directors. The purpose of the annual meeting shall be to elect directors and officers and transact such other business as may properly be brought before the meeting. If the election of directors and officers shall not be held on the day herein designated for any annual meeting of the Board of Directors, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Board of Directors as soon thereafter as may be convenient.

Section 5.5. **Special Meetings.** Special meetings of the Board of Directors may be called by the President, or at the request of any director. The President shall fix the time and place, either within or without the State of Tennessee, of any special meeting.

Section 5.6. **Notices.** Notice of any special meeting shall be given at least five (5) business days prior thereto. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. The business to be transacted at, or the purpose of, any special meeting of the Board of Directors must be specified in the notice of such meeting and no other business shall be transacted at that meeting.

Section 5.7. **Quorum.** A majority of the total number of directors in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 5.8. **Participation in Meeting.** Each director, other than an advisory member, shall be entitled to one (1) vote upon any matter properly submitted for a vote to the Board of Directors. The affirmative vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as may otherwise be

specifically provided by law, by the Charter, or by these Bylaws. Members of the Board of Directors absent from any meeting shall be permitted to vote at such meeting by written proxies. The members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or of such committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear one another; and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. The directors shall be promptly furnished a copy of the minutes of the meetings of the Board of Directors.

Section 5.9. **Action Without a Meeting.** Any action required or permitted to be taken at a meeting by the Board of Directors, or by any committee thereof, may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent in writing to taking such action without a meeting. If all members entitled to vote on the action shall consent in writing to taking such action without a meeting, the affirmative vote of the number of votes that would be necessary to authorize or take such action at a meeting shall be the act of the Board of Directors. The action must be evidenced by one (1) or more written consents describing the action taken, signed in one (1) or more counterparts by each member entitled to vote on the action, indicating each signing member's vote or abstention on the action taken. All such written consents and actions shall be filed with the minutes of the proceedings of the Board of Directors or committee. A consent signed under this Section shall have the same force and effect as a meeting vote of the Board of Directors, or any committee thereof, and may be described as such in any document.

Section 5.10. **Vacancies.** Any vacancy occurring in the Board of Directors, including vacancies created by the removal of directors without cause or for cause, may be filled by the affirmative vote of a majority of the remaining directors in office, so long as the requirements of Section 5.2 are satisfied. A director elected to fill a vacancy shall serve for the unexpired term of his or her predecessor in office, or, if there is no predecessor, until the next election of directors. If a vacancy is not filled within ninety (90) days of the event which resulted in there being fewer directors than required by the Charter or Bylaws, any director may apply to a court having equity jurisdiction in the county in which the Corporation has its principal office to have such court appoint a sufficient number of directors so that the Corporation will have the number of directors required by its Charter or Bylaws, whichever number is greater. Any directorship to be filled by reason of an increase in the number of directors may be filled by election by the Board of Directors for a term of office continuing only until the next election of directors.

Section 5.11. **Compensation and Reimbursement of Expenses.** No director shall be entitled to receive compensation for services rendered to the Corporation as a director. However, each director may be paid his or her reasonable expenses incurred by the director directly related to the affairs of the Corporation upon prior approval by the Board of Directors and proper substantiation of such expenses. No such payments shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 5.12. **Presumption of Assent.** A director of the Corporation who is present at a meeting of the Board of Directors at which action on any Corporation matter is taken shall be presumed to have assented to the action taken, unless his or her dissent shall be entered in the minutes of the meeting, or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof, or forward such

dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 5.13. **Removal.** Any or all of the directors may be removed for cause or without cause by vote of two-thirds (2/3) of the total number of the voting directors in office. Removal of a director shall also constitute removal as an officer of the Corporation and as a member of all committees of the Board of Directors.

Section 5.14. **Resignation.** A director may resign his or her membership at any time by tendering his or her resignation in writing to the President or, in the case of the resignation of the President, to the Secretary. A resignation shall become effective upon the date specified in such notice or, if no date is specified, upon receipt of the resignation by the Corporation at its principal place of business.

## ARTICLE VI

### OFFICERS

Section 6.1. **Number.** There shall be a President and a Secretary of the Corporation, each of whom shall be elected in accordance with the provisions of this Article. The Board of Directors may also elect one (1) or more Vice-Presidents, a Treasurer, and such other assistant officers as the Board of Directors may from time to time deem necessary or appropriate. Any two or more offices may be held by the same person, except for the offices of President and Secretary.

Section 6.2. **Election and Term of Office.** The initial officers of the Corporation shall be elected by the initial Board of Directors for a term of office expiring immediately following the first annual meeting of the Corporation. The officers of the Corporation shall be elected annually by the Board of Directors at its annual meeting. If the election of the officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office for a term of one (1) year expiring immediately following the annual meeting at which he or she was elected and until his or her successor shall have been duly elected and qualified, or until his or her earlier death, resignation, or removal from office in the manner hereinafter provided. A retiring officer may succeed himself or herself in his or her office.

Section 6.3. **President.** The President shall be the principal executive officer of the Corporation. He or she shall, when present, preside at all meetings of the Board of Directors and the Executive Committee, and shall in general perform all of the duties, and have all of the authority, incident to the office of the chief executive officer of a corporation, and such other duties as may from time to time be prescribed by the Board of Directors.

Section 6.4. **Vice-President.** In the absence of the President or in the event of his or her death, inability, or refusal to act, the Vice-President (or in the event there be more than one Vice-President, the Vice-President in the order designated at the time of their election, or in the

absence of any designation, then in the order of their election) shall perform the duties of the President (pending election, if necessary, of a successor pursuant to Section 6.8 below), and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President. Any Vice-President shall perform such other duties as may from time to time be assigned to him or her by the President or by the Board of Directors.

Section 6.5. **Secretary.** The Secretary shall keep the minutes of the proceedings of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal, if any, of the Corporation and see that the seal is affixed to all documents, the execution of which is duly authorized on behalf of the Corporation under its seal; keep a register of the post office address of each member of the Board of Directors, which address shall be furnished to the Secretary by each director; and in general perform all duties incident to the office of Secretary and such other duties as may from time to time be assigned to him or her by the President or by the Board of Directors.

Section 6.6. **Treasurer.** The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article VIII of these Bylaws; disburse the funds of the Corporation in accordance with the directives of the Board of Directors, taking proper vouchers for such disbursements, and render to the Board of Directors, at its annual meeting and at such other times as may be requested by the Board of Directors, an accounting of all the transactions of the Treasurer and of the financial condition of the Corporation; and in general perform all duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him or her by the President or by the Board of Directors.

Section 6.7. **Removal.** Any member of the Board of Directors removed from office pursuant to Section 5.13 shall be automatically removed as an officer. The Board of Directors may by a two-thirds (2/3) vote remove any officer when, in its judgment, the best interests of the Corporation will be served thereby.

Section 6.8. **Vacancies.** A vacancy in any office, because of death, resignation, removal, disqualification, or otherwise, may be filled by the affirmative vote of a majority of the Board of Directors for the unexpired portion of the term.

Section 6.9. **Resignation.** An officer may resign his or her office at any time by tendering his or her resignation in writing to the President or, in the case of the resignation of the President, to the Secretary. A resignation shall become effective upon the date specified in such notice, or, if no date is specified, upon receipt of the resignation by the Corporation at its principal place of business.

Section 6.10. **Salaries and Expenses.** The officers of the Corporation shall be entitled to reasonable compensation, as may be set by the Board of Directors from time to time, for services rendered to the Corporation. Reasonable expenses incurred by all of the officers of the Board of Directors in the course of coordinating the affairs of the Corporation shall be reimbursed by the Corporation upon proper substantiation. No officer shall be prevented from

receiving reasonable compensation by reason of the fact that he also is a member of the Board of Directors.

Section 6.11. **Signatures.** The President or Treasurer, or any other officer designated by the President or Treasurer, may sign deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed.

## ARTICLE VII

### EXECUTIVE COMMITTEE AND OTHER COMMITTEES

Section 7.1. **Appointment of Executive Committee.** The Board of Directors, by resolution adopted by a majority of its voting members, may designate three (3) or more of its members to constitute an Executive Committee. Each member of the Executive Committee shall hold office until the next annual meeting of the Board of Directors following his or her designation and until his or her successor has been appointed and qualified. The designation of the Executive Committee and the delegation of authority thereto shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law.

Section 7.2. **Authority of Executive Committee.** The Executive Committee, when the Board of Directors is not in session, shall have and may exercise all the authority of the Board of Directors except to the extent, if any, that such authority shall be limited by the resolution appointing the Executive Committee or by these Bylaws. All action taken by the Executive Committee shall be subject to ratification by the Board of Directors. However, the Executive Committee shall not have the authority of the Board of Directors with respect to filling any vacancy on the Board of Directors; amending or repealing any resolution of the Board of Directors which by its express terms is not so amendable or repealable; amending or repealing the Charter or the Bylaws of the Corporation; adopting a plan of merger or consolidation; selling, leasing, or otherwise disposing of all or substantially all the property and assets of the Corporation other than in the usual and regular course of its business; or voluntarily dissolving the Corporation or revoking a voluntary dissolution.

Section 7.3. **Meetings of Executive Committee.** Regular meetings of the Executive Committee may be held at such times and places as the Executive Committee may from time to time fix by resolution. Special meetings of the Executive Committee may be called by any member upon a concurrence of a majority of the members of the Executive Committee upon not less than three (3) business days' notice prior thereto. The notices provided for in this Section shall state the place, date, and hour of the meeting, and the business proposed to be transacted at the meeting.

Section 7.4. **Quorum of Executive Committee.** A majority of the voting members of the Executive Committee shall constitute a quorum for the transaction of business at any meeting

thereof. Action of the Executive Committee must be authorized by the affirmative vote of a majority of all voting members present at a meeting at which a quorum is present.

Section 7.5. **Action of Executive Committee Without a Meeting.** Any action required or permitted to be taken by the Executive Committee at a meeting may be taken without a meeting in accordance with the provisions of Section 5.9 of these Bylaws.

Section 7.6. **Executive Committee Procedure.** The Executive Committee shall fix its own rules of procedure, provided such rules are not inconsistent with these Bylaws. The Executive Committee shall keep regular minutes of its proceedings and report its proceedings to the Board of Directors for its information at the next meeting of the Board of Directors held after such proceedings.

Section 7.7. **Vacancies, Resignation and Removal.** Any vacancy in the Executive Committee may be filled by a resolution adopted by a majority of the voting members of the Board of Directors. Any member of the Executive Committee may be removed at any time with or without cause by resolution adopted by a majority of the voting members of the Board of Directors. Any member of the Executive Committee may resign from the Executive Committee at any time by giving written notice to the President or Secretary of the Corporation, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.8. **Standing Committees.** The Board of Directors may maintain such standing committees as it may determine from time to time to be necessary or desirable for its proper functioning. Such committees shall consist of three (3) or more members, shall be under the control and serve at the pleasure of the Board of Directors, shall have charge of such duties as may be assigned to them by the Board of Directors or these Bylaws, shall maintain a permanent record of their actions and proceedings, and shall regularly submit a report of their actions to the Board of Directors, which shall ratify the actions of each committee. The President, or his or her designee, shall serve on each committee as an ex-officio member. Such standing committees shall have such authority as the Board of Directors may stipulate, except that no committee shall have the authority of the Board of Directors with respect to those matters delineated in Section 5.2 above.

Section 7.9. **Ad Hoc Committees.** The President, with the approval of the Board of Directors as evidenced by resolution, may from time to time create such ad hoc committees as the President believes necessary or desirable to investigate matters or advise the Board of Directors. Ad hoc committees shall limit their activities to the accomplishment of the tasks for which created and shall have no power to act except as specifically conferred by resolution of the Board of Directors. Such committees shall operate until their tasks have been accomplished or until earlier discharged by the Board of Directors.



## ARTICLE VIII

### CONTRACTS, LOANS, CHECKS, DEPOSITS, INVESTMENTS

Section 8.1. **Contracts and Employment of Agents.** The Board of Directors may authorize any director, officer, or agent to enter into any contract, or execute and deliver any instrument, in the name of and on behalf of the Corporation. The Board of Directors shall be specifically authorized, in its sole discretion, to employ and to pay the compensation of such agents, accountants, custodians, experts, consultants and other counsel, legal, investment, or otherwise, as the Board of Directors shall deem advisable, and to delegate discretionary powers to, and rely upon information furnished by, such individuals or entities. Such authority may be general or confined to specific instances.

Section 8.2. **Loans.** No loans shall be contracted on behalf of the Corporation, and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 8.3. **Checks, Drafts, etc.** All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, of the Corporation, and in such manner, as shall from time to time be determined by resolution of the Board of Directors.

Section 8.4. **Deposits.** All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation with such banks, trust companies, brokerage accounts, investment managers, or other depositaries as the Board of Directors may from time to time select.

## ARTICLE IX

### STANDARDS OF CONDUCT

Section 9.1. **Standards of Conduct.** A director or an officer of the Corporation shall discharge his or her duties as a director or as an officer, including duties as a member of a committee:

- (a) In good faith;
- (b) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
- (c) In a manner he or she reasonably believes to be in the best interest of the Corporation.

Section 9.2. **Reliance on Third Parties.** In discharging his or her duties, a director or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

(a) One or more officers or employees of the Corporation whom the director or officer reasonably believes to be reliable and competent in the matters presented;

(b) Legal counsel, public accountants, or other persons as to matters the director or officer reasonably believes are within the person's professional or expert competence; or

(c) With respect to a director, a committee of the Board of Directors of which the director is not a member, as to matters within its jurisdiction, if the director or officer reasonably believes the committee merits confidence.

Section 9.3. **Bad Faith.** A director or officer is not acting in good faith if he or she has knowledge concerning the matter in question that makes reliance otherwise permitted by Section 9.2 unwarranted.

Section 9.4. **No Liability.** A director or officer is not liable for any action taken, or any failure to take action, as a director or officer, if he or she performs the duties of his or her office in compliance with the provisions of this Article. No repeal or modification of the provisions of this Section 9.4, either directly or by the adoption of a provision inconsistent with the provisions of this Section, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

Section 9.5. **Prohibition on Loans.** No loans or guarantees shall be made by the Corporation to its directors or officers. Any director who assents to or participates in the making of any such loan shall be liable to the Corporation for the amount of such loan until the repayment thereof.

## ARTICLE X

### CONFLICTS OF INTEREST

Section 10.1. **General.** A conflict of interest transaction is a transaction with the Corporation in which a director or officer of the Corporation has a direct or indirect interest. A director or officer of the Corporation has an indirect interest in a transaction if, but not only if, a party to the transaction in another entity in which the director or officer has a material interest, or of which the director or officer is a general partner, director, officer, or director. A conflict of interest transaction is not voidable, or the basis for imposing liability on the director or officer, if the transaction was fair at the time it was entered into, or if the transaction is approved as provided in Section 10.2.

Section 10.2. **Manner of Approval.** A transaction in which a director or officer of the Corporation has a conflict of interest may be approved if the material facts of the transaction and the interest of the director or officer were disclosed or known to the Board of Directors, or to a committee consisting entirely of members of the Board of Directors, and the Board of Directors or such committee authorized, approved, or ratified the transaction.

Section 10.3. **Quorum Requirements.** For purposes of Section 10.2, a conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the members of the Board of Directors, or of a committee consisting entirely of members of the Board of Directors, who have no direct or indirect interest in the transaction; but a transaction may not be authorized, approved, or ratified under this Article by a single director. A quorum is present for the purpose of taking action under this Article if a majority of the members of the Board of Directors who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction.

## ARTICLE XI

### INDEMNIFICATION AND ADVANCEMENT OF EXPENSES

Section 11.1. **Mandatory Indemnification of Directors and Officers.** The Corporation shall indemnify and advance expenses to any person who is or was a director or officer of the Corporation, or to such person's heirs, executors, administrators and legal representatives, for the defense of any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal (any such action, suit or proceeding being hereinafter referred to as the "Proceeding"), to which such person was, is or is threatened to be made, a named defendant or respondent, which indemnification and advancement of expenses shall include counsel fees actually incurred as a result of the Proceeding or any appeal thereof, reasonable expenses actually incurred with respect to the Proceeding, all fines, judgments, penalties and amounts paid in settlement thereof, subject to the following conditions:

(a) The Proceeding was instituted by reason of the fact that such person is or was a director or officer of the Corporation; and

(b) The director or officer conducted himself or herself in good faith, and he or she reasonably believed (i) in the case of conduct in his or her official capacity with the Corporation, that his or her conduct was in its best interest; (ii) in all other cases, that his or her conduct was at least not opposed to the best interests of the Corporation; and (iii) in the case of any criminal proceeding, that he or she had no reasonable cause to believe his or her conduct was unlawful. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent is not, of itself, determinative that the director or officer did not meet the standard of conduct herein described.

Section 11.2. **Permissive Indemnification of Employees and Agents.** The Corporation may indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Corporation, or to such person's heirs, executors, administrators and legal representatives, to the same extent as set forth in Section 11.1 above, provided that the Proceeding was instituted by reason of the fact that such person is or was an employee or agent of the Corporation and met the standards of conduct set forth in subsection 11.1(b) above. The Corporation may also indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Corporation to the extent, consistent with public policy, as may

be provided by the Charter, by these Bylaws, by contract, or by general or specific action of the Board of Directors.

Section 11.3. **Non-Exclusive Application.** The rights to indemnification and advancement of expenses set forth in Sections 11.1 and 11.2 above are contractual between the Corporation and the person being indemnified, and his or her heirs, executors, administrators and legal representatives, and are not exclusive of other similar rights of indemnification or advancement of expenses to which such person may be entitled, whether by contract, by law, by the Charter, by a resolution of the Board of Directors, by these Bylaws, by the purchase and maintenance by the Corporation of insurance on behalf of a director, officer, employee, or agent of the Corporation, or by an agreement with the Corporation providing for such indemnification, all of which means of indemnification and advancement of expenses are hereby specifically authorized.

Section 11.4. **Non-Limiting Application.** The provisions of this Article XI shall not limit the power of the Corporation to pay or reimburse expenses incurred by a director, officer, employee, or agent of the Corporation in connection with such person's appearing as a witness in a Proceeding at a time when he or she has not been made a named defendant or respondent to the Proceeding.

Section 11.5. **Prohibited Indemnification.** Notwithstanding any other provision of this Article XI, the Corporation shall not indemnify or advance expenses to or on behalf of any director, officer, employee, or agent of the Corporation, or such person's heirs, executors, administrators or legal representatives:

(a) If a judgment or other final adjudication adverse to such person establishes his or her liability for any breach of the duty of loyalty to the Corporation, for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or

(b) In connection with a Proceeding by or in the right of the Corporation in which such person was adjudged liable to the Corporation; or

(c) In connection with any other Proceeding charging improper personal benefit to such person, whether or not involving action in his or her official capacity, in which he or she was adjudged liable on the basis that personal benefit was improperly received by him or her.

Section 11.6. **Repeal or Modification Not Retroactive.** No repeal or modification of the provisions of this Article XI, either directly or by the adoption of a provision inconsistent with the provisions of this Article, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

## ARTICLE XII

### NOTICES AND WAIVER OF NOTICE

Section 12.1. **Notices.** The notices provided for in these Bylaws shall be communicated in person, by telephone, facsimile or e-mail transmission, telegraph, teletype, or by mail or private carrier. Written notice is effective at the earliest of (a) receipt, (b) five (5) days after its deposit in the United States mail, if mailed correctly addressed and with first-class postage affixed thereon, (c) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee, (d) twenty (20) days after its deposit in the United States mail, if mailed correctly addressed, and with other than first-class, registered, or certified postage affixed, or (e) in the case of facsimile or e-mail transmission, when successfully sent to the e-mail address or fax number shown on the records of the Corporation. Whenever any notice is required to be given to any director, officer, or committee member of the Corporation under the provisions of the Charter, or these Bylaws, 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 equivalent to the giving of such notice.

## ARTICLE XIII

### FISCAL YEAR

Section 13.1. **Fiscal Year.** The fiscal year of the Corporation shall end on the last day of December, or on such other date as may be fixed from time to time by the Board of Directors.

## ARTICLE XIV

### AMENDMENTS

Section 14.1. **Amendments.** These Bylaws and the Charter may be altered, amended, or repealed, and a new Charter or Bylaws adopted, upon the affirmative vote of two-thirds (2/3) of the Board of Directors at any annual or special meeting, except to the extent that such alteration, amendment, or repeal is inconsistent with Article XV hereof.

## ARTICLE XV

### EXEMPT STATUS

Section 15.1. **Exempt Status.** The Corporation has been organized and will be operated exclusively for exempt purposes within the meaning of Section 501(c)(3) of the Code and, as such, will be exempt from taxation under Section 501(a) of the Code. The Corporation intends to apply for recognition of its exempt status by filing Internal Revenue Service Form 1023 within

the time prescribed under Section 508 of the Code and Treasury Regulation Section 1.508-1(a)(2). Any provision of these Bylaws or of the Charter which would in any manner adversely affect the Corporation's tax exempt status shall be void and shall be deleted or modified as necessary to comply with all applicable federal and state requirements for the maintenance of the Corporation's tax exempt status