

BY-LAWS OF
THE WOODLANDS POA, INC.

ARTICLE ONE

NAME AND LOCATION

The name of the corporation is The Woodlands POA, Inc., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 136 Fox Road, Knoxville, Tennessee 37922, but meetings of members and directors may be held at such places within and without the State of Tennessee as may be designated by the Board of Directors.

ARTICLE TWO

DEFINITIONS

SECTION 1: "Association" shall mean and refer to The Woodlands POA, Inc., its successors and assigns.

SECTION 2: "Property" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of this Association.

SECTION 3: "Common area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

SECTION 4: "Parcel" shall mean and refer to any numbered plot of land shown upon any recorded subdivision map of the property with the exception of the common area.

SECTION 5: "Owner" shall mean and refer to the record Owner (including Declarant),

whether one or more persons or entities, of the fee simple title to any parcel which is a part of the property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 6: "Declarant" shall mean and refer to Tennessee Land and Lakes, LLC, its successors and assigns if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purposes of development.

SECTION 7: "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the property recorded in the office of the Register of Deeds for Humphreys County, Tennessee.

SECTION 8: "Member" shall mean and refer to every person or entity who holds membership in the Association.

ARTICLE THREE

MEMBERSHIP

SECTION 1: Any person becoming an owner of a parcel shall automatically become a member of this association and shall be subject to the provisions of the Charter of Incorporation and of these By-Laws. Such membership shall terminate without any association action whenever such person ceases to own a parcel, but such termination shall not relieve or release any such former owner of any liability or obligation incurred under or in connection with the association during the period of such ownership or membership in the association. No certificates of membership shall be issued by the association.

SECTION 2: Classes. There shall be one class of membership.

ARTICLE FOUR

MEETING OF MEMBERS

SECTION 1: Annual Meetings. The annual meeting of the members shall be held on the date specified by the Board of Directors; but if no date is specified, then the annual meeting shall be held on the first Saturday in November of each year. The annual meeting shall be held at the hour and place as determined by the Board of Directors. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

SECTION 2: Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-half of all the votes of the membership. No business shall be transacted at a special meeting except as stated in the notice unless by consent of the owners of three-fourths of the votes of the membership, either in person or by proxy.

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 fifteen (15) days before such meeting to each member entitled to vote therein, 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 the case of a special meeting, the purpose of the meeting.

SECTION 4: Quorum. The presence at the meeting of members entitled to cast, or proxies

entitled to cast, one-half (1/2) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Charter of Incorporation, the Declaration, or the By-Laws. If, however, such quorum shall not be present, or represented at any meeting, the members entitled to vote therein 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 to be represented.

SECTION 5: Proxies. At all meetings 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 parcel.

ARTICLE FIVE

BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE

SECTION 1: Number. The affairs of the Association shall be managed by a Board of Directors consisting of not less than three (3) persons who must be members of the Association or officers, agents, directors, representatives or employees of Declarant. The number of directors may be increased and thereafter decreased but never to less than three (3) persons by amendment to these by-laws.

SECTION 2: Term of Office. At the organizational meeting the members shall elect one (1) Director for a term of one year, one (1) Director for a term of two (2) years, and one (1) Director for a term of three (3) years; and at each annual meeting thereafter, the members shall elect Directors for a term of three (3) years.

SECTION 3: Removal. Any Director may be removed from the Board, with or without

cause, by a majority vote of the members of each class 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 in directing the affairs of the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties and may be paid for such professional services rendered to the Association at its request.

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 a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as if taken at a meeting of the Directors.

ARTICLE SIX

NOMINATION AND ELECTION OF DIRECTORS

SECTION 1: Nomination for Election to the Board of Directors. The nominating committee shall consist of a chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled.

Nominations may also be made from the floor at the annual meeting.

SECTION 2: Election. Election to the Board of Directors 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 Declaration. Persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE SEVEN

MEETINGS OF DIRECTORS

SECTION 1: Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly or more often if necessary 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 President of the Association, or by any two (2) Directors, after not less than three (3) days notice to each Director.

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 EIGHT

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

SECTION 1: Powers. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the project, including, but not limited to, the following:

- (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 such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations; notice will be given to any member at least five (5) days in advance stating the violation, stating a time and place for such hearing, and allowing the member to present his rebuttal or explanation, if any, at such hearing.

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by the provisions of these By-Laws, the Charter of Incorporation, or the Declaration;

(d) establish, levy, assess and collect the assessments or charges that may be necessary;

(e) declare the office of 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

(f) appoint and remove at pleasure all officers, agents, and employees of the corporation, prescribe their duties, fix their compensation, and require from them such bond as may be deemed necessary or required. Nothing contained in these By-Laws shall be construed to prohibit the employment of any member, officer or director of the corporation in any other capacity whatsoever.

SECTION 2: 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 any special meeting when such statement is requested in writing by members entitled to vote one-third (1/3) of the votes of the membership;

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

(c) as more fully provided in the Declaration, to (a) fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period, but failure to do so will not waive the Association's right to such assessment; (2) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and (3) foreclose the lien within a reasonable time against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay such assessments;

(d) issue, or cause an appropriate officer to issue, upon demand by any interested 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 such certificates. If such certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment as of the date of issuance;

(e) obtain, maintain and pay for such insurance policies or bonds, whether or not required by any provision of the Declaration or By-Laws as the Association shall deem appropriate for the protection or benefit of the Association, the members of the Board, the members of any standing committee, including, but without limitation, fire and extended coverage insurance covering

the improvements on the common areas, liability insurance, workers compensation, malicious mischief, automobile non-ownership insurance, and performance of fidelity bonds;

(f) cause all officers or employees having fiscal responsibility to be bonded, as it may deem appropriate; and

(g) cause the common area to be maintained.

ARTICLE NINE

OFFICERS AND THEIR DUTIES

SECTION 1: Enumeration of Officers. The officers of this Association shall be a President, Vice President and Secretary, who shall at all times be members of the Board of Directors, a Treasurer, and such other officers as the Board may from time to time by Resolution create.

SECTION 2: The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

SECTION 3: Term. The officers of this Association shall be elected annually by the Board 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 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 office appointed to such vacancy shall serve for the remainder of the term of office he replaces.

SECTION 7: Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other 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 mortgages, deeds and other written instruments and promissory notes.

Vice President - The Vice President shall carry out the duties of President when the President is unable to do so.

Secretary - The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of the 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.

Treasurer - The Treasurer shall receive and deposit in an appropriate bank account all monies of the Association and shall disburse such funds as directed by Resolution of the Board of Directors; shall sign all checks of the Association; keep proper books of account; cause an annual audit of the Association's books to be made by a public accountant at the completion of each fiscal year; 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 to each of the members.

ARTICLE TEN

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify every director or officer, and his or her heirs, executors and administrators against all loss, costs and expense, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the Association, except in the following instances:

- (a) For any breach of the director's duty of loyalty to the Association or its members;
- (b) For acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or
- (c) For unlawful distribution as set forth in §48-58-304, *Tennessee Code Annotated*.

In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel do not violate the exceptions set forth above. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason of, arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses.

ARTICLE ELEVEN

OBLIGATIONS OF THE OWNERS

SECTION 1: Assessments. Except as otherwise provided in the Declaration, all owners

shall be obligated to pay the assessments imposed by the Association to meet the common expenses, and payment thereof shall be made not later than the due date established by the Board of Directors. A member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of members, within the meaning of these By-Laws, if, and only if, he shall have fully paid all assessments made or levied against him.

SECTION 2: Compliance. Each owner shall comply strictly with the provisions of the Declaration.

SECTION 3: Use of Common Areas. General common elements and any limited common elements shall be used in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other owners.

SECTION 4: Rules and Regulations.

(a) No resident of the project shall in any way violate the rules and regulations set forth in the Declaration.

(b) The Board of Directors reserves the power to establish, make and enforce compliance with such rules and regulations which may be necessary for the operation, use and occupancy of the common areas with the right to amend same from time to time.

ARTICLE TWELVE

MORTGAGES

SECTION 1: Notice to the Association. Any owner who mortgages a parcel shall notify the Association, giving the name and address of his mortgagee. The Association shall maintain such information in a book or list entitled "Mortgagees of Parcels".

SECTION 2: Notice of Unpaid Assessments. The Association shall, at the request of a

mortgagee of a parcel, report any unpaid assessments due from the owner of such parcel.

ARTICLE THIRTEEN

COMMITTEES

The Association shall appoint an architectural control committee, as provided in the Declaration and a nominating committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE FOURTEEN

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from date of delinquency at the highest legal rate allowed by law and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, cost and reasonable attorney's fees in any such action shall add to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his parcel.

ARTICLE FIFTEEN

CORPORATE SEAL

The Association shall not have a corporate seal.

ARTICLE SIXTEEN

AMENDMENTS

SECTION 1: These By-Laws may be amended at a meeting called for such purpose, or at a regular meeting if notice is given that such action is to be taken, by a vote of members representing an aggregate interest of at least sixty percent (60%) of the votes of each class entitled to vote. Notice of such a meeting shall contain a summary of the proposed changes or a copy of such proposed changes.

SECTION 2: In the case of any conflict between the Charter of Incorporation and these By-Laws, the Charter shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE SEVENTEEN

MISCELLANEOUS

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