

This Instrument Prepared By:  
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**BY-LAWS  
OF  
McKENZIE MEADOWS CONDOMINIUMS  
HOMEOWNERS ASSOCIATION, INC.**

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**ARTICLE I**

**GENERAL**

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

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

Section 3. **Definition:** As used herein, the term "Association" shall be equivalent of "Co-Owner Association" as used in the Master Deed of McKenzie Meadows Condominiums dated November 12, 2003, and recorded as Instrument Number 200311210055774, in the Register's Office for Knox County, Tennessee, and as defined in the Tennessee Horizontal Property Act set forth in Tennessee Code Annotated 66-27-101 et. seq., herein referred to as "the Act".

**ARTICLE II**

**MEMBERSHIP**

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

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

### ARTICLE III

#### MEETINGS OF MEMBERS

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

Section 2. **Annual Meetings:**

A) The annual meeting of the members shall be held at said office in each year; provided however, that the first such meeting will not be held until the earlier of (1) the sale of by grantor, as defined in Master Deed, of all units in this Condominium; (2) notice by the grantor; or (3) two years from the date of the filing of the foregoing Master Deed.

B) Regular annual meetings subsequent to the first such meeting shall be held on the first Thursday in each calendar year, if not a legal holiday, and if a legal holiday, then on the next secular day following unless otherwise determined by the Administrative Board.

C) All annual meetings shall be held at such hour as is determined by the Administrative Board.

D) At the annual meeting, the members shall elect the new members of the Administrative Board and transact such other business as may properly come before the meeting.

E) Written notice of the annual meeting shall be served upon or mailed to each member entitled to vote there at such address as appears on the books of the Association, at least ten (10) days, but not more than fifty (50) days prior to the meeting. Each member shall notify the Secretary of any address change, and the giving of said notice shall be in all respects sufficient if sent to the address of the member which is then on file with the Secretary.

Section 3. **Membership List:** At least ten (10) but not more than sixty (60) days before every election of Board of Members, a complete list of members entitled to vote at said election, arranged numerically by unit, with residence of each, shall be prepared by the Secretary. Such list shall be produced and kept for ten (10) days prior and throughout the election at the office of the Association, and shall be open to examination by any member through such time.

Section 4. **Special Meetings:**

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

vote at the meeting. Such request shall state the purpose or purposes of the proposed meeting.

B) Written notice of special meeting of members stating the time, place, purpose thereof, and the person or persons calling the meeting shall be served upon or mailed to each member entitled to vote there at such address as appears on the books of the Association, said notice to be given at least ten (10) days but not more than sixty (60) days before such meeting.

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

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

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

Section 7. **Right To Vote:** Each owner shall be entitled to a vote as set forth in the Articles of Incorporation of the Homeowners Association. At any meeting of the members, each member having the right to vote shall be entitled to vote in person or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof. If more than one person or entity own a unit, the vote shall be divided among them according to their ownership of the unit, except in the case of husband and wife, which shall be considered one person.

Section 8. **Waiver And Consent:** Whenever the vote of members at a meeting is required or permitted by any provision of the statutes, the Master Deed or these By-Laws to be taken in connection with any action of the association, the meeting and vote of members may be dispensed with if all members who would have been entitled to vote upon the action of such meeting, if such meeting were held, shall consent in writing to such action being taken.

Section 9. **Order of Business:** The order of business at annual member's meetings will be:

- a) Roll call and certifying of proxies
- b) Proof of notice of meeting or waiver of notice
- c) Reading of minutes of prior meeting
- d) Officers' reports
- e) Committee reports
- f) Appointment by Chairman of Inspection of Election
- g) Elections of Directors and Officers
- h) Unfinished business
- i) New business
- j) Adjournment.

#### ARTICLE IV

##### ADMINISTRATIVE BOARD (Referred to as Board of Administration in the Act)

Section 1. **Number And Term:** The number of Board Members which shall constitute the whole Administrative Board (The "Board") shall be three (3). Until succeeded by Board Members elected at the first annual meeting of members, Board Members need not be members. Within the limits above specified, the number of Board Members shall be determined by the members at the annual meeting. The Board Members shall initially be elected to serve staggered terms, one for three years, one for two years and one for one year, and they shall serve until their successors shall be elected and shall qualify. Thereafter, each Board Member shall be elected for a term of three years.

Section 2. **Vacancy And Replacement:** If the office of any Board Member becomes vacant by reason of transfer of ownership, death, resignation, retirement, disqualification, removal



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

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

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

A) To make and collect regular and special assessments and establish the time within which payment of same are due.

B) To use and expend the assessments collected to maintain, care for and preserve the units and Condominium property, except those portions thereof which are required to be maintained, cared for, and preserved by the owners.

C) To purchase the necessary equipment and tools required in the maintenance, care and preservation referred to above.

D) To enter into and upon the units when necessary and at as little inconvenience to the owner as possible in connection with such maintenance, care and preservation.

E) To insure and keep insured said property in the manner set forth in the Master Deed against loss from fire and/or other casualty and the unit owners against public liability, and to purchase such other insurance as the Board may deem advisable, including insurance against Board Members' liability.

F) To collect delinquent assessments by suit or otherwise, abate nuisances and enjoin or seek damages from owners for violations of these by-laws and the terms and conditions of the Master Deed.

G) To employ and compensate such personnel as may be required for the maintenance and preservation of the Property.

H) To make appropriate changes in the Rules and Regulations for the occupancy of the condominium units as may be deemed necessary. Any such changes shall be approved at the next meeting of the membership by a majority of the votes cast.

I) To acquire and/or rent and/or lease a condominium unit in the name of the Association or a designee.

J) To carry out the obligations of the Association under any restrictions and/or covenants running with the land submitted to the Condominium ownership of this Association or its members.

K) To designate, as the Board deems appropriate, assigned parking spaces, other than limited common elements for each unit, visitors, service vehicles and other vehicles.

L) To adopt rules and regulations pursuant to Article IX of the By-Laws.

M) To impose a special assessment (against the owner) or his guests of any rule or regulation adopted by the Board or the breach of any By-Laws contained herein, or the breach of any provision of the Master Deed.

N) To propose and adopt an annual budget for the property.

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

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

Section 7. **Meetings:**

A) The first meeting of each Board newly elected by the members shall be held immediately upon adjournment of the meeting in which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board shall be held at the same place as the general members' meeting, and immediately before or after the adjournment of same.

B) Special meetings of Board shall be held whenever called by the direction of the President or a majority of the Board. The Secretary shall give notice of each special meeting either personally, by mail or telegram, at least three days before the date of such meeting, but the Board

Members may, in writing, waive notice of the calling of the meeting before or after such meeting.

C) A majority of the Board shall be necessary and sufficient at all meetings to constitute a quorum for the transaction of business, and the act of a majority present at any meeting at which there is a quorum shall be the act of the Board. If a quorum shall not be present at the meeting, the Board Members then present may adjourn the meeting without notice other than announcement at the meeting until a quorum shall be present.

Section 9. **Order of Business:**

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

Section 10. **Annual Statement:** The board shall present no less often than at the annual meeting a full and clear statement and accounting of the business and condition of the Association, including a report of the operating expenses of the Association and the assessments paid by each member.

**ARTICLE V**

**OFFICERS**

Section 1. **Executive Officers:** The executive officers of the Association shall be a President, a Secretary, and a Vice-President/Treasurer, all of which shall be elected annually by and from the Board. No two offices may be united in one person.

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

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

Section 4. **The President:**

A) The president shall preside at all meetings of the members and Board Members; he shall have general and active management of the Business of the Association; he shall see that all orders and resolutions of the Board are carried into effect; he shall execute bonds, mortgages and other contracts, requiring a seal, under the seal of the Association.

B) He shall have general supervision and direction of all the other officers of the Association, and shall see that their duties are performed properly.

C) He shall submit a report of the operations of the Association for the fiscal year to the Board Members whenever called for by them and to the members at the annual meeting, and from time to time shall report to the Board all matters within his knowledge which the interest of the Association may require to be brought to their notice.

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

Section 5. **The Secretary:**

A) The Secretary shall keep the minutes of the members of the Boards' meetings in one or more books provided for that purpose.

B) The Secretary shall see that all notices are fully given in accordance with the provisions of these By-Laws or as required by law.

C) He shall be custodian of the records.

D) He shall keep a register of the post office address of each member, which shall be furnished to the Secretary by such member.

E) In general, he shall perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board Members.

Section 6. **The Vice-President/Treasurer:**

A) The Vice-President/Treasurer shall be vested with all powers and required to perform all the duties of the President in his absence, and such other duties as may be prescribed by the



Board.

B) He shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies and other valuable effects in the name and to the credit of the Association, in such depositories as may be designated by the Board.

C) He shall disburse the funds of the Association as ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and Board Members at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Vice-President/Treasurer and of the financial condition of the Association. Such records shall be open to inspection by members at reasonable times.

D) He may be required to give the Association, at the Associations cost, a bond in a sum and with one or more sureties satisfactory to the Board for the faithful performance of the duties of his office, and the restoration to the Association, in case of his death, resignation or removal from office, of all books, papers, vouchers, money or other property of whatever kind in his possession belonging to the Association.

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

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

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

Section 8. **Resignations:** Any Board Member or officer may resign his office at any time, such resignation to be made in writing, and to take effect from the time of its receipt by the

Board Members, unless some time be fixed in the resignation and then from that date. The acceptance of a resignation by the Board shall not be required to make it effective.

## ARTICLE VI

### NOTICES

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

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

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

## ARTICLE VII

### FINANCES

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

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

Section 3. **Determination of Assets:**

A) The Board shall determine from time to time the sum or sums necessary and adequate for the common expenses of the property. As approved by the Board, the budget shall constitute the basis for all Regular Assessments for common expenses against unit owners, which assessments shall be due and payable periodically as determined by the Board. Common expenses shall include expenses for operation, maintenance, repair or replacement of the common areas and facilities and the limited common areas and facilities, cost of carrying out the powers and duties of the

Association, all insurance premiums and expenses relating thereto, taxes on the common areas and any other expenses designated as common expenses from time to time by the Administrative Board of the Association.

B) The Board is specifically empowered on behalf of the Association to make and collect assessments and to maintain, repair, and replace the common areas and facilities and the limited common areas and facilities of the property. Funds for the payment of common expenses shall be assessed against the unit owners in the proportions or percentages of sharing common expenses provided in the Master Deed. Assessments shall be payable periodically as determined by the Board. A Reserve Fund shall be established and maintained through the Regular Assessments for common expenses. Said fund shall be for the replacement of improvements to the common elements and those limited common elements the Association is obligated to maintain.

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

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

E) All assessments not paid when due shall bear interest at the highest legal rate of interest.

## ARTICLE VIII

### DEFAULT

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

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

Section 3. **Legal Costs:** In the event such legal action is brought against an owner and results in a judgment for the Association, the owner shall pay the Association reasonable attorney's fees, costs of collection and court costs.

Section 4. **Other Remedies:** In the event of violation of the provisions of the Master Deed as the same are defined in the Master Deed, for ten days after notice from the Association, on its own behalf or by and through its Administrative Board, the Association may bring appropriate action to enjoin such violation or may enforce the provisions of said Master Deed, or may sue for damages, or take such other courses of action, or other legal remedy as it or they may deem appropriate.

Section 5. **Intent:** Each owner, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of nuisance, regardless of the remedy availability to the other equally adequate legal procedures. It is the intent of all owners of units to give to the Association, a method and procedure which will enable it at all times to operate on a business-like basis, to collect those monies due and owing it from the owners of units and to preserve each unit owner's right to enjoy his/her unit free from unreasonable restraint and nuisance.

## ARTICLE IX

### RULES AND REGULATIONS

In addition to the other provisions of these By-Laws, any rules and regulations (adopted by the Board) together with any subsequent changes, shall govern the use of the units located in the property and the conduct of all residents and guests.

## ARTICLE X

### INDEMNIFICATION

The Association may indemnify any person made a party to an action by or in the right of the Association to procure a judgment in its favor by reason of his being or having been a Board Member or officer of the Association, against the reasonable expenses including attorney's fees actually and necessarily incurred by him in connection with an appeal therein, except in relation to



such matters as to which such Board Member or officer is judged to have been guilty of gross negligence or willful misconduct in the performance of his duty to the Association.

**ARTICLE XI**

**AMENDMENT**

These By-Laws may only be altered, amended or added to at any duly called meeting of the members, provided (i) that the notice of the meeting shall contain a full statement of the proposed amendment; and (ii) that the quorum requirement for such purposes shall be a majority of all the then outstanding votes, in person or by proxy. In addition it shall be necessary that there by an affirmative vote of owners representing sixty-seven (67%) percent of the total outstanding votes.

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

**ARTICLE XII**

**CONSTRUCTION**

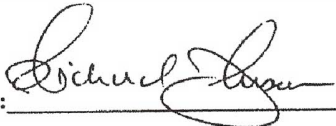
Whenever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, wherever the context so requires.

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

IN WITNESS WHEREOF, the undersigned has executed this instrument this the

15<sup>th</sup> day of December, 2003.

**McKENZIE MEADOWS CONDOMINIUMS HOMEOWNERS ASSOCIATION, INC.**

By: 

Its: President

STATE OF TENNESSEE  
COUNTY OF KNOX

Before me, the undersigned authority, a Notary Public in and for said County and State aforesaid, personally appeared RICHARD JOHNSON, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged himself/herself to be the PRESIDENT of **McKENZIE MEADOWS CONDOMINIUMS HOMEOWNERS ASSOCIATION, INC.**, the within named bargainor, a **corporation**, and that he/she as such **officer**, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the **corporation** by himself/herself as **such officer**.

Witness my hand, at office, this 1<sup>ST</sup> day of December, 2003.

Viola J. McGowan  
NOTARY PUBLIC

My Commission Expires: 5-31-04