

SPLENDOR OAKS HOMEOWNERS ASSOCIATION, INC.

BYLAW ONE OFFICES

The principal office of the corporation in the State of Tennessee shall be located at P. O. Box 65, City of Kodak, County of Sevier, State of Tennessee.

BYLAW TWO PURPOSES AND OBJECTS

In amplification of the purposes for which the corporation has been formed as set forth in the articles of incorporation, the purposes and objects are as follows:

(a) To develop a community designed for safe, healthful, and harmonious living.

(b) To promote the collective and individual property and civic interests and rights of all persons, firms, and corporations owning property in Splendor Oaks Subdivision, as such property is shown on the specific plat maps of record in the office of the Register of Deeds of Sevier County, State of Tennessee.

(c) To care for the improvements and maintenance of the community center, gateways, public easements, parkways, grass plots, parking areas, and any facilities of any kind dedicated to community use and other open spaces and other ornamental features of the above-described subdivision known as Splendor Oaks, which now exist or which may hereafter be installed or constructed in such subdivision.

(d) To assist the owners in maintaining in good condition and order all vacant and unimproved lots or tracts of land now existing or that hereafter shall exist in the tract, and further assisting the owners of such lots or tracts of land in preventing them from becoming a nuisance and a detriment to the beauty of the tract and to the value of the improved property therein, and to take any action with reference to such vacant and unimproved lots or tracts of land as may be necessary or desirable to keep them from becoming such nuisance and detriment.

(e) To aid and cooperate with the members of the corporation and all property owners in the tract in the enforcement of such conditions, covenants, and restrictions on and appurtenant to their property as are now in existence, as well as any other conditions, covenants, and restrictions as shall hereafter be approved by a majority vote of the members of the corporation, and to counsel with the appropriate authorities having jurisdiction in relation to any zoning that may affect any portion of the subject property.

(f) In general, but in connection with the foregoing, to do any and all things necessary to promote the general welfare of the residents and owners of any portions of Splendor Oaks and their property interests in Splendor Oaks.

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(g) Upon the approval of the majority of the Homeowners Association members, to acquire, own, or lease such real and personal property as may be necessary or convenient for the transaction of its business and the fulfillment of its purposes and objects, and to exercise all rights, powers, and privileges of ownership to the same extent as natural persons might or could do.

(h) To arrange social and recreational functions for its members.

(i) To exercise any and all powers that may be delegated to it from time to time by the owners of real property in the Subdivision.

(j) This corporation shall not engage in political activity or pursue political purposes of any kind or character.

BYLAW THREE MEMBERS

(a) Class of Members. The corporation shall have one class of members. The qualifications and rights shall be as follows:

(1) Every beneficial owner, as distinguished from a security owner, of a residential unit in Splendor Oaks in the County of Sevier, State of Tennessee, as herein particularly described, upon paying their dues shall be a member.

(2) Membership shall include an undertaking by the applicant to comply with and be bound by the articles of incorporation, these bylaws and amendments thereto, and the policies, rules, and regulations at any time adopted by the corporation in accordance with these bylaws. Membership shall be accompanied by payment of the first year's dues in advance.

(3) Membership in this corporation shall terminate on such member's ceasing to be a beneficial owner of a residential building site, lot, or unit in or on the property described in these bylaws.

(b) Voting Rights. Each member in good standing shall be entitled to vote on each matter submitted to a vote of the members, provided however, that each member shall be the sole beneficial owner of a residential building site or residential unit in Splendor Oaks. A member shall have one vote for each residential building site for which membership dues are current, and of which he or she is a beneficial owner. Where two or more owners own a lot, or in the event of resubdivision of Phase Four, only one vote for such lot or unit owned shall be allowed, and such joint owners shall designate and register with the secretary of the corporation the name of that owner entitled to cast such single vote.

(1) At membership meetings all votes shall be cast in person, or by proxy registered with the secretary.

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(2) The board of directors is authorized to establish regulations providing for voting by mail.

(3) For the purpose of approving the initial set of bylaws and election of directors and officers, each family member that paid the initial \$25.00 establishment fee will be allowed to vote.

(c) Assignment of Rights. A beneficial owner who is a member of the corporation may assign his or her membership rights to the tenant residing in or on the beneficial owner's building site or unit. Such assignment shall be effected by filing with the secretary of the corporation a written notice of assignment signed by the beneficial member.

BYLAW FOUR MEETINGS OF MEMBERS

(a) Annual Meeting. An annual meeting of the members for the purpose of hearing reports from all officers and standing committees and for electing directors shall be held in the County of Sevier, State of Tennessee, in November of each year, beginning with the year 1995. The time and place shall be fixed by the directors.

(b) Regular Meetings. In addition to the annual meetings, regular meetings of the members shall be had at such time and place as shall be determined by the members.

(c) Special Meetings. A special meeting of the members may be called by the board of directors. A special meeting of the members must be called within 15 days by the president, or the board of directors, if requested by not less than 50% of the members having voting rights.

(d) Notice of Meetings. Written notice stating the place, day, and hour of any meeting of members shall be delivered either personally or by mail to each member entitled to vote at such meeting, not less than 10 days before the date of such meeting.

(e) Quorum. The members holding fifty-one percent (51%) of the votes that may be cast at any meeting shall constitute a quorum at any meeting of the members. In the absence of a quorum, a majority of the members present may adjourn the meeting from time to time without further notice.

(f) Proxies. At any meeting of the members, a member entitled to vote may vote by proxy executed in writing by the member. No proxy shall be valid after 12 months from the date of its execution, unless otherwise provided in the proxy.

(g) Voting by Mail. Where directors or officers are to be elected by members, or where there is an act requiring the vote of the members, such election or vote on such proposed action may be conducted by mail in such manner as the board of directors shall

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determine.

BYLAW FIVE BOARD OF DIRECTORS

(a) General Powers. The affairs of the corporation shall be managed by the board of directors, subject to instructions of the members of the corporation at a regular meeting, or subject to the approval of the membership as expressed by a vote of the membership.

(b) Number, Tenure, and Qualifications. The number of directors shall be not less than seven (7). Each director shall be a member of the corporation, and shall hold office until the next annual meeting of the members following his or her original qualification shall have been held, and until his or her successor shall have been elected and qualified. Any increase in the number of directors shall be in units of two (2), and their initial terms shall be one (1) for one (1) year.

(c) Regular Meetings. The board of directors shall meet regularly at least monthly, at a time and place it shall select.

(d) Special Meetings. A special meeting of the board of directors may be called by or at the request of the president or of any three (3) directors.

(e) Notices. Notice of any special meeting of the board of directors shall be given at least five (5) days prior to such meeting, by written notice delivered personally or sent by mail to each director. Any director may waive notice of any meeting.

(f) Quorum. A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting of the board, but if less than a majority of the directors are present at such meeting, a majority of the directors present may adjourn the meeting from time to time, and without further notice.

(g) Manner of Acting. The act 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, unless the act of a greater number is required by law or by these bylaws.

(h) Vacancies. Any vacancy occurring in the board of directors, and any directorship to be filled by reason of the increase in the number of directors, shall be filled by election of the total membership. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

BYLAW SIX OFFICERS

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(a) Officers. The officers of the corporation shall be a president, a vice-president, a secretary, and a treasurer.

(b) Qualifications and Method of Election. The officers shall be members of the corporation, shall be elected by the board of directors, and shall serve for a term of one (1) year. All officers shall be members of the board of directors.

(c) President. The president shall preside at all meetings of the corporation and of the board of directors at which he or she is present, shall exercise general supervision of the affairs and activities of the corporation, and shall serve as a member ex officio of all standing committees.

(d) Vice-President. The vice-president shall assume the duties of the president during the president's absence.

(e) Secretary. The secretary shall keep the minutes of all of the meetings of the corporation and of the board of directors, which shall be an accurate and official record of all business transacted. The secretary shall be custodian of all corporate records.

(f) Treasurer. The treasurer shall receive all corporate funds, keep them in a bank or other savings institution approved by the board of directors, and pay out funds only on notice signed by the treasurer and by one other officer. The treasurer shall be a member ex officio of the finance committee.

(g) Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by any member of the board of directors for the unexpired portion of the term.

BYLAW SEVEN FEES, DUES, AND ASSESSMENTS

(a) Annual Dues. The annual Homeowner dues (this is in addition to restriction dues) shall be the same for each member and shall be Twenty Dollars (\$20.00) per year, subject to such modification as a majority of the members may require.

(b) Payment of Dues. The annual dues shall be payable on or before the date of the annual meeting of members each and every year.

(c) Special Assessments. Special assessments may be levied on members of this corporation only by a vote of three-fourths (3/4) majority of all members of the corporation. The procedure for voting on proposed assessments shall be the same as the procedure provided in these bylaws for voting on amendments to these bylaws.

(d) Default in Payment of Dues or Assessments.

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(1) When any member shall be in default in the payment of dues or assessments for a period of thirty (30) days from the date on which such dues or assessments become payable, he or she shall, for purposes of voting, not be considered as a member in good standing. In addition, such member shall be dropped from active membership and placed on the inactive list. Such member shall not be reinstated until he or she has paid dues and assessments in full, and until such time as such member is reinstated, he or she shall have no rights of any kind arising out of a membership in the corporation. The member will be notified they are being dropped from active membership.

(e) Assignment of Dues. In the event any member whose dues are paid shall, during the year in which such dues are paid, terminate his or her membership by sale of his or her lot or unit in Splendor Oaks he or she shall be entitled to assign to the buyer of such building the benefit of the paid up dues. Any such buyer can acquire the benefit of such paid up dues by choosing to become a member of the corporation.

BYLAW EIGHT FISCAL YEAR

The fiscal year of the corporation shall begin on January 1 and end on December 31 of each year.

BYLAW NINE AMENDMENTS

Any proposed amendment to these bylaws must be submitted in writing at any meeting of the members of the corporation. Such proposed amendments shall be discussed at the meeting of the members following the meeting at which the proposed amendment was submitted, and shall be voted on by the members of the corporation at a date that shall not be earlier than the second meeting following the initial submission of the proposed amendment. Such proposed amendment must be signed by ten percent (10%) of the members of the corporation, shall be read to the meeting by the secretary, and shall be printed on ballots distributed to all members.

A proposed amendment shall become effective when approved by a majority of the members entitled to vote.