



Overlook Bay
OWNER'S ASSOCIATION, INC. TN

By - Laws

A Tennessee Non-Profit Corporation

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BYLAWS
OF
OVERLOOK BAY
OWNERS ASSOCIATION, INC.

ARTICLE 1

NAME AND LOCATION

The name of the corporation is Overlook Bay Owners Association, Inc., hereinafter referred to as the "Association." The principal office of the corporation shall be located at, but meetings of members and directors may be held at such places within the County of Campbell; State of Tennessee, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Unless otherwise specifically provided herein, the capitalized terms in these Bylaws shall have the same meanings as are given to such terms in the Declaration of Covenants, Conditions, Restrictions, and Easements for ("Declaration") located at, Tennessee, as, or to be, recorded in the Official Records of Campbell County.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 1. The membership and voting rights provisions contained in Article 3 of the Declaration are incorporated herein by reference.

ARTICLE IV
MEETING OF MEMBERS

Section 1. Annual Meetings. Regular meetings of the Association shall be held not less frequently than once each calendar year. The first meeting of the Association, whether a regular or special meeting, shall be held within 180 days after the closing of the sale of the subdivision interest which represents the 95th percentile interest authorized for sale under the total property for the subdivision. However, in no event shall the meeting of the Members be held later than five (5) years after the closing of the sale of the first subdivision interest without regard to the number of subdivision interests

authorized for sale in the first public report. Each subsequent regular annual meeting of the Members shall be held within ninety (90) days of the anniversary of the first annual meeting at a date and time to be determined by the Board. 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 a majority of a Quorum of the Board of Directors, or upon written request signed by Members who are entitled to vote at least ten percent (10%) of all the votes of the entire membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or Person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days, but not more than ninety (90) days, before such meeting to each Member entitled to vote at such meeting, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association provided for the purpose of notice. The notice shall specify the place, day and hour of the meeting and the matters the Board of Directors intends to present for action by the Members. However, except as otherwise provided by law, any proper matter may be presented at the meeting for action.

Section 4. Quorum. The presence at the meeting of the Members entitled to cast, or of proxies entitled to cast, at least a majority of the votes of the entire membership shall constitute a Quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such Quorum shall not be present in person or by proxy at any such meeting, a majority of the Members entitled to vote that may adjourn the meeting to another time, but may not transact any other business. An adjournment shall be to a date not less than five (5) days and not more than thirty (30) days from the original meeting date, without notice other than the announcement at the meeting. If a time and place for the adjourned meeting is not fixed or if for any reason a new date is fixed after adjournment, notice of the time and place of the adjourned meeting shall be given in the manner prescribed in Section 3. The Quorum requirements for an adjourned meeting shall be thirty-three and one third percent (33 1/3 %) of the total voting power of the entire membership.

Section 5. Other Quorum Requirements. Notwithstanding Section 4 of the Article, the Quorum required for any action requiring Member's assent under the Articles of Incorporation shall not be less than the number of percentage of the entire membership required to take action under the applicable Article.

Section 6. Proxies and Voting. Each Person entitled to vote shall have the right to do so either in person or by one or more agents authorized by written proxy, signed by the Person and filed with the Secretary of the Association. A proxy shall be deemed signed if the Member's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission, or otherwise) by a Member or the Member's attorney in fact. Any form of proxy or written ballot distributed by any Person to the

membership matter or group of matters to be acted on. The proxy or written ballot shall provide that when the Member specifies a choice, the vote shall be cast in accordance with that choice. The proxy shall also identify the Person who is authorized to exercise the proxy and the length of time it will be valid. A proxy may be revoked by written notice to the corporation of such revocation, or by a new proxy presented to the meeting, or by the voting in person by the Member giving the proxy. A proxy is not revoked by the death or incapacity of the maker or the terminator of a membership as a result thereof, unless, before the vote is counted, written notice of the death or incapacity is received by the Board of Directors.

Section 7. Place of Meetings. All meetings of the membership shall be held in a location within the Project, if possible, or at a site as close thereto as possible. Unless unusual conditions exist, Members meetings shall not be held outside the County of Campbell.

Section 8. Action by Written Consent. Any action which may be taken by the vote of Members at a regular or special meeting, except the election of members of the Board of Directors, may be taken without a meeting if the requisite number of voting Members consent in writing to the action. The written consent shall have the same force and effect as the vote of the Members at a called meeting. The written consent shall be filed with the minutes of the proceedings of the Members.

ARTICLE V BOARD OF DIRECTORS—SELECTION—TERM OF OFFICE

Section 1. Number. Commencing as of the date of the first annual meeting and continuing thereafter, the Board shall consist of five (5) directors, each of whom must be either a Member of the Association or an agent of the Declarant. The number of Directors may be changed by a duly adopted amendment to the Bylaws.

Section 2. Nomination. Except for the initial directors elected by the incorporator(s) or the Members as provided in Section 3 of this Article, nomination for election to the Board shall be made by a Nominating Committee consisting of three Persons. The Nominating Committee shall consist of a chairman, who shall be a director, and two other persons who may either be Members of the Association or representatives of Declarant. Each member of the Nominating Committee shall be appointed by the Board and shall serve for a period of one year, and vacancies thereon shall be filled by the Board. The Nominating Committee may make as many nominations as it desires but not less than the number of positions to be filled.

Notwithstanding the foregoing, any Member present in person or by proxy at a meeting in which a director or directors are to be elected may place a name in nomination at the meeting prior to the vote.

The Board shall adopt procedures that provide for a reasonable opportunity for nominees to communicate their qualifications and reasons for candidacy to the Members

and to solicit votes, and for a reasonable opportunity for all Members to choose among the nominees. Without authorization of the Board, no Association funds may be expended to support a nominee for director.

Section 3. Election of directors. The initial directors shall be elected either by the incorporator of the Association or by the Members as soon as practical after the incorporation of the Association, and shall hold office until the first annual meeting of the Members. At the first annual meeting, the Members shall elect directors to fill all the positions on the Board. Unless the office is vacated sooner as provided in Section 6 of this Article, each director shall hold office until his or term expires and a successor has been elected and qualified.

At the first meeting of the Association, the Members shall elect two (2) Directors for a term of one (1) year, and three (3) Directors for a term of two (2) years. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve for a term of two (2) years.

The election of directors shall be by secret written ballot, and subject to the provision regarding specially elected directors in Section 5 of this Article, the Persons receiving the highest number of votes up to the number of positions to be filled shall be elected.

Any director may resign effective on giving written notice to the President, the Secretary, or the Board, unless the notice specifies a later time for the effectiveness of such resignation.

Section 4. Cumulative Voting. The election of members of the Board may be by cumulative voting as described herein, provided an Owner has placed a candidate's name in nomination prior to the voting and given notice at the meeting prior to the voting of the Owner's intention to cumulate votes. If any Owner has given such notice, then all Owners shall have the right to cumulate their vote for candidates in nomination. Under cumulative voting, each Owner, either in person or by proxy, may give a single candidate the number of votes equal to the number of directors to be elected, multiplied by the number of votes to which the Member is entitled, or the Owner may distribute these cumulative votes among more than one candidate. The candidates receiving the highest number of votes, up to the number of Board members to be elected, shall be elected.

Section 5. Vacancies. A vacancy or vacancies on the Board shall exist on the occurrence of any of the following: (i) the death of any director, (ii) the effective date of any director's resignation, (iii) the removal of a director pursuant to Section 8 of this Article, (iv) the declaration by resolution of the Board of a vacancy in the office of a director who has been declared of unsound mind by an order of court or convicted of a felony, (v) the increased in the authorized number of directors, or (vi) the failure of the Members, at any meeting of the Members at which any director or directors are to be elected, to elect the number of directors required to be elected at that meeting.

Any vacancy on the Board may be filled by a majority of the directors then in office, whether or not less than a Quorum, or by a sole remaining director, except for a vacancy created by removal of a director by vote of the Members or a vacancy of a specially elected director position, which vacancies shall be filled by the Members. In addition, the Members may fill any vacancy not filled by the directors. Any director elected to fill a vacancy shall hold office until the expiration of the term of his or her predecessor and until a successor has been elected and qualified.

Section 6 Removal of Directors. At any regular or special meeting of the Members duly called, any one individual director or the entire Board may be removed prior to the expiration of their terms of office, with or without cause, by the vote of Members representing a majority of the voting power of the Association. Notwithstanding the foregoing, if the entire Board of Directors is not removed as a group pursuant to a single vote, no individual director shall be removed prior to the expiration of his term of office if the votes cast against removal would be sufficient to elect the director if voted cumulatively at an election at which the same total number of votes were cast and the entire number of Board members authorized at the same time of the most recent election of the directors were then being elected. Any director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting.

Section 7. Compensation. A director shall not receive any compensation for any services rendered to the Association as a director; provided that directors may be reimbursed for actual out-of-pocket expenses incurred in the performance of his or her duties.

ARTICLE VI MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at a time and at a meeting place fixed by the Board from time to time. The meeting place shall ordinarily be within the Project itself unless, in the judgment of the Board, a larger meeting room is required than exists within the Project, in which case the meeting room selected shall be as close as possible to the Project.

Section 2. Notice of Meetings. Notice of the time and place of a regular meeting shall be posted at a prominent place or places within the Common Area and shall be communicated to the Board members not less than four (4) days prior to the meeting (unless the time and place of meeting is fixed by these Bylaws, or unless a longer period of notice is provided for in these Bylaws) provided, however, notice of a meeting need not be given to any Board member who has signed a waiver of notice or a written consent of holding of the meeting. If the Common Area consists only of an easement or is otherwise unsuitable for posting of such notice, the Board shall communicate the notice of the time and place of such meeting by any means it deems appropriate. Notice may be mailed or delivered to each Lot in the Project, or by newsletter or similar means of communication.

Section 3. 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 other than the President, after not less than seventy-two (72) hours notice to each director, which notice must specify the time and place of such meeting and the nature of any special business to be considered. A copy of such notice shall be posted as outlined in Section 2 above. Notice of the meeting need not be given to any director who signs a waiver of notice or consent to the holding of the meeting.

Section 4. 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.

Section 5. Board Meetings Open to Members. Regular and special meetings of the Board shall be open to all Members of the Association, provided, however, that Association members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board. Any member of the Association may attend said meetings, except when the Board adjourns to executive session to consider litigation, matters relating to the formation of contracts with third parties, member discipline, personnel matters, or orders of business of a similar nature.

Section 6. Executive Session. The Board may, with the Approval of majority of its members present at a meeting in which a quorum for the transaction of business has been established, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, matters that relate to the formation of contracts with third parties, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session. Any matter discussed in executive session shall be generally noted in the minutes of the Board of Directors. In any matter relating to the discipline of a Member, the Board of Directors shall meet in executive session if requested by that Member, and the Member shall be entitled to attend the executive session.

Section 7. Minutes of Board Meetings. The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes of any meeting of the Board of Directors, other than an executive session, shall be available to Members within thirty (30) days of the meeting. The minutes, proposed minutes or summary minutes shall be distributed to any Member of the Association upon request and upon reimbursement of the Association's costs in making that distribution. Members of the Association shall be notified in writing at the time that the pro forma budget required by the Declaration is distributed, or at the time of any general mailing to all the Members of the Association, of their right to have copies of the minutes of meetings of the Board of Directors, and how and where such minutes may be obtained.

Section 8. Actions Without Meetings. The Board may take action without a meeting if all of the directors consent in writing to the action taken. If the Board resolves by unanimous written consent to take action, an explanation of the action shall be posted at a prominent place in the Common Area within three (3) days after the written consents of all directors have been obtained. If the Common Area consists only of an easement or is otherwise unsuitable for posing the explanation of the action taken, the governing body shall communicate said explanation by any means it deems appropriate.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power necessary for the administration of the affairs of the Association and may do all acts as are not by law or by the Governing Documents directed to be exercised and done by the Members. Without limiting the generality of the foregoing, the Board shall have the power:

- a. To adopt and publish Rules and Regulations governing the use of the Common Area and the personal conduct of the Members and their guests thereon;
- b. To exercise for the Association all powers, duties, and authority vested in or delegated to the Association not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- c. To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent without excuse by majority vote of the Board from three (3) consecutive regular meetings of the Board of Directors;
- d. To employ a Manager, an independent contractor, Managing Agent (which may be a corporation) or such other employees as they deem necessary, and to prescribe their duties.
- e. To establish, levy and assess, and collect the assessments or charges referred to in Article 6 of the Declaration;
- f. To enforce the Declaration, Articles, Bylaws and any other Governing Documents for the ownership, management and control of the Project; and
- g. To institute, defend, settle or intervene on behalf of the Association in litigation, arbitration, mediation, or administrative proceedings in matters pertaining to (i) enforcement of the Governing Documents, and (ii) damage to the Common Areas.
- h. To borrow funds, enter in loan agreements, arrange for financing, and otherwise execute instruments of indebtedness, on behalf of, and in the name of, the Association, provided such indebtedness is reasonable, prudent, and in the best interests of the Association.

Section 2. Duties. The Board of Directors shall be responsible for the performance of the duties of the Association as set forth in the Declaration and

other Governing Documents, and shall supervise all Officers, agents and employees of the Association for the proper performance of their duties. In addition, it shall be the duty of the Board to cause to be kept a complete record of all its acts and corporate affairs.

ARTICLE VIII COMMITTEES

Section 1. The Board and Declarant shall appoint an Architectural Review Committee as provided in the Declaration, and the Board shall appoint a Nominating Committee as provided in these Bylaws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its functions and duties. Such other committees shall be appointed by Board resolution adopted by a majority of a Quorum of the directors then in office. At least one (1) Board member must be appointed to such other committees, and such other committees must be chaired by a Board member.

ARTICLE IX OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The Officers of the Association shall be a President, a Vice President, a Secretary, a Treasurer, and our ARC Liaison. The Association may also have, at the discretion of the Board, such other Officers as may be appointed in accordance with the provisions of Section 4 of this Article.

Section 2. Election of Officers. Because the number of Lots in this subdivision restricts the maximum number of Members in the Association, it is hereby provided that the officers of the Association shall also serve as its Board of Directors, and vice versa, except for special appointments as set forth in Section 4 of this article.

Section 3. Term. Each Officer of the Association shall hold office for the same term as outlined by their appointment to the board, unless the officer 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 by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The Officer elected to such vacancy shall serve for the remainder of the term of the Officer he replaces.

Section 7. Multiple Offices. Any number of offices may be held by the same person.

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

- a. 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 written instruments and shall co-sign all checks and promissory notes.
- b. The Vice-President, if any, shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- c. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.
- d. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association, and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; and keep proper books of account. The duties of the Chief Financial Officer may, in whole or part, be delegated to a Managing Agent by action of the Board of Directors.
- e. ARC Liaison
- f. The above duties may be changed by action of the Board of Directors.

ARTICLE X BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The books, records and papers of the Association shall also be available during reasonable business hours for inspection by any holder, insurer or guarantor of a first Mortgage secured by a Unit in the

Project, so long as such inspection is reasonably related to the purpose of protecting such first Mortgage. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member and by any holder, insurer, or guarantor of a first Mortgage secured by a Unit in the Project at the principal office of the Association. The Board shall establish hours and days of the week when the records may be inspected.

Every member of the Board of Directors shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled. The right of inspection by a Board member includes the right to make extracts and copies of documents.

The Board shall review on at least a quarterly basis a current reconciliation of the Association's operating and reserve accounts, the current year's actual reserve revenues and expenses compared with the current year's budget, and an income and expense statement from the Association's operating and reserve accounts.

ARTICLE XI CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the name of the Association, its date of incorporation, and such other matters may be required by the laws of the State of Tennessee.

ARTICLE XII AMENDMENTS

These Bylaws may be amended by the vote or written assent of a majority of the voting power of a Quorum of the Members of the Association or the Declarant prior to the formation of the Association.

ARTICLE XIII MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall begin the first day of January and end on the 31st day of December of every year and shall begin the date of incorporation.

Section 2. Conflict. In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws or the Articles, the Declaration shall control.

IN WITNESS WHEREOF, we, being all of the directors of OVERLOOK BAY
OWNERS ASSOCIATION, INC., hereto set our hands this _____ day of _____, 2009.

NAME, Director

NAME, Director

NAME, Director

NAME, Director

NAME, Director

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of OVERLOOK BAY OWNERS ASSOCIATION, INC., a Tennessee Non-Profit Corporation, and

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the _____ day of _____, 2009.

NAME, Secretary