

BYLAWS OF
GREENBROOK
HOMEOWNERS ASSOCIATION, INC.

ARTICLE ONE
OFFICES

The principal office of the corporation shall be located at _____.
The corporation may have such other offices, either within or without the State of Tennessee, as the board of directors may determine from time to time.

ARTICLE TWO
MEMBERS

(a) **Members.** The members of the corporation shall be designated as the record owners of lots within the Greenbrook Subdivision. Each lot shall be entitled to one membership. Members may also be referred to as "Lot Owners". The developer shall be a Member as long as the Developer owns any Lot.

(b) **Voting Rights.** Other than as stated herein, each member in good standing shall be entitled to one vote on each matter submitted to a vote of the members.

(c) **Termination of Membership.** The board of directors, by affirmative vote of all of the members of the board, may suspend or expel a member for cause after an appropriate hearing, and, by a majority vote of those present at any regularly constituted meeting, may terminate the membership of any member who becomes ineligible for membership, or suspend or expel any member who shall be in default in the payment of assessments for the period fixed hereinafter.

(d) **Resignation.** Any member may resign by filing a written resignation with the secretary, but such resignation shall not relieve the member so resigning of the obligation to pay any dues, assessments, or other charges theretofore accrued and unpaid, or any future dues, assessments, or other charges as long as the member is an Owner of a Lot within the Property.

(e) **Reinstatement.** On written request signed by a former member and filed with the secretary, the board of directors, by the majority vote of the members of the board, may reinstate such former member to membership on such terms as the board of directors may deem appropriate.

(f) **Transfer of Membership.** Membership in this corporation is not transferable or assignable.

ARTICLE THREE
ASSOCIATION

The purpose of this Association is to administer, on a non-profit basis, and through a Board of Directors, Greenbrook Subdivision, to elect the Board of Directors; to amend and supplement from time to time these Bylaws and the system of administration; and to do and perform any and all other things, matters, or acts required by or permitted by the owners.

ARTICLE FOUR
MEETING AND VOTING RIGHTS OF OWNERS

(a) **Eligibility.** The owner or owners of a Lot, who have become such in compliance with all of the requirements and conditions precedent contained in the Covenants, Conditions and Restrictions ("Covenants"), including these Bylaws, and who have not resigned or had their membership otherwise terminated, shall be entitled to attend and vote at all meetings of the Association. The Developer shall be considered the owner of each Lot which is unsold by it. Ownership of a Lot shall be the sole qualification for membership in the Association.

(b) Voting Rights. The owner or owners of a Lot shall be entitled to vote at all meetings of the Association as provided in the Covenants. Where two or more persons or a legal entity other than a natural person own a Lot, the vote allocated to that Lot shall be cast by the one authorized by such members or legal entity, and in the event of a failure of such authorization, no vote shall be recorded for that Lot. Where only one of two owners or one representative of a legal entity is present in person at a meeting, such one shall be presumed to be authorized by all owners of said Lot and shall be entitled to cast a vote with respect to that Lot. Where one person, legal entity or group of persons owns more than one Lot, such person, legal entity or group shall be entitled to cast the total votes for each Lot owned. The Developer shall be entitled to four membership votes in the Association for each Lot owned by the Developer, whether improved or unimproved, until Class B membership terminates in accordance with the Covenants.

(c) Proxies. Votes may be cast in person or by proxy. Proxy voting is allowed only when a Lot owner is unable to attend a meeting due to circumstances beyond his or her control with just cause (e.g. sickness, death in family or to pay respects, out of town or working) and is only allowed under any circumstances twice in any calendar year. Proxies, to be valid, shall be in writing for the particular meeting designated therein and any adjournments thereof and shall be filed with the Secretary of the meeting prior to voting.

(d) Meetings.

The regular meetings of this Association shall be held on the third Tuesday of January, April, and October of each year unless requested by the Association or the Board of Directors. The regular meeting in January shall be known as the annual meeting and shall be for the purpose of installing directors and officers, receiving reports of officers and committees and for any other business that may arise.

(e) Special Meetings. Special meetings of the Association shall be held whenever called by the Board of Directors, or by the written consent of the owners holding at least ten percent (10%) of the total votes of the association, at a place designated by the board of directors or as the case may be. If no designation is made, the place of meeting shall be the principal office of the corporation in the State of Tennessee, but if all of the members shall meet at any time and place, either within or without the State of Tennessee, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken. When a special meeting is so called, the Secretary shall mail or deliver written notice of the meeting to all owners.

(f) Notice. Notice shall be given to all owners of meetings of the owners, stating the date, time, and place (and purpose, in the case of special meetings) for which the meeting is called. Such notice shall be in writing and shall be mailed or delivered to each member at his or her address as it appears on the books of the Association, or may be mailed or delivered to his or her Lot not less than seven (7) nor more than thirty (30) days before the meeting. Proof of such mailing or delivery may be given by the written statement of the Secretary or other person giving the notice. Notice of a meeting may be waived before, at, or after the meeting. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his or her address as it appears on the records of the corporation, with postage thereon prepaid. In case of a special meeting or when required by statute or by these bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice.

(g) Quorum. A quorum of any meeting of the Association shall consist of persons entitled to cast at least thirty percent (30%) of the votes entitled to be cast on a matter unless otherwise provided in the Covenants or herein. Except as otherwise provided in the Covenants or herein, the affirmative vote of a majority of the votes cast, being more than fifty percent (50%) of the total number of votes cast, is required to adopt any resolutions, elect any Directors or Officers, make any decision or take any action; except that these Bylaws may be amended only in the manner hereinafter set forth.

(h) Presiding Officer. The President shall preside over all Association meetings. The Secretary shall take and keep the minutes and minute book of all Association meetings, wherein adopted resolutions shall be recorded, and shall serve as Secretary of such meetings.

(i) **Amendments.** Unless otherwise provided herein, by law or in the Covenants, the Association may, at a duly called, held and convened meeting, modify or amend the system of administration of Greenbrook Homeowners Association, Inc., and these Bylaws by the affirmative vote of owners representing at least two thirds of the total Lots, with the consent of the Developer, so long as the Developer owns any Lots in the project. The said system of administration of these Bylaws, however, may only be amended in such manner that all of the provisions required by the Tennessee Code Annotated to be within the contents of the Bylaws shall always be embodied in these Bylaws. No such modification or amendment of a system of administration or of these Bylaws shall be operative unless and until it is embodied in a written instrument recorded in the Register's Office for Knox County, Tennessee.

(j) **Informal Action by Members.** Any action required by law to be taken at a meeting of the members, or any action that may be taken at a meeting of members, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the members entitled to vote with respect to the subject matter thereof.

(k) **Voting by Mail.** Where directors or officers are to be elected by members or any class or classes of members, such election may be conducted by mail in such manner as the board of directors shall determine.

ARTICLE FIVE BOARD OF DIRECTORS

The administration of Greenbrook Home Owners Association, Inc. shall be vested in its Board of Directors, which shall consist of the officers and three additional members. Each member of the Board of Directors shall be either the owner of a Lot or of an interest therein or the authorized representative of a Lot owned by an entity other than an individual or group of individuals.

(a) **Election of Directors.** The Association, except for the initial Board of Directors which shall be appointed by the Developer, shall, at its annual meeting, elect the Board of Directors. Each owner of a Lot shall be entitled to vote. A majority of votes cast shall be necessary for the election of a Director. Each owner or co-owner of a Lot, on each ballot, is required to cast his or her total votes for as many persons as there are Directors to be elected. In the event a sufficient number of persons fail to receive a majority of votes, additional ballots will be taken with the name of the person receiving the lowest number of votes being dropped after each ballot until the required number of Directors is elected.

(b) **Vacancies.** Vacancies on the Board of Directors may be filled until the date of the next annual meeting by the remaining Directors.

(c) **Term.** The term of each Director's service shall be extended until the next annual meeting of the Association and thereafter until a successor is duly elected by the Association and qualified or until the Director is removed in a manner elsewhere provided herein.

(d) **Organizational Meeting.** The organizational meeting of a duly elected Board of Directors shall be held within two weeks of their election at such place and time as shall be picked by the Directors at the meeting at which they were elected and no further notice of the organizational meeting shall be necessary, providing a quorum shall be present.

(e) **Regular Meeting.** Regular meetings of the Board of Directors shall be held on such date and such time and place as shall be determined, from time to time, by a majority of the board. Regular meetings shall be held without notice.

(f) **Special Meetings.** Special meetings of the Board of Directors may be called by the president, the presiding officer of the board, or any two Directors. Not less than two days notice of the meeting shall be given, personally or by mail, telephone, or facsimile, which notice shall state the date, time, place, and purpose of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at any 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 is not lawfully called or convened.

(g) Waiver of Notice. Any Director may waive notice in writing of a meeting before, at or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

(h) Quorum. A quorum at a Director's meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of votes cast at a meeting in which a quorum is present when a vote is taken shall constitute the acts of the Board of Directors except as specifically otherwise provided in the Master Deed or elsewhere in these Bylaws. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At an adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

(i) Compensation. No compensation shall be paid to any member of the Board or to any officer for services as such, unless approved by majority of the total votes of the owners. Any member of the Board or any officer may be reimbursed for expenses actually incurred by him or her upon approval by the board. Errors and Omissions insurance shall be continuously maintained on the Board and the costs thereof shall be a common expense of the Association.

(j) Removal. Except for the initial Board of Directors who may be removed only by the Developer, any member of the Board may be removed with or without cause and relieved of duty as such by the vote of owners representing a majority of the total votes cast at any regular or special meeting duly called and convened by the Association. The vacancy created by such removal shall be filled by the Developer if the removed Director was appointed by the Developer and otherwise by the Association.

ARTICLE SIX OFFICERS

The Members shall elect from the membership of the Association, a President, Vice-President, Secretary and Treasurer for two-year terms. No member shall hold the same office for more than one consecutive term. The officers shall have the following duties:

(a) President. The president who shall:

1. Preside at all meetings of the association and of the Board of Directors.
2. Appoint all committee chairmen and other committees as authorized by the association or Board of Directors.
3. Be and ex officio member of all committees except the Nominating Committee.
4. Perform other duties as pertain to the office of President.

(b) Vice-President. The vice-president shall:

1. Be an active aid to the president.
2. Become acquainted with the affairs of the association and prepare for the coming Term as president if elected.
3. In the event of the absence or inability of the president to perform his/her duties, shall Perform the duties of the president.
4. Give a copy and go over the Covenants and Policies and Procedures with new owners or tenants within thirty days.
5. Perform other duties as pertain to this office.

(c) Secretary. The Secretary who shall:

1. Take minutes of the meetings of the association and the Board of Directors.
2. Maintain an accurate list of the membership.
3. Conduct the general correspondence of the association at the direction of the President.
4. Mail or delivery meeting notices to members.
5. Mail warnings to members when Covenant or Policies & Procedures have been

Broken upon the advisement from the Board of Directors.

6. Secretary will provide copies of Board minutes to the Board at the next meeting and copies of minutes of quarterly meetings to the membership at the next quarterly meeting.

(d) Treasurer. The Treasurer who shall:

1. Be custodian of all association funds.
2. Receive all monies and disburse funds with an invoice for each transaction upon the sanction of the Board of Directors or the membership.
3. Submit written reports at each regular meeting.
4. Submit books and records for audit when required. All bills should be paid for the fiscal year by December 31. The books shall be closed for the fiscal year and given to the audit committee by February 14. The Board of Directors, at their discretion may request and audit by a CPA. All remaining records shall be given to the successor by February 15.
5. File any and all tax forms required. (1120H), (1099) and (W9).
6. No purchase or expenditures funds shall be made without the prior approval of the Board of Directors.
7. Maintenance fee's are payable: Annually in January; Semi-annually January and July; Quarterly in January, April, July and October.
8. Two signatures are required on all checks.
9. Perform such duties as pertain to this office.

(d) Removal. Any officer elected or appointed by the Members may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

(f) Compensation. No compensation shall be paid to any Director or Officer for services as such, except upon approval, by a majority of the total votes of the owners. This provision shall not preclude, however, the Board of Directors from employing an independent contractor for some of the above services or employing an officer or administrator as an employee of the Association, such as a manager, bookkeeper, auditor, attorney or the like. Errors and Omissions insurance shall be continuously maintained on all officers and the costs thereof shall be a common expense of the Association.

(g) Funds. All moneys and funds of the Association shall be deposited in such bank as may be designated from time to time by the Board of Directors. Withdrawals of moneys from such accounts in banks shall be only by check or draft signed by such persons authorized by the Board of Directors.

(h) Fidelity bonds. Fidelity bonds may be required of the Board of Directors covering all officers and employees of the Board and any agents or managers handling or responsible for funds of the Board of Directors or of the Association. The amount of such bond or bonds shall be determined by the Board of Directors but shall be at least the amount of the total annual assessments against members for common expenses. Premiums for such bonds shall be paid by the Board of Directors from the maintenance fund.

ARTICLE SEVEN POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall:

- (a) Supervise the affairs and conduct the business of the association between business meetings, and
- (b) Make recommendations to Membership.

In addition to the rights, powers, and duties conferred upon the Board of Directors by the the Horizontal Property Act, and by other provisions of these Bylaws and without limiting the same, the Board of Directors shall have the following additional and cumulative rights, powers, and duties:

- (a) Supervise the affairs and conduct the business of the association between business meetings.
- (b) Make recommendations to the membership.

The Board of Directors shall have authority to:

- (a) Expend funds allocated in the approved budget.
- (b) Authorize non-budgeted expenditures not to exceed \$200.00 without prior approval of the membership.

The majority of the Board of Directors shall constitute a quorum, Vacancies:

- (a) A vacancy in the office of president shall be filled by the vice-president who shall succeed to the office of president for the remainder of the term and then serve the full term for which selected.
- (b) If a vacancy should occur in any other office, the vacancy shall be filled by The Board of Directors.
- (c) Should an officer fail to perform the duties of the office or be unable to fulfill those duties the Board of Directors, upon a two-thirds (2/3) vote, may remove the officer from office.

ARTICLE ARTICLE EIGHT NOMINATIONS AND ELECTIONS

A. Nominations:

The nominating committee of three (3) members shall be elected from the membership at the July meeting. The nominating committee shall nominate one (1) or more candidates for each office to be filled at the annual meeting. The Nominating committee shall report to the membership at their regular meeting in October. Each candidate shall have consented to serve. Nominations from the Floor shall be permitted prior to the election with the candidate consenting to serve.

B. Elections:

Officers and directors shall be elected by ballot at the regular meeting in October. In the event there is only one (1) candidate for any office, voting on that office may be by voice.

ARTICLE NINE BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, board of directors, committees having and exercising any of the authority of the board of directors, and the membership committee, and shall keep at the principal office a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member, or his or her agent or attorney, for any proper purpose at any reasonable time.

ARTICLE TEN CORPORATE YEAR AND TAX STATUS

The year of the corporation shall be a calendar year. The corporation shall file for federal tax exempt status under Section 501 of the Internal Revenue Code.

ARTICLE ELEVEN ASSESSMENTS

- (a) **Common Assessments.** Assessments for common maintenance expenses shall be \$ _____ per month. The Board of Directors shall establish the assessments for the calendar

year at the annual meeting, and shall give appropriate notice to all members. Changes in assessments, other than for the special Assessment for insurance, shall become effective in March of each year.

(b) Payment of Assessments. Assessments shall be payable in advance on the first day of each month. Assessments for a new Lot owner shall be prorated from the first day of the month in which such new Lot is acquired. A late fee of \$10.00 shall be assessed after the fifteenth day of the month in which it is due. Payments shall be made by U.S. Mail to: _____.

(c) Default When any Lot owner is in default in the payment of Assessments for a period of two (2) months from the beginning of the period for which such Assessments became payable, his or her membership may thereupon be terminated by the board of directors as provided hereinabove.

(d) Lien for Enforcement The unpaid balance of any Assessments shall be a lien upon the Lot for which Assessments are unpaid, together with interest on the unpaid balance at the rate of 18% per annum and the cost of any and all reasonable legal fees and expenses associated with the collection thereof. The Board shall have the power to file a Notice of Lien in the Knox County Register of Deeds Office against any Lot for which Assessments are in default for a period of two (2) months. Any such Notice of Lien shall be signed by either the President or the Secretary of the Association.

ARTICLE TWELVE INDEMNIFICATION

The Association shall indemnify any person who is a party, or is threatened to be made a party, to any pending or completed action, suit, proceedings, whether civil, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a Director or Officer of Greenbrook Homeowner's Association, Inc. or Developer of Greenbrook against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or in connection with such action, suit, or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to the best interest of Greenbrook Homeowner's Association, Inc. or Greenbrook. The termination of any action, suit, or proceeding by judgment, order, or settlement, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interest of The Greenbrook Homeowner's Association, Inc. or Greenbrook.

No indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for his or her willful misconduct or bad faith in the performance of his or her duty to Greenbrook Homeowner's Association, Inc. or Greenbrook, unless and only to the extent that the Chancery Court of Knox County, Tennessee, or the Court in which such action or suit was brought, shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court shall deem proper. To the extent that a Director, Officer, or Developer has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in this Article, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

Any indemnification under this Article (unless ordered by a Court) shall be made only as authorized in the specific case upon a determination that indemnification of the Director, Officer, or Developer is proper in the circumstances because he or she met the applicable standard of conduct set forth herein. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who are not parties to such action, suit, or proceeding, or (2) if such quorum is not obtainable, or, even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (3) by the Association.

Expenses incurred in defending an action, suit or proceeding may be paid by Greenbrook Homeowner's Association, Inc., in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon a secured receipt of

an undertaking by or on behalf of the Director, Officer, or Developer to repay such amount unless it shall be ultimately determined that he or she is entitled to be indemnified by the Association as authorized herein.

This indemnification provided in this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled by law or under the Master Deed and Bylaws, by agreement, vote of the Association, or disinterested Directors or otherwise, both as to an action in his or her official capacity and as to an action in another capacity while holding office or acting as Developer, and shall continue to a person who has ceased to be a Director, Office or Developer, and shall inure to the benefit of the heirs, executors, and administrators of such a person.

ARTICLE THIRTEEN GRIEVANCES

Any problems are to be given to the Board of Directors in writing with each director receiving said copy. The Board of Directors will try to resolve the situation in a timely manner. If deemed necessary, the Board will call for a special meeting of the membership.

ARTICLE FOURTEEN PARLIAMENTARY AUTHORITY

The rules contained in the latest edition of Robert's Rules of Order, Newly Revised shall be the Parliamentary authority for all matters procedure for this association not specifically covered by its Bylaws.

ARTICLE FIFTEEN AMENDMENT OF POLICIES AND PROCEDURES

These bylaws may be amended at any regular meeting by a two-thirds (2/3) vote of those present provided that the amendment has been submitted in writing at the previous meeting of has been mailed to the entire membership at least ten (10) days prior to the meeting at which it will be considered. Approved amendments shall become effective immediately unless otherwise specified in the amendment.

ARTICLE SIXTEEN CONSTRUCTION

These Bylaws are intended to be read in conjunction with the Covenants, and if there is any conflict between the Bylaws and the said Covenants, the Covenants shall control.

This the ____ day of _____, 2010.

Secretary