

BYLAWS
OF
OUTDOOR RESORTS AT GATLINBURG, INC.
A CONDOMINIUM

ARTICLE I. IDENTITY

The following Bylaws shall govern the operation of the Condominium known as OUTDOOR RESORTS AT GATLINBURG, INC., a condominium, described and named in the Master Deed to which these Bylaws are attached; OUTDOOR RESORTS AT GATLINBURG, INC., a Condominium, being a Tennessee Corporation not for profit, organized and existing pursuant to the Tennessee Corporation Act.

Section 1. The office of the Association shall be at the Condominium property or at such other place as may be subsequently designated by the Board of Directors.

Section 2. The corporation shall not utilize a corporate seal unless authorized by its Board of Directors.

Section 3. As used herein, the word "Corporation" shall be the equivalent of "Association" as defined in the Master Deed to which these Bylaws are attached, and all other words, as used herein, shall have the same definition as attributed to them in the Master Deed to which these Bylaws are attached.

ARTICLE II. MEMBERSHIP AND VOTING PROVISIONS

SECTION 1. The Corporation shall not issue stock or certificates.

SECTION 2. Membership in the Corporation shall be limited to owners of condominium units and certain lessees, as identified in the preceding Master Deed, II. Definitions, (1) id est. as recorded at the Register's Office of Sevier County, Tennessee. Transfer of unit ownership, either voluntary or by operation of law, shall terminate membership in the Corporation, said membership is to become vested in the transferee when recorded at the Register's Office of Sevier County, Tennessee. If unit ownership is vested in more than one person, then all of the persons so owning said unit shall be members eligible to hold office, attend meetings, etc. but as hereinafter indicated, the vote of a unit shall be cast by the "voting member". If unit ownership is vested in a corporation, said corporation may designate an individual officer or employee of the corporation as its "voting member". Any application for the transfer of membership, or for a conveyance of an interest in, or to encumber or lease a condominium parcel, where the approval of the Board of Directors of the Association is required, as set forth in these Bylaws and the Master Deed to which they are attached shall be accompanied by an application fee in an amount to be set by the Board of Directors to cover the cost of contacting the references given by the applicant, and such other costs of investigation that may be incurred by the Board of Directors.

SECTION 3. VOTING

(a) The owner(s) of each condominium unit shall be entitled to one vote for each condominium unit owned. If a condominium unit owner owns more than one unit, he shall be

entitled to one vote for each unit owned. The vote of a condominium unit shall not be divisible.

(b) A majority of the unit owners' total votes shall decide any question unless the Bylaws or Master Deed provides otherwise, in which event the voting percentage required in the Bylaws or the Master Deed shall control.

(c) Any unit owner(s), with any type of debt to the Association, who is delinquent by thirty (30) days or more, shall not be allowed to vote in person, by absentee, and/or any Proxy at the annual meeting in October and/or any other special meeting at which unit owners may vote.

SECTION 4. QUORUM Unless otherwise provided in these Bylaws, the presence in person or by absentee ballot or by proxy (to vote for both the Board of Directors and other business) of one third (125) of the unit owners' total votes shall constitute a quorum.

SECTION 5. PROXIES AND ABSENTEE BALLOTS Votes for directors may be cast in person, absentee ballot, or by proxy. Votes for all other matters to be voted at the annual meeting and at any other meeting of the membership may only be cast in person or by proxy. All proxies shall be in writing and signed by the person entitled to vote (as set forth below in Section 6,) and shall be filed with the Secretary prior to the meeting in which they are to be used, and shall be valid only for the particular meeting designated therein. Where a unit is owned jointly by husband and wife, and if they have not designated one of them as a Voting Member, a proxy must be signed by both husband and wife where a third person is designated. Both husband and wife must also sign to vote by absentee ballot for directors, if their unit is owned jointly and one has not been designated as a Voting Member.

SECTION 6. DESIGNATION OF VOTING MEMBER If a condominium unit is owned by one person, his right to vote shall be established by the recorded title to the unit. If a condominium unit is owned by more than one person, the person entitled to cast the vote for the unit shall be designated in a Certificate signed by all of the recorded owners of the unit and filed with the Secretary of the Association. If a condominium unit is owned by a Corporation, the officer or employee thereof entitled to cast the vote of the unit for the Corporation shall be designated in a certificate for this purpose, signed by the President or Vice President and attested to by the Secretary or Assistant Secretary of the Corporation, and filed with the Secretary of the Association. The person designated in these Certificates who is entitled to cast the vote for a unit shall be known as the "Voting Member." If such a certificate is not on file with the Secretary of the Association for a unit owned by more than one person or by a Corporation, the vote of the unit concerned shall not be considered in determining the requirement for a quorum, or for any purpose requiring the approval of a person entitled to cast the vote for the unit, except if said unit is owned by a husband and wife. Such Certificates shall be valid until revoked, or until superseded by a subsequent Certificate, or until a change in the ownership of the unit concerned. If a condominium unit is jointly owned by a husband and wife, the following three provisions are applicable thereto:

- (a) They may, but they shall not be required to, designate a voting member.
- (b) If they do not designate a Voting Member, and if both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote they shall lose their right to vote on that subject at that meeting. (As previously provided, the vote of a unit is not divisible.)
- (c) Where they do not designate a Voting Member, and only one is present at a meeting,

the person present may cast the unit vote, just as though he or she owned the unit individually, and without establishing the concurrence of the absent person.

SECTION 7. Nominations For Board of Directors. Any Lot Owner who wishes to be considered for election to the Board of Directors must submit a resume in writing to the Secretary of the Board. Nominations from the floor will not be permitted. Write-in votes are permitted on the ballot at the Annual Lot Owners' Meeting.

ARTICLE II-A. MEETINGS OF THE MEMBERSHIP

Section 1. Place All meetings of corporation membership shall be held at the condominium property, or at such other place and time as shall be designated by the Board of Directors of the Association and stated in the Notice of Meeting.

Section 2. Notices It shall be the duty of the Secretary to mail a Notice of each annual or special meeting, stating the time and place thereof to each unit owner of record, at least fifteen (15) days, but not more than thirty (30) days prior to such meeting. Notice of any special meeting shall state the purpose thereof. All notices shall be mailed to or served at the address of the unit owner as it appears on the books of the corporation.

Section 3. Order of Business The order of business at annual members' meetings, and, as far as practical to all other members' meetings shall be:

- (a) Election of chairman of the meeting
- (b) Calling of the roll and certifying of proxies
- (c) Proof of notice of meeting or waiver of notice
- (d) Reading and disposal of any unapproved minutes
- (e) Reports of officers
- (f) Reports of committees
- (g) Election of inspectors of Election
- (h) Election of Directors
- (i) Unfinished business
- (j) New Business
- (k) Adjournment

Section 4. Annual Meeting The annual meeting shall be held at the campsite on the third (3rd) Saturday of October following the occurrence of one of the events in Section 8 hereof, for the electing of directors and transacting other business authorized to be transacted by the members; provided, however that if that day is a legal holiday the meeting shall be held at the same hour on the next secular day following. At the annual meeting, the members shall elect by a plurality vote (cumulative voting prohibited), a Board of Directors and transact such other business as may properly be brought before the meeting.

Section 5. Special Meeting Special meetings of the members for any purpose or purposes, unless otherwise prescribed by statute or by the Articles of Incorporation, may be called by the President, and shall be called by President or Secretary at the request, in writing, of a majority of the Board of Directors, or at the request, in writing, of Voting Members representing a majority of the unit owners' total votes, which request shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to objects stated in the notice thereof.

Section 6. Waiver and Consent Whenever the vote of members at a meeting is required or permitted by any provision of the statutes or of the Articles of Incorporation, or of these Bylaws, to be taken in connection with any action of the corporation, the meeting and vote of members may be dispensed with if all the members who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 7. Adjourned Meeting If any meeting of members cannot be organized because a quorum of Voting Members is not present, either in person, by absentee ballot or by the appropriate proxy (as defined in Article II, Section 4), the meeting may be adjourned from time to time until a quorum is present.

Section 8. Proviso Provided, however, that until the Developer of the Condominium has completed and sold all of the units in the Condominium, or until a majority of the members pursuant to Section 5 hereof request the same, or until the Developer elects to terminate its control of the Condominium, whichever shall first occur, there shall be no meeting of member of the Association unless there is a meeting called by the Board of Directors of the Association.

Section 9. Approval or Disapproval Approval or Disapproval of a unit owner upon any matter, whether or not the subject of an Association meeting, shall be by the "Voting Member"; provided, however, where a unit is owned jointly by a husband and wife and they have not designated one of them as a Voting Member, their joint approval or disapproval shall be required where they are both present, or in the event only one is present, the person present may cast the vote without establishing the concurrence of the absent person.

ARTICLE III. DIRECTORS

The Board of Directors shall consist of three (3) members during the first corporation year and nine (9) members thereafter. At the first corporate meeting all nine Directors shall be elected, three for terms of one (1) year, three for two (2) year terms and three for three (3) year terms. Thereafter, at each annual meeting the Directorships of those whose **three year terms** have expired shall be elected from the voting members for a period of three years, it being the intent that there shall be Directors elected at each annual membership meeting for a period of three years.

1. **A lot owner for at least one (1) year;**
2. **The Director's name must be on the deed recorded in the Sevier County Register of Deeds' office, with a recorded copy in the Condo office or if the lot is held by a business entity or trust, the director shall provide to the Association documentation showing the Director to be a principal or trustee of the entity or trust;**
3. **Be in good standing with the association, current on assessments and not otherwise deemed in violation of the Master Deed, Bylaws or Rules and Regulations of the Development.**

In case of an unfulfilled three-year term, a successor for the remaining unfulfilled period shall also be elected from the membership at the annual meeting. Each member of the Board of Directors, other than the initial board, shall be either the owner of a condominium unit or an owner of an interest therein.

Section 1. First Board of Directors

- (a) The first Board of Directors, who shall serve until the first annual meeting of members and until their successors have been elected and qualified, shall consist of the following:

Ben Kingree, III
E. Randall Henderson
Charles B. McMahon

- (b) The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed 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.

Section 2. Removal of Directors At any time after the first annual meeting of the membership, at any duly convened regular or special meeting, any one or more of the directors may be removed with or without cause by the affirmative vote of the voting members casting not less than two-thirds of the total votes present at said meeting, and a successor may then and there be elected to fill the vacancy thus created. Should the membership fail to elect said successor, the Board of Directors may fill the vacancy in the manner provided in Section 3 below.

Section 3. Vacancies on Directorate If the office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, a majority of the remaining Directors, though less than a quorum, shall choose a successor or successors, **who shall hold office until the next annual lot owners meeting.** The election held for the purpose of filling said vacancy may be held at any regular or special meeting of the Board of Directors.

Section 4. DISQUALIFICATION AND RESIGNATION OF DIRECTORS. Any director may resign at any time by sending a written notice of such resignation to the office of the corporation delivered to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Board Secretary. Three consecutive absences from regular meetings of the Board of Directors, unless excused by resolution of the Board of Directors, shall automatically constitute a resignation effective when such resignation is accepted by the Board of Directors. In the event a director ceases to be an owner of a condominium unit or having an interest therein, or the Directors put their only lot up for sale without a recorded intent to purchase another lot submitted to the Board, or in the event a corporate ownership ceases to be an officer of said Corporation, then the directorship shall immediately and automatically terminate. No member shall continue to serve on the Board should he be more than 30 days delinquent in the payment of an assessment and/or any debt said delinquency shall automatically constitute a resignation effective when such resignation is accepted by the Board of Directors.

Section 5. Regular Meetings The Board of Directors may establish a schedule of regular meetings to be had at such time and place as the Board of Directors may designate. Notice of such regular meetings shall nevertheless be given to each Director personally or by mail, telephone, or telegraph, at least five (5) days prior to the day named for such meeting.

Section 6. Special Meetings Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of one-third of the votes of the Board. Not less than five days' notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

Section 7. Directors' Waiver of Notice Before or at any meeting of the Board of Directors, any Director may waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 8. Quorum At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at such meetings at which a quorum is present shall be the acts of the Board of Directors. 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. At each such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

Section 9. Compensation The Directors' fees, if any, shall be determined by the "Voting Members".

Section 10. Powers and Duties The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the corporation and may do all such acts and things as are not by law or by the Declaration of Condominium or by these Bylaws directed to be exercised and done by the unit owners. These powers shall specifically include, but shall not be limited to, the following:

(a) To exercise all powers specifically set forth in the Master Deed, in these Bylaws, the Articles of Incorporation of this Corporation, and in the Horizontal Property Act of Tennessee, and all powers incidental thereto.

(b) To make assessment, collect said assessments, and use and expend the assessments to carry out the purposes and powers of the Corporation.

(c) To employ, dismiss and control the personnel necessary for the maintenance and operation of the project and of the common areas and facilities, including the right and power to employ attorneys, accountants, contractors and other professionals as the need arises.

(d) To make, amend, **and enforce rules** and regulations respecting the operation and use of the common elements and condominium property and the use and maintenance of the condominium units therein.

(e) To contract for the management of the condominium and to designate to such contractor all of the powers and duties of the Association except those which may be required by the Master Deed to have approval of the Board of Directors or membership of the Association.

(f) Designate one or more committees, which to the extent provided in the resolution designating such committee shall have the powers of the Board of Directors in the management of the business and affairs of the Corporation. Such committee to consist of at least three (3) members of the Corporation, one of whom shall be a Director. The committee or committees shall have such name or names as may be determined from time to time by the Board of

Directors and said committee shall keep regular minutes of their proceedings and report the same to the Board of Directors as required.

(g) To use and disburse the proceeds of assessments in the exercise of its powers and duties.

(h) The maintenance, repair, replacement and operation the condominium property.

(i) The reconstruction of improvements after casualty and the further improvement of the property.

(j) To enforce by legal means **and other board approved actions**, the provisions of the condominium documents, the Articles of Incorporation, the Bylaws of the Association, and the regulations for the use of the property in the condominium.

(k) To pay taxes and assessments which are liens against any part of the condominium other than individual units and the appurtenances thereto, and to assess the same against the units subject to such liens.

(l) To pay all the cost of all power, water, sewer and other utility services rendered to the condominium and not billed to owners of individual units.

The foregoing powers shall be exercised by the Board of Directors or its contractor or employees subject only to approval by unit owners when such is specifically required.

ARTICLE IV. OFFICERS

Section 1. Elective Officers The principal officers of the corporation shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. One person may not hold more than one of the aforesaid offices, except one person may be both Secretary and Treasurer. The President and Vice President shall be members of the Board of Directors.

Section 2. Election The officers of the corporation designated in Section 1 above shall be elected annually by the Board of Directors, at the organizational meeting of each new Board following the meeting of the members.

Section 3. Appointive Officers The Board may appoint an Assistant Secretary and an Assistant Treasurer and such other officers as the Board deems necessary.

Section 4. Term The officers of the Corporation shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the Board of Directors, provided, however, that no officer shall be removed except by the affirmative vote for removal by a majority of the whole Board of Directors (e.g. if the Board of Directors is composed of nine persons, then five of said Directors must vote for removal). If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 5. The President He shall be the chief executive officer of the Corporation; he shall preside at all meetings of the unit owners and of the Board of Directors. He shall have executive powers and general supervision over the affairs of the Corporation and other officers. He shall sign all written contracts to perform all of the duties incident to his office and which may be delegated to him from time to time by the Board of Directors.

Section 6. The Vice President He shall perform all of the duties of the President in his absence or disability and such other duties as may be required of him from time to time by the Board of Directors.

Section 7. The Secretary He shall issue notices of all Board of Directors' meetings and all meetings of the unit owners; he shall attend and keep the minutes of the same; he shall have charge of all of the Corporation's books, records and papers, except those kept by the Treasurer. He shall have custody of the seal of the Association. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent or incapacitated.

Section 8. The Treasurer

(a) He shall have custody of the Corporation funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all monies and other valuable effects in the name of and to the credit of the Corporation in such depositories as may be designated from time to time by the Board of Directors.

(b) He shall disburse the funds of the Corporation as may be ordered by the Board in accordance with these Bylaws, making proper vouchers for such disbursements, and shall render to the President and Board of Directors at the regular meeting of the Board of Directors, or whenever they may require it, an account of all of his transactions as Treasurer and of the financial condition of the Corporation.

(c) He shall collect the assessments and shall promptly report the status of collections and of all delinquencies to the Board of Directors.

(d) He shall give status reports to potential transferees, on which reports the transferees may reply.

(e) The Assistant Treasurer shall perform the duties of the Treasurer when the Treasurer is absent or incapacitated.

ARTICLE V. FISCAL MANAGEMENT

Section 1. Depositories The funds of the Corporation shall be deposited in such banks and depositories as may be determined by the Board of Directors from time to time, upon resolutions approved by the Board of Directors, and shall be withdrawn only upon checks and demands for money signed by such officer or officers of the Corporation as may be designated by the Board of Directors. Obligations of the Corporation shall be signed by at least two officers of the Corporation.

Section 2. Fidelity Bonds. The Treasurer and all officers who are authorized to sign checks, and all officers and employees of the Association and any contractor handling or responsible for Association funds, shall be bonded in such amount as may be determined by the Board of Directors. The premiums on such bonds shall be paid by the Association. The bond shall be in an amount sufficient to equal the monies an individual handles or has control via a signatory or a bank account or other depository account.

Section 3. Fiscal Year The fiscal year for the Corporation shall begin on the first day of January of each year; provided, however, that the board of Directors is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America, at such time as the Board of Directors deems it advisable.

Section 4. Determination of Assessments

(a) The Board of Directors of the Corporation shall fix and determine from time to time, the sum or sums necessary and adequate for the common expenses of the condominium

property. Common expenses shall include expenses for the operation, maintenance, repair or replacement of the common elements and the limited common elements, costs of carrying out the power and duties of the Corporation, all insurance premiums and expenses relating thereto, including fire insurance and extended coverage, and any other expenses designated as common expenses from time to time, by the board of Directors of the Corporation. The Board of Directors is specifically empowered, on behalf of the Corporation, to make and collect assessments, and to maintain, repair and replace the common elements and the limited common elements of the Condominium. Funds for the payment of common expenses shall be assessed against the unit owners in the proportions of percentages of sharing common expenses as provided in the Declaration. Said assessment shall be payable as ordered by the Board of Directors. Special Assessments, should such be required by the Board of Directors, shall be levied in the same manner as hereinbefore provided for regular assessments, and shall be payable in the manner determined by the Board of Directors.

(b) When the Board of Directors has determined the amount of any assessment, the Treasurer of the Corporation shall mail or present to each unit owner, a statement of said unit owner's assessment. All assessments shall be payable to the Treasurer of the Corporation and, upon request, the Treasurer shall give a receipt for each payment made to him.

Section 5. Application of Payments and Co-Mingling of Funds All sums collected by the Association from assessments may be co-mingled in a single fund, or divided into more than one fund, as determined by the Board of Directors. All assessment payments by a unit owner shall be applied as to interest, delinquencies, costs and attorneys' fees, other charges, expenses or advances, as provided herein and in the Master Deed, and general or special assessments in such manner as the Board of Directors determines in its sole discretion.

Section 6. Annual Audit An audit of accounts of the Association shall be made annually by a Certified Public Accountant, and a copy of the Report shall be available for inspection by the members at the Office of the Association, not later than three months after the end of the year for which the report is made.

Section 7. Acceleration of Assessment Installments Upon Default If a unit owner shall be in default in the payment of an installment upon any assessment, the Board of Directors may accelerate the remaining monthly installments for the fiscal year upon notice thereof to the unit owner, and, thereupon, the unpaid balance of the assessment shall be come due upon the date stated in the Notice, but not less than fifteen (15) days after the delivery of or mailing of said notice to the unit owner.

ARTICLE VI. SUBSTANTIAL ADDITIONS OR ALTERATIONS

There shall be no substantial additions or alterations to the common elements or limited common elements unless the same are authorized by the Board of Directors and ratified by the affirmative vote of the Voting Members casting not less than **two-thirds (2/3rds)** of the total votes of the unit owners present at any regular or special meeting of the unit owners called for that purpose.

ARTICLE VII. COMPLIANCE AND DEFAULT

Section 1. Violations In the event of a violation (other than the nonpayment of an assessment) by the unit owner in any of the provisions of the Master Deed of these Bylaws, **any**

rules and regulations, or of the applicable portions of the Condominium Act, the Association, by direction of its Board of Directors, may notify the unit owner by written notice of said breach, transmitted by mail, and if such violation shall continue for a period of thirty (30) days from the date of the notice, the Association, through its Board of Directors, shall have the right to treat such violation as an intentional and inexcusable and material breach of the Declaration, of the Bylaws or the pertinent provisions of the Condominium Act, and the Association may then, at its option, have the following elections:

(1) An action at law to recover for its damage on behalf of the Association or on behalf of the other unit owners; (2) an action in equity to enforce performance on the part of the unit owner; (3) an action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief. Upon a finding by the court that the violation complained of is willful and deliberate, the unit owner so violating shall reimburse the Association for reasonable attorney's fees incurred by it in bringing such action. Failure on the part of the Association to maintain such an action at law or in equity within thirty (30) days from date of a written request, signed by a unit owner, sent to the Board of Directors, shall authorize any unit owner to bring an action in equity or suit at law on account of the violation, in the manner provided for by the Condominium Act. Any violations which are deemed by the Board of Directors to be a hazard to public health, may be corrected immediately as an emergency matter by the Association, and the cost thereof shall be charged to the unit owner as a specific item which shall be a lien against said unit with the same force and effect as if the charge were a part of the common expense; or **(4) an action to apply penalties and other actions deemed appropriate by the Board of Directors to enforce the rules and regulations.**

Section 2. Negligence or Carelessness of Unit Owner, etc. All unit owners shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association, if any. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation. The expense for any maintenance, repair or replacement required, as provided in this section, shall be charged to said unit owner as a specific item which shall be a lien against said unit with the same force and effect as if the charge were a part of the common expense. Said lien shall be subordinate to the lien of any institutional first mortgage on a given condominium unit.

Section 3. Costs and Attorneys Fees In any proceeding arising because of an alleged default by a unit owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the court.

Section 4. No Waiver of Rights The failure of the Association or of a unit owner to enforce any right, provision, covenant or condition which may be granted by the condominium documents shall not constitute a waiver of the right of the Association or unit owner to enforce such right, provision, covenant or condition of the future.

Section 5. No Election of Remedies All rights, remedies and privileges granted to the Association or unit owner pursuant to any terms, provisions, covenants or conditions of the condominium documents, shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or

privileges as may be granted to such other party by the condominium documents, or at law, or in equity.

ARTICLE VIII. ACQUISITION OF UNITS

Acquisition on Foreclosure At any foreclosure sale of a unit the Board of Directors may, with the authorization and approval, by the affirmative vote of Voting Members casting not less than three-fourths of the total votes of the unit owner, wherein said matter is voted upon, acquire in the name of the Corporation or its designee, a condominium parcel being foreclosed. The term "foreclosure" as used in this section shall mean and include any foreclosure of any lien, including a lien for assessments. The power of the Board of Directors to acquire a condominium parcel at any foreclosure sale shall never be interpreted as any requirement or obligation on the part of the Board of Directors, or of the Corporation, to do so at any foreclosure sale, the provisions hereof being permissive in nature and for the purpose of setting forth the power in the Board of Directors to do so should the requisite approval of the Voting Members be obtained.

ARTICLE IX. AMENDMENT TO THE BYLAWS

Subject to the provisions of Article XVI, Section 5 thereof, these Bylaws may be altered, amended or added to at any duly called meeting of the unit owners by the affirmative vote of three-fourths (3/4ths) of the Voting members present and by Proxy, provided:

1. Notice of the meeting shall contain a statement of the proposed amendment; and
2. A recommendation for approval of the proposed amendment if approved by a three-fourths (3/4ths) majority of the full Board of Directors; and
3. Said amendment shall be recorded and certified as required by the Condominium Act.

ARTICLE X. NOTICES

Whatever notices are required to be sent hereunder shall be delivered or sent in accordance with the applicable provisions for notices, as set forth in the Master Deed to which these Bylaws are attached.

ARTICLE XI. INDEMNIFICATION

The Corporation shall indemnify every Director and every Officer, his heirs, executors and administrators, against all loss, cost and expenses reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party, by reason of his being or having been a Director or Officer of the Corporation, including reasonable counsel fees to be approved by the Corporation, except as to matters wherein he shall be finally adjudged in such action, suit or proceeding to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

ARTICLE XII. LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of membership in the Condominium shall not relieve or release any such former owner or member from any liability or obligations incurred under or in any way connected with the Condominium during the period of such ownership and membership, or impair any rights or remedies which the Association may have against such former owner and member

arising out of or in any way connected with such ownership and membership, and the covenants and obligations incident thereto.

ARTICLE XIII. LIMITATION OF LIABILITY

Notwithstanding the duty of the Association to maintain and repair parts of the condominium property, the Association shall not be liable for injury or damage caused by a latent condition in the property, nor for injury or damage caused by the elements, or by other owners or persons.

ARTICLE XIV. PARLIAMENTARY RULES

Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Master Deed, Horizontal Property Act of Tennessee or these Bylaws.

ARTICLE XV. LIENS

Section 1. Protection of Property All liens against a condominium unit, other than for permitted mortgages, taxes or special assessments, or as provided for in Article VII, Section 2 hereof, shall be satisfied or otherwise removed within 30 days of the date the lien attaches. All taxes and special assessments upon a condominium unit shall be paid before becoming delinquent, as provided in these condominium documents, or by law, whichever is sooner.

Section 2. Notice of Lien A unit owner shall give notice to the Association of every lien upon his unit, other than for permitted mortgages, taxes and special assessments, or said Article VII, Section 2 Liens, within five (5) days after the attaching of the lien.

Section 3. Notice of Suit Unit owners shall give notice to the Association of every suit or other proceedings which will or may affect title to his unit or any other part of the property, such notice to be given within five (5) days after the unit owner received notice thereof.

Section 4. Failure to Comply with this Article concerning liens will not affect the validity of any judicial sale.

Section 5. Permitted Mortgage Register The Association shall maintain a register of all permitted mortgages and at the request of a mortgagee the Association shall forward copies of all notices for unpaid assessments or violations served upon a unit owner to said mortgagee.

ARTICLE XVI. RULES AND REGULATIONS

Section 1. As to Common Elements The Board of Directors may from time to time adopt or amend **and enforce** previously adopted administrative rules and regulations governing the details of the operation, use, maintenance, management and control of the common elements of the condominium and any facilities or services made available to the unit owners. The Board of Directors shall from time to time post in a conspicuous place on the condominium property, a copy of the rules and regulations adopted from time to time by the Board of Directors.

Section 2. As to Condominium Units The Board of Directors may from time to time adopt or amend **and enforce** previously adopted rules and regulations governing and restricting

the use and maintenance of the condominium unit(s), provided, however, that copies of such rules and regulations are furnished to each unit owner prior to the time the same becomes effective and where applicable or desirable, copies thereof shall be posted in a conspicuous place on the condominium property.

Section 3. As to Occupancy of a Unit: Since the intent of our Master Deed is to restrict the usage of our campground "as recreational campsites" and not for long-term stays, the maximum length of stay of an occupant, other than the unit owners and immediate family members, shall be three (3) weeks at the campground. No long-term (in excess of three (3) weeks) leases, rentals and or agreements for occupancy of any other type are permitted. At the cessation of any stay by a non-owner/family member, an interval of no less than fourteen (14) days shall pass before they may occupy the same or another site at the campground.

Section 4. Building Rules and Regulations: The building rules and regulations hereinafter enumerated shall be deemed in effect until amended by the Board of Directors and shall apply to and be binding upon all unit owners. The unit owners shall at all times obey said rules and regulations and shall use their best efforts to see that they are faithfully observed by their families, guests, invitees, servants, lessees and person over whom they exercise control and supervision. Said building rules and regulations are as follows:

1. All lots, parcels or units shall be registered and reserved for use by camping units as follows: tent type or hard side fold down trailers, pick-up campers, travel trailers, motor coaches, 5th wheel trailers, whose bodies are not longer than (40) feet nor wider than one hundred two (102) inches as identified by the Manufacturer. The one hundred two (102) inches does not include either left side and /or right side slide-outs/tip outs which will be permitted. The length of any one slide-out may not exceed ½ the length of the unit.

PROVIDED, further, that the measurements described herein are not intended to include handles, open windows, mirrors, awning hardware or other such items normally found attached to a camping unit.

PROVIDED, further, that adequate driveway parking be maintained for an automobile, truck or van on a lot in such a manner as not to protrude into the street, on grass or adjacent property.

PROVIDED, further that no portion of the camping unit shall extend or project beyond the lot lines of the campsite on which it is placed and that all necessary clearances between camping units are maintained as established from time to time by the State of Tennessee Fire Codes as applicable. Not included within such classification shall be ground tents. No permanent, semi-permanent structure or any slide-out, tip-out, or mobile home may be erected on any campsite in the subdivision; nor may any camping unit, which is designed as permanent living quarters be located or placed on any campsite. It being the declared intent of the Developer to exclude mobile homes from use on the campsite and to create and maintain an area designated for the maximum beauty and benefit of campers.

ONLY ONE (1) camping unit may be located or maintained on each campsite unless it is the principle means of transportation for the camping unit on the campsite.

1-A. A lot owner who has a camping unit longer than 40 feet or wider than 102 inches on his lot which was grandfathered in on September 20, 1980, will be permitted to keep such unit on that lot, or to sell it with his lot, so long as such unit is able to be maintained to proper standards as established by the Board of Directors and verified annually by inspection. Any such camping unit may be removed for a period of thirty (30) days with prior written notice to the Association Manager. This period of time may be extended with prior approval by the Board of Directors. PROVIDED further, when such camping unit is replaced, the replacement must be with a conforming camping unit.

2. (Deleted)

3. An easement ten (10) feet in width is reserved along each of the lot lines of each site for the installation and maintenance of utility services, and it is understood that such easement may be used by the developer and /or its assigns for such installation and maintenance, as the case might be.

4. No outside toilets shall be installed or allowed on any campsite. Developer has or will install suitable and adequate sanitary facilities as provided by the Laws of the State of Tennessee, and each user of such facilities agrees to protect the same and prevent loss or damage to occur thereto.

5. No nuisance shall be allowed upon the condominium property nor any use or practice which is the source of annoyance to residents, or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate or any fire hazard allowed to exist.

6. No commercial activity of any kind whatsoever shall be conducted or, or from any site in the subdivision. The foregoing shall not, however, prevent the Developer from designating certain areas in the subdivision for commercial use.

7. The Condominium Association shall levy and collect a reasonable monthly assessment against the unit owners, sufficient sums to cover the owners' proportionate share of the actual cost of operating and maintaining all common use property and facilities, providing water, electricity and garbage disposal service, sewage service, general maintenance and carrying out of its duties hereunder as "management." Likewise the Association shall include in the assessment so made the sum adequate to pay all real property taxes on the condominium parcel as well as the common elements. The collection of these sums shall be provided for in an adequate manner to assure the maintenance necessary.

8. These restrictions shall be considered as covenants running with the land, and shall bind the purchasers of all sites shown on the subdivision plat or plats hereinbefore referred to, recorded or to be recorded, their heirs, executors, administrators, and assigns, and if said owners or any of them, their heirs, executors, successors or assigns, shall violate or attempt to violate any of the covenants or restrictions herein contained, it shall be lawful for any person or persons owning any such sites in the subdivision in which said site is situated to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate any such covenant or restriction and either to prevent him or them from so doing or to recover damages for such violation including costs of the suit and a reasonable attorneys fee. Any

invalidation of any of these covenants and restrictions shall in no way affect any other of the provisions thereof which shall thereafter remain in full force and effect.

9. The unit owner shall not permit or suffer anything to be done or kept in his unit which will increase the rate of insurance on the condominium property, or which will obstruct or interfere with the right of other unit owners, or annoy them by unreasonable noises, or otherwise; nor shall the unit owner commit or permit any nuisance, immoral or illegal act in or about the condominium property.

10. No person shall use the common elements or any part thereof, or a condominium unit or the condominium property or any part thereof, in any manner contrary to or not in accordance with such rules and regulations pertaining thereto, as from time to time may be promulgated by the Association.

11. These initial Rules and Regulations are captioned "Rules and Regulations" and are as set forth herein in the Bylaws of the Association. These Rules and Regulations shall be deemed effective until amended, as provided in the Bylaws.

Section 5. Conflict In the event of any conflict between the rules and regulations contained herein, or from time to time amended or adopted, and the condominium documents, or the Horizontal Property Act of Tennessee, the latter shall prevail. Where required by the Horizontal Property Act of Tennessee, any amendment to the rules and regulations herein shall be recorded in the Official Records of the County in which this condominium is located in the manner required by said Act.

Section 6. Rights of Developer Notwithstanding anything to the contrary set forth in the Bylaws, no amendments to all or any part of this Article XVI shall be permitted without the written consent of the Developer (the term "Developer" being defined in said Master Deed), which consent shall not be unreasonably withheld, but which consent shall be conditioned upon the fact that, in the Developer's opinion, such amendment does not either (1) lower the standards of maintenance and the upkeep of the various facilities included in the operation of the entire condominium including, without limitation, the recreational facilities, or (2) restrict the various commercial activities of the Developer in connection with the entire condominium including, without limitation, the operation of a store or stores, laundry facilities, marina and other service type operations, and the sale and/or rental of condominium units.

If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these Bylaws and the Master Deed, the provisions of the Master Deed shall prevail.