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BY-LAWS
OFTHE RESERVE AT SPENCER CREEK HOMEOWNERS' ASSOCIATION, INC.
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FORM OF ADMINISTRATION

Section 1.1 Property Subject Hereto. The name of the corporation shall be The Reserve at Spencer Creek Homeowners' Association, Inc. (the "Association"). The property to which these By-Laws shall apply is described as Fieldstone Farms, Section U, The Reserve at Spencer Creek, located in Williamson County, Tennessee (the "Property"). The Property having been submitted to the provisions of the Tennessee Nonprofit Corporation Act by (i) that certain Charter filed with the Tennessee Secretary of State and (ii) that certain Declaration of Covenants, Conditions and Restrictions for Fieldstone Farms, Section U, The Reserve at Spencer Creek (the "Declaration"), of record in Book 1602, page 689, Register's Office for Williamson County, Tennessee. The Property shall also be subject to the Declaration of Covenants, Conditions and Restrictions of Fieldstone Farms recorded in Book 761, page 808, Register's Office for Williamson County, Tennessee ("Fieldstone Covenants"). The definitions contained in the Declaration shall be deemed to be definitions hereof.

Section 1.2 Form of Administration and Operation of the Property. The administration and operation of the Property shall be conducted by a homeowners' association under the name of "The Reserve at Spencer Creek Homeowners' Association, Inc." (the "Association"). The Association shall not be deemed to be conducting a business of any kind. All activities undertaken by the Association shall be for the sole benefit of the owners (the "Owners") of the fee simple title to any "lot," "homesite" or "unit" as defined in the Declaration (hereinafter the "Unit"), and all funds received by the Association shall be held and applied by it for the use and benefit of Owners in accordance with the Declaration and these By-Laws. Each Owner shall be a member of the Association so long as he is an Owner. An Owner's membership shall automatically terminate when he ceases to be an Owner. Upon the conveyance or transfer of an Owner's ownership interest to a new Owner, the new Owner shall simultaneously succeed to the former Owner's membership in the Association. The term "Owner" when used hereinafter shall be deemed to be the same as a "member" as described in this provision.

Section 1.3 Application. These By-Laws and each change made in accordance herewith are, and shall be, covenants running with each Unit and binding on each successive Owner of each Unit. All present and future Owners, and any other persons who may use the Property in any manner are subject to these By-Laws and the Declaration. The acceptance of a deed or conveyance, or mortgage, or the entering into a lease with an Owner, or the act of occupancy of a Unit shall constitute a covenant and an agreement by the grantee, conveyer, mortgagee, lessee or occupant that these By-Laws and the provisions of the Declaration, as they

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may be amended from time to time, are accepted, ratified, and will be complied with, and further, that he will make the provisions herein known to any subsequent purchaser, lessee or mortgagee.

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Section 1.4 Office. The office of the Association and of the Board of Directors shall be located at the Property, or at such other location as the Board of Directors may from time to time designate.

ARTICLE II MEMBERSHIP AND VOTING RIGHTS

Section 2.1 Membership. Every Owner, as defined in Section 1.2 and the Declaration, shall be deemed to have membership in the Association. No Owner, whether one or more persons, shall have more than one (1) membership per Unit owned. In the event the Owner of a Unit is more than one (1) person, votes and rights of use and enjoyment shall be as provided herein by these By-Laws and the Declaration. The rights and privileges of membership, including the right to vote, may be exercised by a Owner or the Owner's spouse, subject to the provisions of the Declaration and these By-Laws. The membership rights of a Unit owned by a corporation or partnership shall be exercised by the individual designated in a written instrument provided to the Secretary, subject to the provisions of the Declaration and these By-Laws. Membership in the Association shall pass with the title to each Homesite as an appurtenance thereto.

Section 2.2 Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B", as follows:

(1) **Class "A".** Class "A" Members shall be all Owners with the exception of the Class "B" member, if any. Class "A" Members shall be entitled to one (1) equal vote for each Unit in which they hold the interest required for membership under Section 2.1 hereof; provided, no Owner shall be entitled to a vote for any Unit until such time as the Unit is subject to the full annual assessments. There shall be only one (1) vote per Unit. In any situation where more than one (1) person holds the interest in such Unit required for membership, the vote for such Unit shall be exercised as those persons determine among themselves and advise the Secretary of the Association prior to any meeting. In the absence of such advice, the Unit's vote shall be suspended if more than one (1) person seeks to exercise it. Any Owner of a Unit which is leased may, in the lease or other written instrument, assign the voting right appurtenant to that Unit to the lessee, provided that a copy of such instrument is furnished to the Secretary prior to any meeting.

(2) **Class "B".** The Class "B" Member shall be Westbrook Fieldstone Farms, L.L.C. a Delaware limited liability company, its successors and assigns (the "Declarant"). The rights of the Class "B" member, including the right to approve actions taken under the Declaration and these By-Laws, are specified elsewhere in the Declaration and the By-Laws. The Class "B" member shall be

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 entitled to three (3) votes per Unit owned until such time when Class "B" votes terminate and convert to Class "A" votes.

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(3) The Class "B" membership shall terminate and become converted to Class "A" membership upon the happening of the earlier of the following:
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- (i) When the total votes outstanding in the Class "A" membership equal the total votes outstanding in the Class "B" membership; or
- (ii) When the Declarant no longer owns any Unit; or
- (iii) When the Declarant notifies the Association in writing that it relinquishes its Class "B" membership, with the approval of first mortgagee of Declarant (if any); or
- (iv) January 1, 2005.

(4) Sixty (60) days from and after the happening of the occurrence of the first of the aforesaid events, the Class "B" Member shall be deemed to be a Class "A" member, at such time, the Declarant shall call a meeting, as provided hereinafter in Article IV, Section 4.5 for special meetings, to advise the membership of the termination of Class "B" status and to elect the remaining members of the Board of Directors.

ARTICLE III MEMBERS' MEETINGS

Section 3.1 Annual Meetings. At, or before, the expiration of its term of office, the initial Board of Directors shall notify all Owners, and a meeting of the Owners shall be held within thirty (30) days thereafter on a call issued by the President. Thereafter, the annual meetings of the Owners shall be held on the 15th day of January of each succeeding year, unless such date shall occur on a Saturday or Sunday, in which event the meeting shall be held on the succeeding Monday.

Section 3.2 Place of Meetings. Meetings of the Owners shall be held at the principal office of the Association or at such other suitable place convenient to the Owners as may be designated by the Board of Directors.

Section 3.3 Special Meetings. It shall be the duty of the President to call a special meeting of the Owners if so directed by resolution of the Board of Directors. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

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Section 3.4 Notice of Meetings. It shall be the duty of the Secretary to mail a written notice of such meeting of the Owners, at least ten (10), but not more than twenty (20) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Owner of record, at the building or at such other address as such Owner shall have designated by notice in writing to the Secretary. The mailing of such notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 3.5 Adjournment of Meetings. If any meeting of Owners cannot be held because a quorum has not attended, a majority of the Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time approved by a majority of those then present.

Section 3.6 Order of Business. The order of business at all meetings of the Owners shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meeting;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers;
- (e) Report of Board of Directors;
- (h) Election of member of the Board of Directors (when so required);
- (i) Unfinished business;
- (j) New business.

Section 3.7 Voting. The Owner or Owners of each Unit, or some person designated by such Owner or Owners to act as proxy on his or their behalf of whom need not be an Owners, shall be entitled to cast the vote appurtenant to such Unit at all meetings of Owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the Owner or Owners so designating. Any or all of such Owners may be present at any meeting of the Owners and (those constituting a group acting unanimously), may vote or take any action as a Owner either in person or proxy.

Section 3.8 Quorum of Owners. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Owners representing both of the Units shall constitute a quorum at all meetings of the Owners, and an unanimous vote of such Owners or their proxy shall constitute the decision of the Owners. If at any meeting of the Owners a unanimous decision cannot be reached, the voting Owners shall jointly designate a third person to cast the deciding

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vote. If the Owners cannot agree upon the appointment of such a third person, each voting Owner shall appoint another person, the two of whom shall choose a third original deadlock between voting Owners. In the case where a third person is chosen by either of the processes outlined above to vote to break a deadlock between the voting Owners, a two-thirds vote of said voting parties shall constitute the decision of the Owners.

ARTICLE IV BOARD OF DIRECTORS

Section 4.1 Board of Directors. The business and affairs of the Association shall be supervised by its Board of Directors, which shall exercise in the name of and on behalf of the Association all of the rights and privileges legally exercisable by the Association as a corporate entity, except as may otherwise be provided by law, the Charter, or these By-Laws. The Board of Directors, as the governing body of the Association, shall have the authority to receive, administer, invest and distribute property on behalf of the Association in accordance with the provisions set forth in these By-Laws.

Section 4.2 Number, Tenure, and Qualifications. The number of the members of the Board of Directors shall be not less than three (3) nor more than seven (7). However, the number of directors may be increased or decreased from time to time by the Board of Directors by amendment of these By-Laws, but no decrease shall have the effect of shortening the term of an incumbent director or reducing the number of directors below three (3). The initial members of the Board of Directors shall be appointed by the Incorporator(s) to serve until after the first annual meeting of the Board of Directors and until his or her successor shall have been elected and qualified. At its annual meeting, the Board of Directors shall elect individuals to serve on the Board of Directors for such terms of office as the Board of Directors may from time to time establish, provided such term does not exceed five (5) years. Each director shall hold office until his or her term shall have expired and his or her successor shall have been elected and qualified, or until his or her earlier resignation, removal from office, or death. A retiring director may succeed himself or herself. Directors shall be natural persons who have attained the age of twenty-one (21) years, but need not be residents of the State of Tennessee.

Section 4.3 Advisory Members. The Board of Directors may elect advisory members from time to time, who may attend, without vote, all meetings of the Board of Directors. Advisory members shall serve at the pleasure of the Board of Directors and shall advise and counsel the Board of Directors on appropriate matters.

Section 4.4 Annual Meeting. The annual meeting of the Board of Directors shall be held within or without the State of Tennessee on the last business day of the fifth (5th) month following the close of the Association's fiscal year, or at such other time and date prior thereto and following the close of the Association's fiscal year as shall be determined by the Board of Directors. The purpose of the annual meeting shall be to elect directors and officers and transact such other business as may properly be brought before the meeting. If the election of directors and officers shall not be held on the day herein designated for any annual meeting of the Board

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of Directors, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Board of Directors as soon thereafter as may be convenient.

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Section 4.5 Special Meetings. Special meetings of the Board of Directors may be called by the President, or at the request of any director. The President shall fix the time and place, either within or without the State of Tennessee, of any special meeting.

Section 4.6 Notices. Notice of any special meeting shall be given at least five (5) business days prior thereto. The attendance of a director at a 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 was not lawfully called or convened. The business to be transacted at, or the purpose of, any special meeting of the Board of Directors must be specified in the notice of such meeting and no other business shall be transacted at that meeting.

Section 4.7 Quorum. A majority of the total number of directors in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 4.8 Participation in Meeting. Each director, other than an advisory member, shall be entitled to one (1) vote upon any matter properly submitted for a vote to the Board of Directors. The affirmative vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as may otherwise be specifically provided by law, by the Charter, or by these By-Laws. Members of the Board of Directors absent from any meeting shall be permitted to vote at such meeting by written proxies. The members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or of such committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear one another; and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. The directors shall be promptly furnished a copy of the minutes of the meetings of the Board of Directors.

Section 4.9 Action Without a Meeting. Any action required or permitted to be taken at a meeting by the Board of Directors, or by any committee thereof, may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent in writing to taking such action without a meeting. If all members entitled to vote on the action shall consent in writing to taking such action without a meeting, the affirmative vote of the number of votes that would be necessary to authorize or take such action at a meeting shall be the act of the Board of Directors. The action must be evidenced by one (1) or more written consents describing the action taken, signed in one (1) or more counterparts by each member entitled to vote on the action, indicating each signing member's vote or abstention on the action taken. All such written consents and actions shall be filed with the minutes of the proceedings of the Board of Directors or committee. A consent signed under this Section shall have the same force and effect as a meeting vote of the Board of Directors, or any committee thereof, and may be described as such in any document.

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Section 4.10 Vacancies. Any vacancy occurring in the Board of Directors, including vacancies created by the removal of directors without cause or for cause, may be filled by the affirmative vote of a majority of the remaining directors in office, so long as the requirements of Section 4.2 are satisfied. A director elected to fill a vacancy shall serve for the unexpired term of his or her predecessor in office, or, if there is no predecessor, until the next election of directors. If a vacancy is not filled within ninety (90) days of the event which resulted in there being fewer directors than required by the Charter or By-Laws, any director may apply to a court having equity jurisdiction in the county in which the Association has its principal office to have such court appoint a sufficient number of directors so that the Association will have the number of directors required by its Charter or By-Laws, whichever number is greater. Any directorship to be filled by reason of an increase in the number of directors may be filled by election by the Board of Directors for a term of office continuing only until the next election of directors.

Section 4.11 Presumption of Assent. A director of the Association who is present at a meeting of the Board of Directors at which action on any Association matter is taken shall be presumed to have assented to the action taken, unless his or her dissent shall be entered in the minutes of the meeting, or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof, or forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 4.12 Removal. Any or all of the directors may be removed for cause or without cause by vote of two-thirds (2/3) of the total number of the voting directors in office. Removal of a director shall also constitute removal as an officer of the Association and as a member of all committees of the Board of Directors.

Section 4.13 Resignation. A director may resign his or her membership at any time by tendering his or her resignation in writing to the President or, in the case of the resignation of the President, to the Secretary. A resignation shall become effective upon the date specified in such notice or, if no date is specified, upon receipt of the resignation by the Association at its principal place of business.

Section 4.14 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Directors by the Owners. Such powers and duties of the Board of Directors shall include, but not be limited to, the following:

- (a) Operation, care, upkeep and maintenance of the common areas, as defined in the Declaration ("Common Areas", if any, in accordance with the other provisions of these By-Laws.

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98 FEB 21 1998 Association, (b) Determination of the common expenses required for the affairs of the Association, including, without limitation, the operation and maintenance of the Property.

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(c) Collection of the common expenses from the Owners.

(d) Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Areas.

(e) Adoption and amendments of rules and regulations covering the details of the operation and use of the Property.

(f) Opening of bank accounts on behalf of the Association and designating the signatories required therefor.

(g) Obtaining of insurance for the Common Areas pursuant to the provisions of the Declaration and these By-Laws.

(h) Making of repairs, additions and improvements to or alterations of the Common Areas and repairs to and restoration of the Common Areas, in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(i) Granting permits, licenses and/or easements over the Common Areas, if any, for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance and operation of the Common Areas.

Section 4.15 Fidelity Bonds. The Board of Directors shall have the right to obtain adequate fidelity bonds for all officers and employees of the Association handling or responsible for Association funds. The premiums on such bonds shall constitute a common expense.

Section 4.16 Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of any Owner arising out of any contract made by the Board of Directors, or out of the aforesaid indemnity, in favor of the members of the Board of Directors, shall be limited to such proportion of the total liability thereunder as his interest in the Association bears to the interests of all the Owners in the Association. Every agreement made by the Board of Directors shall be limited to such proportion of the total liability thereunder, as his interest in the Association bears to the interest of all the Owners in the Association. Every agreement made by the Board of Directors shall provide that

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the members of the Board of Directors shall have no personal liability thereunder (except as Owners), and that each Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Association bears to the interest of all the Owners in the Association.

Section 4.17 Standing Committees. The Board of Directors may maintain such standing committees as it may determine from time to time to be necessary or desirable for its proper functioning. Such committees shall consist of three (3) or more members, shall be under the control and serve at the pleasure of the Board of Directors, shall have charge of such duties as may be assigned to them by the Board of Directors or these By-Laws, shall maintain a permanent record of their actions and proceedings, and shall regularly submit a report of their actions to the Board of Directors, which shall ratify the actions of each committee. The President, or his or her designee, shall serve on each committee as an ex-officio member. Such standing committees shall have such authority as the Board of Directors may stipulate, except that no committee shall have the authority of the Board of Directors with respect to those matters delineated above.

Section 4.19 Ad Hoc Committees. The President, with the approval of the Board of Directors as evidenced by resolution, may from time to time create such ad hoc committees as the President believes necessary or desirable to investigate matters or advise the Board of Directors. Ad hoc committees shall limit their activities to the accomplishment of the tasks for which created and shall have no power to act except as specifically conferred by resolution of the Board of Directors. Such committees shall operate until their tasks have been accomplished or until earlier discharged by the Board of Directors.

ARTICLE V OFFICERS

Section 5.1 Number. There shall be a President and a Secretary of the Association, each of whom shall be elected in accordance with the provisions of this Article. The Board of Directors may also elect one (1) or more Vice-Presidents, a Treasurer, and such other assistant officers as the Board of Directors may from time to time deem necessary or appropriate. Any two or more offices may be held by the same person, except for the offices of President and Secretary.

Section 5.2 Election and Term of Office. The initial officers of the Association shall be elected by the Incorporator(s) for a term of office expiring immediately following the first annual meeting of the Association. The officers of the Association shall be elected annually by the Board of Directors at its annual meeting. If the election of the officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office for a term of one (1) year expiring immediately following the annual meeting at which he or she was elected and until his or her successor shall have been duly elected and qualified, or until his or her earlier death, resignation, or removal from office in the manner hereinafter provided. A retiring officer may not succeed himself or herself in his or her office, but may be eligible for election to another office or to the Board of Directors.

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Section 5.3 President. The President shall be the principal executive officer of the Association. He or she shall, when present, preside at all meetings of the Board of Directors and the Executive Committee, and shall in general perform all of the duties, and have all of the authority incident to the office of the chief executive officer of a corporation, and such other duties as may from time to time be prescribed by the Board of Directors. The President may sign, with the Secretary or any other proper officer thereunto authorized by the Board of Directors, deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or these By-Laws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed.

Section 5.4 Vice-President. In the absence of the President or in the event of his or her death, inability, or refusal to act, the Vice-President (or in the event there be more than one Vice-President, the Vice-President in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President. Any Vice-President shall perform such other duties as may from time to time be assigned to him or her by the President or by the Board of Directors.

Section 5.5 Secretary. The Secretary shall keep the minutes of the proceedings of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; be custodian of the corporate records and of the seal, if any, of the Association and see that the seal is affixed to all documents, the execution of which is duly authorized on behalf of the Association under its seal; keep a register of the post office address of each member of the Board of Directors, which address shall be furnished to the Secretary by each director; and in general perform all duties incident to the office of Secretary and such other duties as may from time to time be assigned to him or her by the President or by the Board of Directors.

Section 5.6 Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Association; receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article VIII of these By-Laws; disburse the funds of the Association in accordance with the directives of the Board of Directors, taking proper vouchers for such disbursements, and render to the Board of Directors, at its annual meeting and at such other times as may be requested by the Board of Directors, an accounting of all the transactions of the Treasurer and of the financial condition of the Association; and in general perform all duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him or her by the President or by the Board of Directors.

Section 5.7 Removal. Any member of the Board of Directors removed from office pursuant to Section 4.12 shall be automatically removed as an officer. The Board of Directors

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 may by a two-thirds (2/3) vote remove any officer when, in its judgment, the best interests of the Association will be served thereby.
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Section 5.8 Vacancies. A vacancy in any office, because of death, resignation, removal, disqualification, or otherwise, may be filled by the affirmative vote of a majority of the Board of Directors for the unexpired portion of the term.

Section 5.9 Resignation. An officer may resign his or her office at any time by tendering his or her resignation in writing to the President or, in the case of the resignation of the President, to the Secretary. A resignation shall become effective upon the date specified in such notice, or, if no date is specified, upon receipt of the resignation by the Association at its principal place of business.

ARTICLE VI ARCHITECTURAL STANDARDS COMMITTEE AND OTHER COMMITTEES

Section 6.1 Appointment of Architectural Standards Committee. The Board of Directors may appoint an Architectural Standards Committee ("ASC") to consist of at least three (3) and no more than five (5) members. Each member of the ASC shall hold office until the next annual meeting of the Board of Directors following his or her designation and until his or her successor has been appointed and qualified. The designation of the ASC and the delegation of authority thereto shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law.

Section 6.2 Authority of ASC. The ASC if established, shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing Units or structures and the open space, if any, appurtenant thereto; provided, however, the ASC may delegate this authority to the appropriate board or committee of the Association so long as the ASC has determined that such board or committee has in force review and enforcement practices, procedures, and appropriate standards at least equal to those of the ASC of the Association. Such delegation may be revoked and jurisdiction reassumed at any time by written notice. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations, shall be submitted to the ASC for approval as to design and harmony of external design with existing structures, and as to location in relation to surrounding structures. No permission or approval shall be required to repaint in accordance with an originally approved color scheme, or to rebuild in accordance with originally approved plans and specification. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his Unit, or to paint the interior of his Unit any color desired. In the event that the ASC fails to approve or to disapprove such plans or to request additional information reasonably required within thirty (30) days after submission, the plans shall be deemed approved.

Section 6.3. No Waiver of Future Approvals. The approval of either the Board of Directors or the ASC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such,

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 shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans, and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

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Section 6.4 Architectural Approval. No Unit preparation, construction, erection or installation of any structures, facilities, or other improvements shall be undertaken on any Unit, until the site plan, plans, and specifications therefor have been submitted to the ASC, and the ASC given written approval of the work to be performed thereunder. All structures and other improvements must be built and maintained in accordance with the approved site plan and plans and specifications therefor. To obtain the approval of the ASC with respect to work to be performed pursuant to a submitted site plan and plans and specifications, such plans must contain a proposed date for completion of the structures, facilities or other improvements to be undertaken upon the Unit. Any continued construction or installation beyond the proposed date of completion shall be in violation of these covenants, and the ASC shall be entitled to discontinue any construction or installation upon such Unit or Units unless and until the Owner of such Unit has obtained the approval from the ASC to continue construction beyond the originally proposed completion date. The approval of the ASC required by this Section 6.4 shall be in addition to, and not in lieu of, any approvals, consents or permits required under the Fieldstone Covenants or the ordinances or rules and regulations of any county or municipality having jurisdiction over Property.

Section 6.5 When Approval Implied. Prior approval of the ASC must be obtained pursuant to the Declaration before undertaking any construction activity on a Unit, and a request for such approval shall be submitted in writing to the ASC, together with all information necessary for the ASC to arrive at a decision. The failure of the ASC to give or deny approval within thirty (30) days following receipt of such written request and necessary information shall be deemed to constitute approval; provided, however, that any plans and specifications submitted shall not be deemed to have been received by the ASC if they contain erroneous data or fail to present adequate information, unless legal action has been instituted prior to the expiration of such period to enjoin the proposed activity.

Section 6.6 Non-Liability for Approval of Plans. Plans and specifications shall be approved by the ASC as to style, exterior design, appearance and location, and are not approved for engineering design or for compliance with zoning and building ordinances, and by approving such plans and specifications neither the ASC, the members thereof, the Association, any Member, any Owner, nor the Board of Directors assumes any liability or responsibility therefor, or for any defect in any structure constructed from such plans and specifications. Neither the ASC, the members thereof, the Association, any Member, any Owner, nor the Board of Directors shall be liable to any Owner or any other person for any damages, loss or prejudice suffered or claimed on account of (i) the approval or disapproval of any plans, drawings and specifications, whether or not defective, (ii) the construction or performance of any work, whether or not pursuant to the approved plans, drawings and specifications, or (iii) the development or manner of development of any Property. Approval of plans and specifications by the ASC is not and shall not be deemed to be a representation or warranty that said plans or specifications comply with the applicable

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governmental ordinances or regulations, including but not limited to, zoning ordinances and building codes.

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Section 6.7 Meetings of ASC. Regular meetings of the ASC may be held at such times and places as the ASC may from time to time fix by resolution. Special meetings of the ASC may be called by any member upon a concurrence of a majority of the members of the ASC upon not less than three (3) business days' notice prior thereto. The notices provided for in this Section shall state the place, date, and hour of the meeting, and the business proposed to be transacted at the meeting.

Section 6.8 Quorum of ASC. A majority of the members of the ASC shall constitute a quorum for the transaction of business at any meeting thereof.

Section 6.9 Action of ASC Without a Meeting. Any action required or permitted to be taken by the ASC at a meeting may be taken without a meeting in accordance with the provisions of Section 4.9 of these By-Laws.

Section 6.10 ASC Procedure. The ASC shall fix its own rules of procedure, provided such rules are not inconsistent with these By-Laws. The ASC shall keep regular minutes of its proceedings and report its proceedings to the Board of Directors for its information at the next meeting of the Board of Directors held after such proceedings.

Section 6.11 Vacancies, Resignation and Removal. Any vacancy in the ASC may be filled by a majority vote of the Board of Directors. Any member of the ASC may be removed at any time with or without cause by resolution adopted by a majority of the voting members of the Board of Directors. Any member of the ASC may resign from the ASC at any time by giving written notice to the President or Secretary of the Association, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE VII OPERATION OF THE PROPERTY

Section 7.1 Determination of Common Expenses and Fixing of Common Charges. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Property, determine the amount of the common expenses payable by the Owners to meet the expenses of administration and of maintenance and repair of the Common Areas, if any. The allocations shall be applied uniformly to all Owners of like situations. The common expenses may also include such amounts as the Board of Directors may deem proper for the operation and maintenance of the Property, including without limitation, an amount for working capital, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The Board of Directors shall advise all Owners, promptly and in writing, of the amount of common charges payable by each of them, respectively, as

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determined by the Board of Directors, as aforesaid, and shall furnish copies of each budget on which such common expenses are based, to all Owners and their mortgagees.

Section 7.2 Insurance. The Board shall obtain all insurance required by the Declaration. At the option of the Owners and subject to availability, the total insurance requirements under the Declaration may be combined in one policy, provided that the content of such policy satisfies the combined and consolidated insurance needs as set forth in the Declaration.

**ARTICLE VIII
AMENDMENT TO BY-LAWS**

Section 8.1 Amendment to By-Laws. These By-Laws may be modified or amended by the written consent or unanimous vote of all Owners of the Units. If the Owners cannot reach agreement on a modification or an amendment, the deadlock procedure set forth in Article III, Section 3.9 hereof shall be utilized with the ex-officio Member's vote being decisive. Such modifications or amendments shall not be effective until filed for record in the Office of the Register of Deeds for Williamson County, State of Tennessee.

The By-Laws are adopted and shall be effective this 9th day of February, 1998.

THE RESERVE AT SPENCER CREEK HOMEOWNERS' ASSOCIATION, INC.

By: Robert E. Wood
Robert E. Wood, Incorporator

State of Tennessee, County of WILLIAMSON
Received for record the 11 day of
FEBRUARY 1998 at 8:50 AM. (RECH 253226)
Recorded in official records
Book 1623 Page 11- 31
Notebook 59 Page 211
State Tax \$.00 Clerks Fee \$.00,
Recording \$ 13.00, Total \$ 13.00,
Register of Deeds SADIE WADE
Deputy Register SHERRY ANDERSON