

Prepared by:
Abstract Title
243 N. Peters Road
Knoxville, TN 37923

**BYLAWS
OF
ROYAL OAKS LEGACY VILLAS HOMEOWNERS' ASSOCIATION, INC.**

Name and location: The name of the corporation is **ROYAL OAKS LEGACY VILLAS HOMEOWNERS' ASSOCIATION, INC.**, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 3705 Legends Way, Maryville, Tennessee 37801, but meetings of the members and Directors may be held at such places within the State of Tennessee, as may be designated by the Board of Directors.

DEFINITIONS

Section 1. "Association" shall mean and refer to **ROYAL OAKS LEGACY VILLAS HOMEOWNERS' ASSOCIATION, INC.**, a mutual benefit, not-for-profit corporation, organized and existing under the laws of the State of Tennessee, with its principal office being located in Blount County, Tennessee, its successors and/or assigns.

Section 2. "Common Areas" shall mean all real property, including the improvements thereto, owned by the Association for the common use and enjoyment of the Owner(s), including the roads and common areas shown on the plats of record in Map Files 2108B and 2176B, in the Register's Office for Blount County, Tennessee.

Section 3. "Declarant" shall mean and refer to Concord Properties, Inc., a Tennessee corporation, its successors and/or assigns. "Declarant" and "Developer" for purposes of these By-Laws shall be synonymous.

Section 4. "Lender" as used herein shall mean and be defined as any lender, whether individual investor, bank, savings and loan association, or loan broker, whose loan is secured by a Lot on the Property.

Section 5. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Property recorded in the Office of the Register of Deeds of Blount County, Tennessee.

Section 6. "Lot Owner(s) or Owner(s)" shall mean and refer to the record Owner(s), whether one or more person or entity, of a fee simple title to any lot which is a part of the "Property," including contract seller(s), but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Member" shall mean and refer to those person(s) entitled to membership as provided in the Declaration of Covenants, Conditions and Restrictions for Phase 1, Royal Oaks Legacy Villas Subdivision.

Section 8. "Property" shall mean and refer to that certain real property described in the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 9. "Lot" shall mean and refer to any plat of land shown upon any recorded subdivision map of the "Property", exclusive of any designated Common Areas as shown on the recorded plat, and as hereinafter brought within the jurisdiction of the Planned Unit Development by the recordation of additional plats by the Declarant, its successors and assigns.

Section 10. "Subdivision Plat" shall mean the final plat of Royal Oaks Legacy Villas Subdivision, Planned Unit Development recorded in the Register's Office for Blount County, Tennessee, describing the common areas and lots thereon. The Developer has the right to amend the plat from time to time to adjust lot lines in order to fit the residents to conform to the topography of the Property. Any amendments shall be recorded.

Section 11. "Board: or "Board of Directors" as used herein shall mean the Board of Directors of the Association.

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held on the first day of August, 2005 following the date of incorporation of the Association and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at a time established by the Board of Directors. If the day of the annual meeting of the members is a legal holiday, the meeting will be held on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-half (1/2) of all the votes of the membership of the Association.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-half (1/2) of the votes of membership shall constitute a quorum for any action except as otherwise provided in the Charter of the Association, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time without notice other than an announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his/her Lot.

DIRECTORS

Section 1. Management. The affairs of the Association shall be managed by a Board of Directors, who need not be members of the Association.

Section 2. Number and Term in Office. At the first annual meeting of the members, the Declarant shall elect three (3) Directors for a term of one (1) year or until December 31, 2008, whichever is later. After the initial term of the Directors expires, the members shall elect at the next annual meeting of the members three (3) Directors. All Directors other than the initial Directors shall be elected by majority vote of the quorum of members present at the meeting entitled to vote, including proxies, and in accordance with Section 7. of this provision. The Board of Directors may by majority vote of its entire membership enlarge the membership of the Board of Directors and may likewise reduce the membership of the Board of Directors when, in their sole judgment and discretion, it is in the best interests of the Association so to do. Any such enlargement or reduction of the Board of Directors shall be by amendment to these By-Laws.

Each Director shall have one (1) vote in the election of officers and in the conduct or all the business of the Association. A majority of Directors shall constitute a quorum for the purpose of conducting Association business. No Director shall be personally liable for Association debts or Association undertakings, contractual or otherwise. No Director shall be personally liable to the Association for breach of fiduciary duty except as provided in the Tennessee Nonprofit Corporation Act, as amended, as in effect on the date hereof.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of the Director, his/her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his/her predecessor.

Section 4. Compensation. Directors shall not receive compensation for any service they may render to the Association. However, any Director may be reimbursed for their actual expenses incurred in the performance of their respective duties.

Section 5. Action Taken without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 6. Nomination. Nomination for election to the Board of Directors may be made from the floor at the annual meeting of the members, where applicable.

Section 7. Manner of Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 8. Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next which is not a legal holiday. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors after not less than three (3) days written notice to each Director. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 9. Powers. The Board of Directors shall have the power to:

(a) adopt and publish rules and regulations governing the use of the common areas and facilities and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use the common areas recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed 60 days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-laws, the Charter of the Association, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary and prescribe their duties.

Section 10. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing

by one-fourth (1/4) of the members who are entitled to vote.

(b) supervise all officers, agents and employees of the Association and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) establish the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to all Owner(s) subject thereto at least thirty (30) days in advance of each annual assessment period;

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or bring an action at law against the Owner(s) personally obligated to pay the same;

(d) issue, or to cause an appropriate officer to issue, upon demand by any person a certificate setting forth whether or not any assessment has been paid (a reasonable charge may be made for the issuance of these certificates) and if a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) take any other action necessary under and/or consistent with the Declaration and/or Tennessee Nonprofit Corporation Act.

OFFICERS

Section 1. Enumeration of Offices. The officers of the Association shall be a President and a Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the

officer he/she replaces.

Section 7. Multiple Officers. The offices of Vice-President and Secretary may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8: Officers' Duties.

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) The Vice-President shall act in the place and stead of the President in the event of his/her absence, inability or refusal to act as required of him/her by the Board.

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

COMMITTEES

The Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Charter of the Association, and the Bylaws of the Association shall be available for inspection by any member of the Association at the principal office of the Association, where copies may be purchased at reasonable cost.

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the Lot against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency as provided in the Declaration and the Association may bring an action at law against the Owner(s) personally obligated to pay the same or foreclose the lien against the Lot, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Owner(s) may not waive or otherwise escape liability for the assessments provided for herein by nonuse of any Common Areas or abandonment of his/her Lot.

AMENDMENTS

Section 1. These Bylaws may be amended at a regular or special meeting of the members by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Charter of the Association and these By-Laws, the Charter shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

MISCELLANEOUS

Section 1. The fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 2. The Association shall not have a corporate seal.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the acting Secretary of ROYAL OAKS LEGACY VILLAS HOMEOWNERS' ASSOCIATION, INC., a nonprofit corporation, whose principal office is located at 3705 Legends Way, Maryville, Tennessee 37801; and

That the foregoing By-Laws constitute the original By-Laws of said corporation, as duly adopted at a meeting of the Board of Directors thereof, held on the ___ day of July, 2005.

IN WITNESS WHEREOF, I have hereto subscribed the name of the corporation by signing my name thereto as Secretary this day 20th day of July, 2005.

**LEGACY VILLAS HOMEOWNERS'
ASSOCIATION, INC**

By: _____
Stan Hackworth, Secretary

STATE OF TENNESSEE
COUNTY OF KNOX

Personally appeared before me, the undersigned authority, a Notary Public within and for said State and County aforesaid, personally appeared Stan Hackworth with whom I am personally acquainted and who upon his oath acknowledged himself to be the Secretary of Royal Oaks Legacy Villas Homeowners' Association, Inc., the within named bargainor, a corporation, and that he as such Secretary being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by the said Stan Hackworth as such Secretary.

Witness my hand and official seal at office on the 20th of July, 2005.

My Commission Expires: _____

Notary Public