

BY-LAWS

OF

MCKAY'S MILL

MULTI-FAMILY

SUBASSOCIATION, INC,

Montgomery Place

Prepared by:

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ARTICLE 1: DEFINITIONS

The words defined in the **Declaration of Covenants, Conditions and Restrictions for Villas at Montgomery Place** recorded in Book 2534, Page 55, Register's Office for Williamson County, Tennessee (hereinafter referred to as the "Declaration"), shall have the same meaning in these Corporate By-Laws.

ARTICLE 2: OFFICES

2.01 Registered Office. The registered office of the corporation shall be at 301 Mallory Station Road, Suite 200, Franklin, Tennessee 37067, and the name of the registered agent of the corporation is **Daniel E. Crunk**.

2.02 Other Offices. The corporation may also have offices at such other places both within and without the State of Tennessee as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE 3: MEMBERS AND MEMBERSHIP PRIVILEGES

3.01 Membership. Each Owner shall be a Member of the corporation and no other person or entity shall automatically be entitled to membership. No Member shall be required to pay any consideration whatsoever solely for his membership in the corporation.

ARTICLE 4: MEETINGS OF MEMBERS

4.01. Place of Meetings. Meetings of the Members of the corporation may be held at a place to be determined by the Board of Directors within Williamson County, Tennessee.

4.02 Annual Meeting. Unless otherwise specified in a written notice from the Board of Directors, an annual meeting of the Members of the corporation shall be held each year on the second Thursday of the third month following the close of the fiscal year if not a legal holiday, and if a legal holiday, then on the next secular day following, at 7:00 p.m. at which time the Members shall elect a Board of Directors, and shall transact such other business as may properly be brought before the meeting. Provided, however, the annual meeting must be held no later than forty-five (45) days from the original scheduled date. The first regular annual meeting of the Members may be held, subject to the terms hereof, on any date, at the option of the Board of Directors; provided, however, that the first meeting may (if necessary to comply with Federal Regulations) be held no later than the earlier of the following events: (a) four months after all of the Lots have been sold by the Declarant; or (b) seven years following conveyance of the first Lot by the Declarant.

4.03. Special Meeting. Special meetings of the Members, for any purpose or purposes, may be called by the president, the Board of Directors, or by Members having not less than five (5%) percent of the total percentage values of those votes entitled to be cast at such meeting. Business transacted at all special meetings shall be confined to the objects stated in the notice of such meetings.

4.04. Notice. Written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than fifteen (15) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the president, the secretary, or the officer or person calling the meeting, to each member of the corporation entitled to vote at such meeting.

4.05. Quorum. The presence in person or by proxy of more than one third (1/3) of those votes entitled to be cast at a meeting of the Members constitute a quorum at all meetings of the Members for the transaction of business. However, the Members entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified.

4.06. Majority Vote; Withdrawal Of Quorum. When a quorum is present at any meeting, the vote of the holders of more than fifty per cent (50%) of the percentage values of those votes entitled to be cast of Members qualified to vote and present in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which by express provision of the Declaration, the Charter of the corporation or these By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such question. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

4.07. Method of Voting; Proxies. Each Member shall be entitled to one (1) vote for each Lot owned by such Member except that so long as the Class B membership exists, the Class B Declarant shall be entitled to one (1) vote more than the aggregate number of votes which all Class A members hold. No Member, other than the Declarant, shall be entitled to vote at any meeting of the corporation until such Member has presented evidence of ownership of a Lot in **The Multi-Family Residential Development at McKay's Mill** to the Board of Directors. If a Member is in default with respect to any provision of the Declaration, such Member shall not be allowed to vote at any meeting of the corporation so long as such default exists. The vote of each Member may only be cast by such Member or by a proxy executed in writing given by such Member to his duly authorized representative bearing a date not more than eleven months prior to such meeting. Such proxy shall be filed with the Board of Directors of the corporation prior to or at the time of the meeting and shall not be valid unless promulgated by the Board of Directors. If title to a Lot shall be in the name of two or more persons as co-owners, all of such persons shall be Members of the corporation. The vote for such Lot shall be exercised by one (1) of such persons as proxy or nominee for all persons holding an interest as Owners in the Lot and in no event shall more than one (1) vote be cast with respect to any Lot, except as provided above with respect to the Declarant. A corporate Members vote shall be cast by the President of the Member corporation or by any other officer or proxy appointed by the President or designated by the Board of Directors of such corporation. Voting on all matters except the election of directors shall be by voice vote or show of hands unless a majority of the percentage values of those votes entitled to be cast by the Members present at the meeting shall, prior to voting on any matter, vote to demand a ballot vote on that particular matter. Where directors or officers are to be elected by the Members, the official solicitation of proxies for

such elections may be conducted by mail. With respect to a Lot where title shall be in the name of two (2) or more persons as co-owners, any one of such co-owners may vote at any meeting of the Members of the corporation and such vote shall be binding upon all other co-owners until written notice to the contrary has been received by the Board of Directors in which case the unanimous vote of all such co-owners (in person or by proxy) shall be required to cast their vote as Members.

4.08. Cumulative Voting Denied. Cumulative voting for Directors shall not be permitted.

ARTICLE 5: DIRECTORS

5.01 Management. The business and affairs of the corporation shall be managed by its Board of Directors who may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute, the Declaration, the Charter, or these By-Laws, directed or required to be exercised or done by the Members.

5.02 Number; Qualifications; Election; Term. The Board of Directors shall consist of three (3) Directors, each of whom shall be a Member of the Association or a partner or employee of the Declarant, or its subsidiaries or affiliates. The Members of the initial Board of Directors shall serve terms of two (2) years until the annual meeting of Members following such election in the designated term of office of such Directors. Each Director elected to replace an original Director upon the expiration of his term of office shall serve for a term of office ending with the third annual meeting of Members following his election or until his successor shall be elected and shall qualify. The Directors shall be appointed by the Declarant until after the Transfer of Control as provided in the Declaration. Directors shall serve without compensation.

5.03 Removal; Change in Number; Vacancies. Any Director may be removed either for or without cause, at any special meeting of the Members of the corporation by the affirmative vote of a majority of the Members present in person or by proxy at such meeting and entitled to vote, if notice of the intention to act upon such matter shall have been given in the notice calling such meeting. If any vacancy occurs in the Board of Directors, caused by death, resignation, retirement, disqualification or removal from office of any Director or otherwise, a successor or successors may be chosen at a special meeting of Members called for that purpose, and each successor Director so chosen shall be elected for the unexpired term of his predecessor in office. Any Directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting of Members or at a special meeting of Members called for that purpose.

5.04. Place of Meetings. The Directors of the corporation shall hold their meetings, both regular and special within Williamson County, Tennessee.

5.05. Annual Meetings. The annual meeting of each newly elected Board shall be held without further notice immediately following the annual meeting of Members of the corporation, and at the same place, unless by unanimous consent of the Directors then elected and serving such time or place shall be changed.

5.06. Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by the Board.

5.07. Special Meetings. Special meetings of the Board of Directors may be called by the president on a three (3) days notice to each Director, either personally or by mail or by telegram; special meetings shall be called by the president or secretary in like manner and on like notice on the written request of two (2) Directors. Except as may be otherwise expressly provided by statute, the Charter or these By-Laws, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in a notice or waiver of notice.

5.08. Quorum. At all meetings of the Board of Directors the presence of a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the Directors, when present at any meeting at which there is a quorum, shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

5.09. Committees Having Board Authority. The Board of Directors may, by resolution approved by vote or written consent by a majority of the whole Board, designate an Design Review Committee, a Nominating Committee for members of the Board of Directors and such other committees as deemed necessary to consist of three (3) or more of the Directors of the corporation except that prior to the Transfer of Control, the Declarant shall appoint the members of the Design Review Committee and subsequent to the Transfer of Control said members of the Design Review Committee shall be appointed by the Board of Directors. The Board of Directors may, likewise, by vote or written consent by a majority of the whole Board, remove or replace one or more members of any such Committee, at any time other than those members appointed by the Declarant to the Design Review Committee. Any such committee, to the extent provided in said resolution, shall and may exercise all of the authority of the Board of Directors in the management of the business and affairs of the corporation, except where action of the full Board of Directors is required by statute or the Charter.

5.10. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the affairs of the corporation may be designated and appointed by a resolution adopted by a majority of the Directors at a meeting at which a quorum is present, or by the president thereunto authorized by a like resolution of the Board of Directors. Membership on such committees may, but need not be, limited to Directors or Members of the corporation.

5.11. Procedure. All committees shall keep regular minutes of their proceedings and shall report the same to the Board when required.

5.12. Managing Agents. The Board of Directors may employ for the corporation a management agent at a compensation established by the Board of Directors and such management agent shall perform such duties and services with respect to **McKay's Mill Multi-Family Subassociation, Inc.** as the Board of Directors shall authorize, and the Board of Directors may

delegate to such management agent such duties with respect to management, repair and maintenance of McKay's Mill Multi-Family Subassociation, Inc. which are not by statute, the Declaration, the Charter or these Corporate By-Laws, required to be performed by or have the approval of the Board of Directors or the Members of the corporation.

ARTICLE 6: NOTICE

6.01. Method Whenever notice is required to be given to any Director or Member, and no provision is made as to how such notice shall be given, it shall be given, it shall not be construed to mean personal notice, but any such notice may be given in writing, by mail, postage prepaid, addressed to such Director or Member at such address as appears on the records of the corporation. Any notice required or permitted to be given by mail shall be deemed to be given at the time when the same shall be thus deposited in the United States mails as aforesaid.

6.02. Waiver. Whenever any notice is required to be given to any Member or Director of the corporation a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be deemed equivalent to the giving of such notice.

ARTICLE 7: OFFICERS

7.01. Number; Titles. The officers of the corporation shall be elected by the Directors from among the members of the Board of Directors and shall be a president, a secretary and a treasurer. Any two (2) or more offices may be held by the same person except the offices of president and secretary shall not be held by the same person.

7.02 Election. The Board of Directors at its first meeting after each annual meeting of Members shall choose a president, a secretary, and a treasurer, all of whom shall be members of the Board.

7.03. Other Officers. The Board of Directors may appoint such other officers and agents as it shall deem necessary, who shall be appointed for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

7.04. Salaries. The salaries of all officers of the corporation, if any, shall be fixed by the Board of Directors.

7.05. Term of Office; Removal. Each officer of the corporation shall hold office until the annual meeting of the Board of Directors next following his election and thereafter until his successor is chosen and qualified in his stead or until his death or until his resignation or removal at any time by the affirmative vote of a majority of the whole Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. If the office of any officer become vacant for any reason, the vacancy may be filled by the Board of Directors.

7.06. President. The president shall be the chief executive officer of the corporation; he shall preside at all meetings of the Members and the Board of Directors, shall have general and active management of the affairs of the corporation, shall see that all orders and resolutions of the Board are carded into effect, and shall perform such other duties as the Board of Directors shall prescribe.

7.07. Secretary. The secretary shall attend all sessions of the Board of Directors and all meetings of the Members and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for any committees when required. He shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or president, under whose supervision he shall be.

7.08. Treasurer. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements of the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as treasurer and of the financial condition of the corporation, and shall perform such other duties as the Board of Directors may prescribe. If required by the Board of Directors, he shall give the corporation a bond in such form, in such sum, and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement, or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

ARTICLE 8: DELEGATE

8.01. Election of a Delegate. As provided for in Sections 4.5 and 4.6 of the Master Declaration of record in Book 1649, page 349, Register's Office for Williamson County, TN, the Members of **McKay's Mill Multi-Family Subassociation, Inc.** shall have the right to elect one (1) delegate to the Master Association. Such election shall take place at the annual meeting of the Members of the corporation, as herein provided in Section 4.02.

ARTICLE 9: MISCELLANEOUS PROVISIONS

9.01. Reserves. There may be created by resolution of the Board of Directors such reserve or reserves as the Directors from time to time, in their discretion, think proper to provide for contingencies, or to repair or maintain any portion of **The Multi-Family Residential Development at McKay's Mill**, or for such other purposes as the Directors shall think beneficial to the corporation, and the Directors may modify or abolish any such reserve in the manner in which it was created.

9.02. Checks. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

9.03. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

9.04. Seal. The corporate seal, if any, shall be in such form as may be determined by the Board of Directors. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

9.05. Indemnification. The corporation shall indemnify any Director, officer, or employee, or former Director, officer, or employee of the corporation, against expenses actually and necessarily incurred by him, and any amount paid in satisfaction of judgments, in connection with any action, suit or proceeding, whether civil or criminal in nature, in which he is made a party by reason of being or having been such a Director, officer, or employee (whether or not a Director, officer or employee at the time such costs or expenses are incurred by or imposed upon him) except in relation to matters as to which he shall be adjudged in such action, suit, or proceeding to be liable for gross negligence or willful misconduct in the performance of duty. The corporation may also reimburse to any Director, officer or employee the reasonable costs of settlement of any such action, suit or proceedings, if it shall be found by a majority of a committee of the Directors not involved in the matter of controversy, whether or not a quorum, that it was to the interests of the corporation that such settlement be made and that such Director, officer or employee was not guilty of gross negligence or willful misconduct. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other rights to which such Director, officer, or employee may be entitled by law or under bylaw, agreement, vote of Members or otherwise.

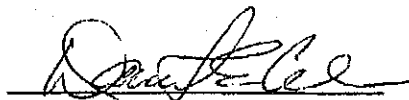
9.06. Inconsistencies. In the event these By-Laws shall be inconsistent with the Declaration, then the Declaration shall be controlling.

9.07. Amendment of By-Laws. These By-Laws may be amended by the Declarant, without joinder of the Members, for a period of ten (10) years from the date of recordation of the Declarations or from the date of recordation of any Supplemental Declarations thereto, whichever shall be later. Thereafter, these By-Laws may be amended by the affirmative vote of at least two-thirds (2/3) of the Members qualified to vote. Notwithstanding the foregoing for so long as the Declarant maintains its weighted vote as described in paragraph 4.4 of the Declaration, any and all amendments to these By-Laws shall be subject to the veto of the Veteran's Administration or the Federal Housing Administration.

9.08. Table of Contents; Headings. The table of contents and headings used in these By-Laws have been inserted for administrative convenience only and do not constitute matter to be construed in interpretation.

CERTIFICATION

I hereby certify that the foregoing By-Laws were adopted by McKay's Mill Multi-Family Subassociation, Inc. on the 14th day of ~~September~~ ^{October}, 2002.

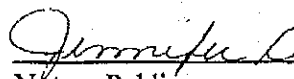

Daniel E. Crunk, President

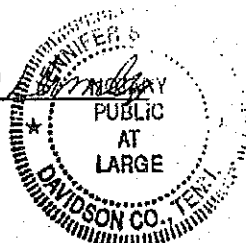
STATE OF TENNESSEE
COUNTY OF WILLIAMSON

Before me, the undersigned, of the State and County mentioned, personally appeared Daniel E. Crunk, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the President of McKay's Mill Multi-Family Subassociation, Inc., and that as President of McKay's Mill Multi-Family Subassociation, Inc., executed the foregoing instrument for the purpose therein contained, by personally signing the name of the corporation as President, said corporation being authorized to execute this instrument in behalf of McKay's Mill Multi-Family Subassociation, Inc.

WITNESS my hand and seal, at office in Franklin, Tennessee, this 14th day of ~~September~~ ^{October}, 2002.

My Commission Expires: 7/30/05


Notary Public



MY COMMISSION EXPIRES
07/30/2005

State of Tennessee, County of WILLIAMSON
Received for record the 20 day of
DECEMBER 2002 at 2:51 PM. (RECH 515044)
Recorded in official records
Book 2665 pages 850- 860
Notebook 70 Page 476
State Tax \$.00 Clerks Fee \$.00,
Recording \$ 57.00, Total \$ 57.00,
Register of Deeds SADIE WADE
Deputy Register KAREN OWENS