

BY-LAWS OF THE ARDEN PLACE
HOMEOWNERS ASSOCIATION, INC.

Article I – Office

Section 1. Principal office. The principal office of the Arden Place Homeowners Association, Inc. (hereinafter referred to as the Association) shall be maintained at the Clubhouse at 4400 Belmont Park Terrace, Nashville, Tennessee 37215.

Section 2. Place of meetings. All meetings of the Association shall be held at its principal office unless some other place is stated in the call.

Article II - Association of Unit Owners

Section 1. Annual Meeting. The annual meeting of the Association shall be held on the first Tuesday of the second calendar month following the close of the Association's fiscal year.

Section 2. Special Meetings. Special meetings may be held at any time upon the call of the President or upon the joint call of any three owners. Upon receipt of such call, the Secretary shall send out notices of the meeting to all members of the Association.

Section 3. Notice of meetings. A written or printed notice of every meeting of the Association stating whether it is an annual meeting or special meeting, the authority for the call of the meeting, the place, day, and hour thereof, and the purpose therefor shall be given by the Secretary or the person or persons calling the meeting at least ten days before the

date set for such meeting. Such notice shall be given to each member in any of the following ways: (a) by leaving the same with him personally, or (b) by leaving the same at the residence or usual place of business of such member, or (c) by mailing it, postage prepaid, addressed to such member at his address as it appears on the records of the Association, or (d) if such owner or mortgagee cannot be located by reasonable efforts, by publishing such notice in any newspaper, including weekly newspaper, of general circulation in Nashville, Tennessee, such notice to be published not less than two times on successive weeks, the first publication thereof to be not less than ten (10) days nor more than nineteen (19) days prior to the day assigned for the meeting. If notice is given pursuant to the provisions of this section, the failure of any member to receive actual notice of the meeting shall in no way invalidate the meeting or any proceedings thereat. Upon written request for notices, mailed by registered mail, addressed to the secretary of the Association at the office of said Association, the holder of any duly recorded mortgage against any unit may promptly obtain a copy of any and all notices permitted or required to be given to entitle the holder of any mortgage requesting such notice to receive all notices sent to the members from and after receipt of said request until said request is withdrawn and said mortgage is discharged of record.

Section 4. Waiver of notice. The presence of all the members, in person or by proxy, at any meeting shall render the same a valid meeting, unless any member shall, at the opening of such meeting, object to the holding of the same for noncompliance with the provisions of Section 3 of this Article II. Any meeting so held without objection shall, notwithstanding the fact that no notice of meeting was given, or that the notice given was improper, be valid for all

purposes, and at such meeting any general business may be transacted and any action may be taken.

Section 5. Quorum. At any meeting of the Association, members, present or by proxy, representing a majority of the votes, shall constitute a quorum, and the concurring vote of such majority shall be valid and binding upon the Association except as otherwise provided by law or these By-laws.

Section 6. Voting. Any person, firm, corporation, trust, or other legal entity or a combination thereof, owning any unit duly recorded in the owner's name, the ownership whereof shall be determined by the records of the Register's Office for Davidson County, Tennessee, shall be a member of the Association, and either in person or by proxy entitled to a vote as set forth in the Declaration of Covenants, Conditions, and Restrictions. Any provision to the contrary notwithstanding, co-owners or joint owners shall be deemed one owner. The authority given by a member to another person to represent such member at meetings of the Association shall be in writing, signed by such member or if a unit is jointly owned then by joint owners, or if such member is a corporation, by the proper officers thereof, and shall be filed with the Secretary, and unless limited by its terms, such authority shall be deemed good until revoked in writing, or a new proxy is filed. Attendance at a subsequent meeting by a member shall operate as a revocation of any previous proxies. An executor, administrator, guardian, or trustee may vote in person or by proxy at any meeting of the Association with respect to any unit owned or held in such a capacity, whether or not the same shall have been transferred by a duly recorded conveyance. In case such unit shall not have been so transferred, he shall satisfy the Secretary that he is the executor, administrator, guardian, or trustee holding such unit in such capacity. Whenever any such unit is owned

by two or more jointly according to the records of said Register's Office, the vote therefore may be exercised by any one of the owners present.

Section 7. Adjournment. Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by majority vote of the members present, whether a quorum be present or not, without notice other than the announcement at the meeting. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting originally called.

Article III - Board of Directors

Section 1. Number and qualification. The affairs of the Association shall be governed by a Board of Directors, composed of nine (9) persons, and as increased or decreased at any annual meeting by a majority vote, subject to the provisions regarding the intent and purpose expressed in Section 5 of this Article, and all such directors shall be owners of units in Arden Place, except those appointed pursuant to Section 5 hereof.

Section 2. 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 as are not by law or by these By-laws directed to be exercised and done by the owners.

Section 3. Other duties. In addition to duties implied by these By-laws or by resolutions of the Association, the Board of Directors shall be responsible for the following:

- (a) Care, upkeep, and surveillance of the property and the common areas and facilities;

- (b) Collection of monthly assessments from the owners;
- (c) Designation and dismissal of the personnel necessary for the maintenance and operation of the property and the common elements and facilities.

Section 4. Manager or management agent, employees generally. The Board of Directors may employ for the Association a management agent or manager, at a compensation established by the Board to perform such duties and services as the Board shall authorize, by the acceptance of a management contract, including, but not limited to the duties listed in Section 3 of this Article. The duties conferred upon the management agent or manager by the Board of Directors may be at any moment revoked, modified, or amplified by the majority of owners in a duly constituted meeting. The Board of Directors may employ any other employee or agents to perform such duties and at such salaries as the Board of Directors may establish.

Section 5. Election and term of office. The directors shall be elected by a majority of the owners. At the first annual meeting of the Association, the term of office of three (3) directors shall be fixed for three (3) years. The term of office of two (2) directors shall be fixed for two (2) years, and the term of office of two (2) directors shall be fixed for one (1) year. At the expiration of the initial term of office of each director, his successor shall be elected by all those entitled to vote to serve a term of three (3) years. The directors shall hold office until their successors have been elected and hold their first meeting.

Section 6. Vacancies. Vacancies in the office of an elected member of the Board of Directors caused by any reason other than the removal of a director by a vote of the

Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum; each person so elected shall be a director until a successor is elected at the next annual meeting of the Association.

Section 7. Removal of directors. At any regular meeting or special meeting duly called, any one or more of the elected directors may be removed with or without cause by a majority of the owners and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

Section 8. Compensation. No compensation shall be paid to directors for services performed for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken. A director may not be an employee of the Association.

Section 9. Organization meeting of the Board. The first meeting of a newly elected Board of Directors shall be held within one week of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 10. Regular meetings of the Board. Regular meetings of the Board of Directors maybe held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings of the Board of Directors shall be given to each director, personally

or by mail, addressed to his residence, or by telephone, at least three days prior to the day named for such meeting.

Section 11. Special meeting of the Board. Special meetings of the Board of Directors may be called by the President on three days notice to each director, given personally or by mail, addressed to his residence, or by telephone, which notice shall state the time, place (as hereinabove provided), and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three directors.

Section 12. Waiver of notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such 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 13. Board of Directors' 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 a meeting 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 any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14. Bonds of officers and employees. The Board of Directors may require that all officers and employees of the corporation handling or responsible for corporate funds shall furnish adequate bonds. The premiums on such bonds shall be paid by the Association.

Article IV. Officers

Section 1. Designation. The principal officers of the Association shall be a President, Vice President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The directors may appoint an assistant treasurer, and an assistant secretary, and such other officers as in their judgment may be necessary.

Section 2. Election of officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal of officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the owners from time to time as he may in his

discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 6. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors.

Section 7. Secretary. The Secretary shall attend and keep the minutes of all meetings of the Board of Directors or of the Association, shall give all notices as provided by these By-laws, and shall have other powers and duties as may be incidental to the office of Secretary given him by these By-laws or assigned to him from time to time by the directors. If the Secretary shall not be present at any meeting, the presiding officer shall appoint a secretary pro tempore who shall keep the minutes of such meeting and record them in the books provided for the purpose.

Section 8. Auditor. The Association may at any meeting appoint some person, firm, or corporation engaged in the business of auditing to act as auditor of the Association and

to perform such audits and fiscal duties as may be requested of him by the Association.

Article V. Obligations of the Owners

Section 1. Expenses, assessments. Every owner of any unit shall contribute toward the expense of the administration of the Association, including but not limited to all types of insurance, the cost of operation, maintenance, repair and replacement of the building and common elements thereof and all expenses, including payroll taxes and fringe benefits, according to the percentage interest appurtenant to the respective units as stated in the Declaration. The Board of Directors shall fix a monthly assessment for each unit in an amount sufficient to provide for its pro rata share of all such current operating expenses, reasonable reserves for the future, and such other expenses as the Board may deem proper, subject to adjustment from time to time as the Board may deem necessary and as specified in the Declaration of Covenants, Conditions, and Restrictions. Such monthly assessment shall be due and payable in advance on the 1st day of each month, shall bear interest at the rate of ten (10) percent per annum from due date until paid, and with such interest, shall be a lien on the unit, assessed prior in right to all other charges whatsoever, except assessments, liens, and charges in favor of the State of Tennessee or Metropolitan Nashville-Davidson County for taxes past due and unpaid on such unit, and amounts and liabilities secured by mortgage instruments duly recorded. In the event any owner is delinquent in the payment of any monthly assessment for a period in excess of thirty (30) days, the Board of Directors is authorized to sever or disconnect all utility connections to the unit.

Section 2. Maintenance and repair.

(a) Every owner must perform promptly all maintenance and repair work within his own unit, which if omitted would affect the Association property in its entirety or in a part belonging to other owners, and is expressly responsible for the damages and liabilities that failure to do so may engender.

(b) All the repairs of internal installations of the unit such as water, light, power, sewage, telephones, sanitary installations, doors, windows, lamps, and all other accessories belonging to the unit area shall be maintained at the owner's expense.

(c) An owner shall reimburse the Association for any expenditure incurred in repairing or replacing any common areas and facility damaged through fault of an owner, or any invitee of the owner.

Section 3. Use of units. All units shall be utilized in accordance with the provision of the By-laws, Declarations and any House Rules adopted by the Association.

Each unit shall be used for a single family residence and for the furnishing of services and facilities herein provided for the enjoyment of such residences. No nuisance shall be allowed upon the property (including common area) or any use or practice which is a source of annoyance as to the 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 allowed to accumulate, nor any fire hazard allowed to exist. No immoral, improper, offensive or unlawful use shall be made of the property, or any part thereof, and all laws, zoning ordinances, regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of the common area property shall be

the same as the responsibility for the maintenance and repair of the individual property concerned.

Section 4. House Rules. In order to assure the peaceful and orderly use and enjoyment of the building and common areas, the Board may from time to time adopt, modify, or revoke in whole or in part by a majority vote of the Board such reasonable rules and regulations, to be called House Rules, governing the conduct of persons on Association property as it may deem necessary. Such House Rules upon adoption, and every amendment, modification, or revocation thereof, shall be delivered promptly to each owner and shall be binding upon all members of the Association and occupants of Arden Place units.

Section 5. Foreclosure of lien. In any suit to foreclose the lien against any owner of a unit, the Association may represent itself through its manager or Board of Directors in like manner as any mortgagee of real property and shall follow the procedures usually followed to enforce a lien under a Tennessee Deed of Trust. The manager or Board of Directors acting on behalf of the unit owners shall have the power to bid and acquire such unit at a foreclosure sale. The delinquent owner shall be required to pay to the Association a reasonable rent for the unit until sale or foreclosure, together with all costs and reasonable attorney's fees. Suit to recover a money judgment for unpaid assessments shall be maintainable with all costs and reasonable attorney's fees without foreclosing or waiving the lien securing the same.

Section 6. Right of Entry. The manager and any person authorized by the Board of Directors shall have the right to enter each unit, providing the owner or occupant is present at the time. Each unit owner and occupant, when so-required, shall permit other unit owners or their representative to enter

his unit at reasonable times for the purpose of performing authorized installation, alterations, or repairs to the common elements therein for central services, provided that requests for entry are made in advance.

Section 7. Title. Every unit owner shall promptly cause to be duly recorded in the Register's Office for Davidson County, Tennessee, the deed, lease, assignment, or other conveyance of the unit or other evidence of title thereto, and file such evidence of his title with the Board of Directors through the manager, and the Secretary shall maintain such information in the records of ownership of the Association.

Section 8. Mortgages. Any mortgagee of a unit may file a copy of its mortgage with the Board of Directors through the manager. If any unit owner is in default in payment of the association assessment, the manager shall notify such owner's mortgagee, who at its option may pay the assessment.

Section 9. Insurance. The Board on behalf of the Association at its common expense shall at all times keep the buildings insured against loss or damage by fire with extended coverage in an insurance company authorized to do business in the State of Tennessee in an amount as near as practicable to the full replacement value thereof without deduction for depreciation, in the name of the Board, as trustee for all owners and mortgagees, according to the loss or damage to their respective units and appurtenant common interests, and payable in case of loss to such bank or trust company authorized to do business in the State of Tennessee as the Board shall designate for the custody and disposition, as herein provided, of all proceeds of such issuance, and from time to time upon receipt thereof cause to be deposited promptly with the owners and mortgagees of the units or interests therein, true copies of such insurance policies or

current certificates thereof, without prejudice to the right of each owner to insure his unit for his own benefit. In every case of such loss or damage, all insurance proceeds shall be used (subject to any requirements contained in the Declaration) as soon as reasonably possible by the Association for rebuilding, repairing, or otherwise reinstating the same building in a good and substantial manner according to the original plan and elevation thereof, or such modified plans conforming to laws and ordinances then in effect as shall be first approved by the Association and all mortgagees of the units or interests therein, and the Association at its common expense shall make up any deficiency in such insurance proceeds. If available, every such policy of insurance shall:

- (a) provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, apportionment, proration, or contribution by reason of any other insurance obtained by or for any unit owner;
- (b) contain no provision relieving the insurer from liability for loss occurring while the hazard to such building is increased, whether or not within the knowledge or control of the Board, or because of any breach of warranty or condition or any other act or neglect by the Board or any owner or any other person under either of them;
- (c) provide that such policy may not be cancelled (whether or not requested by the Board), except by the insurer giving at least thirty days prior written notice thereof to the Board, owners, and every other person in interest who shall have requested such notice of the insurer;
- (d) contain a waiver by the insurer of any right of subrogation to any right of the Board, of owners, against any of them, or any other person under them;

- (e) contain a standard mortgagee clause which shall:
- (1) provide that any preference to a mortgagee in such policy shall mean and include all holders of mortgages of any unit, in their respective order and preference, whether or not named therein;
 - (2) provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the Board, or owners, or any person under any of them;
 - (3) waive any provision invalidating such mortgagee clauses by reason of the failure of any mortgagee to notify the insurer of any hazardous use or vacancy, and a requirement that the mortgagee pay any premium thereon, and any contribution clause;
 - (4) provide that without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable to said bank or trust company designated by the Board.
 - (5) All hazard insurance shall be written by a hazard insurance carrier which has a financial rating by Best's Insurance Reports of A-IX or better.

The Board, on behalf of the Association at its common expense, shall also effect and maintain at all times comprehensive general liability insurance, covering all unit owners, in a responsible insurance company with minimum limits of not less than \$300,000 for injury to one person, \$500,000 for injury to more than one person in any one accident or occurrence, and \$50,000 for property damage, and from time to time upon receipt thereof deposit promptly with the owners current certificates of such insurance,

without prejudice to the right of any owner to maintain additional liability insurance for their respective units.

Article VI. Execution of Instruments

Section 1. Instruments generally. All checks, drafts, notes, bonds, acceptances, contracts, and all other instruments, except conveyances shall be signed by such person or persons as shall be provided by general resolution applicable thereto. Such instruments shall be signed by the President or the Vice President and by the Treasurer or Secretary or Assistant Treasurer or Assistant Secretary, unless delegated by the Board of Directors to the managing agent as specified in Article III, Section 4.

Article VII. Liability of Officers

Section 1. Exculpation. No director or officer of the Association shall be liable for acts or defaults of any other officer or member, or for any loss sustained by the Association or any member thereof, unless the same has resulted from his own willful misconduct or negligence.

Section 2. Indemnification. Every director, officer, and member of the Association shall be indemnified by the Association against all reasonable costs, expenses and liabilities (including attorneys' fees) actually and necessarily incurred or imposed upon such person in connection with any claim, action, suit, proceeding, investigation, or inquiry of whatever nature in which such person may be involved as a party or otherwise by reason of his having been an officer or member of the Association whether or not such person continues to be such director, officer, or member of the Association at the time of the incurring or imposition of such costs, expenses, or liabilities, except in relation to matters as

to which such person shall be finally adjudged in such action, suit, proceeding, investigation or inquiry to, be liable for willful misconduct or negligence toward the Association in the performance of such person's duties, or in the absence of such final adjudication, any determination of such liability by the opinion of legal counsel selected by the Association. The foregoing right of indemnification shall be in addition to and not in limitation of all rights to which such person may be entitled as a matter of law and shall inure to the benefit of the legal representatives of such person.

Article VIII. Fiscal Year

Section 1. Fiscal Year. The fiscal year of the Association shall be such as may from time to time be established by the Board of Directors.

Article IX. By-laws

Section 1. Amendment. These By-laws may be amended, modified, or revoked in any respect from time to time by an affirmative vote of sixty (60) percent of the total membership of the Arden Place Homeowners Association at a meeting duly called for this purpose, or any adjournment thereof, not to exceed thirty (30) days.

Section 2. Conflict. In the event of any conflict between these By-laws and the provisions of the Declaration of Covenants, Conditions, and Restrictions, the latter shall govern and apply.