

RESTATED BY-LAWS

Lake Tansi Property Owners' Association, Inc.

October, 2006

ARTICLE I

OFFICES AND REGISTERED AGENT

§48-55-101 Section 1.01 **Registered Office**

The principal office and the registered office of this corporation is at Lake Tansi Village Subdivision, located at 5050 Shoshone Loop, in Crossville, Cumberland County, Tennessee 38572.

§48-55-101 Section 1.02 **Registered Agent**

The corporation has designated, and shall continue to have, a registered agent in the state of Tennessee in conformity to the statutes of Tennessee.

ARTICLE II

MEMBERS

§48-56-201 Section 2.01 **Categories of Members**

§48-51-201 (21)

Affiliation with this corporation shall consist of four (4) categories, as hereinafter defined: regular members, business members, special members, and associate members. Special members and associate members are not, however, "members" within the meaning of the Tennessee Nonprofit Corporation Act and have only those rights, privileges, and duties with respect to this corporation as provided in these By-Laws.

§48-52-106(b) Section 2.02 **Regular Memberships**

§48-56-101(a)

In order to be eligible to become a regular member of the corporation, a person must own one (1) of the following interests in a lot or living unit within Lake Tansi Village Subdivision (i) a fee in at least one-half (½) of a lot; or (ii) an undivided one-half (½) fee interest in a lot. Multiple bases for membership are covered in Section 11.07 of these By-Laws. If the ownership of a lot or living unit is so divided that no person owns as much as an undivided one-half (½) interest, then a majority of the co-owners shall designate one (1) co-owner to be a member, but may not designate more than two (2) of the co-owners, to be members of the corporation for such lot or living unit.

§48-52-106(b) Section 2.03 **Business Memberships**

§48-56-101(a)

Each entity, other than a natural person, which owns the fee simple interest in any lot or living unit, shall be eligible to hold a business membership in the corporation, and, as such, shall be entitled to designate two (2) families to enjoy the privileges of membership in accordance with the rules adopted by the Board of Directors.

§48-52-106(b) Section 2.04 **Special Memberships**

§48-56-101(a)

Eligibility for, and the rights and duties of, special memberships is governed by Article VII of these By-Laws.

§48-52-106(b) Section 2.05 **Associate Memberships**

§48-56-101(a)

In order to be eligible to be an associate member, one must be a member in good standing in at least one (1) of the following entities: Hiawatha West Timeshare Association; Hiawatha Manor Timeshare Association; or Holiday Out R.V. Park Association. No member of this category shall have the right to vote at any regular or special meeting of the corporation; nor can such a member hold any office or serve on any committee of the corporation except as specified in Article IV, Section 4.1(a).

§48-52-106(b) Section 2.06 **Privileges of Membership**

§48-56-101(a)

- (a) **Membership Cards** - Each regular or business member, in good standing as hereinafter provided, shall be issued a membership card evidencing the right of each member and such member's immediate family to use the amenities owned, and operated or otherwise subject to the control of the Lake Tansi Village Property Owners' Association, Inc. No annual membership card will be issued to any member who, as of the date of such issuance, is delinquent in payment of any dues or assessments due the Corporation.
- (b) **Guest Cards** - Each regular or business member, in good standing as hereinafter provided, shall be entitled to the issuance, upon request, of guest cards for temporary visits of guests of such members not exceeding fourteen (14) days, subject to such rules as may be adopted from time to time by the Board of Directors.
- (c) Associate members will be issued cards entitling them to use the amenities at Lake Tansi Village. The issuance and use of these cards may be regulated by agreement between the corporation, Hiawatha West Timeshare Association, Hiawatha Manor Timeshare Association, or Holiday Out R.V. Park Association, respectively.
- (d) The membership cards issued to regular and business members are issued on the basis of membership and not on the basis of the number of lots owned. Only one set of such cards will be issued to each regular or business member, regardless of the number of lots owned by that member.
- (e) The issuance and use of such cards may be regulated by the Board of Directors pursuant to reciprocal agreements made with other entities.

§48-56-204 Section 2.07 **Obligations of Members**

§48-52-106(b)

- (a) In order to become a member of this corporation, a person must consent (expressly or impliedly) to become liable to the corporation for the dues, assessments or fees applicable to the respective class of membership to which such person seeks to belong, as provided for in, or pursuant to, these By-Laws
- (b) In order to become a member of this corporation, a person must agree (expressly or impliedly) to abide by the rules and regulations governing the use of any amenities owned or operated by, or otherwise subject to the control of, the corporation, as contained in these By-Laws or as adopted by the Board of Directors pursuant to these By-Laws.

- §48-52-106(b) Section 2.08 **Applications for Membership**
 §48-56-101(a) The Board of Directors may from time to time adopt and change forms for application for membership, containing such provisions as the Board may deem appropriate, not inconsistent with law, the Charter and the By-Laws of the corporation. Such application forms shall include an agreement by the applicant to abide by the By-Laws of the corporation, and rules and regulations adopted by the Board of Directors governing the use of any amenities owned, operated, or otherwise subject to the control of the corporation; and to the payment to the corporation for the dues, assessments, fees or other charges applicable to the respective category of membership to which such person seeks to belong, as provided for in, and pursuant to, these By-Laws.
- §48-52-106(b) Section 2.09 **Admission of Members**
 §48-56-101(a) Admission of all applicants for membership shall be by a majority vote of the Board of Directors or of a Membership Committee designated by the Board of Directors, or the Board of Directors may delegate authority to approve applications to any one or more officers. Any person whose application is denied, other than by the Board of Directors, shall have the right to appeal to the Board, and any person whose application is denied by the Board shall be furnished a statement of the basis of such denial and may appeal such denial to the entire membership of the corporation at the next annual meeting, and the decision of the membership shall be final.
- §48-52-106(b) Section 2.10 **Good Standing**
 Any member who resigns or declines membership or is suspended or expelled from membership, shall not from the date thereof be considered to be in good standing. Any member not in good standing shall not be entitled to the privileges of membership, including, but not limited to, the use of amenities, issuance of guest cards, or use of amenities as a guest of a member in good standing.
- §48-56-106(b) Section 2.11 **Suspension and Expulsion**
- (a) Any member who fails to pay applicable dues, assessments, fees, or other charges within fifteen (15) days after the delinquency date thereof (see Section 9.05 (e) of these By-Laws) shall be subject to suspension. The corporation shall give written notice of such failure, in person or by first class or certified mail, to the address of the member as shown on the books of the corporation, which notice shall advise the member that (i) if such delinquent payments are not paid within fifteen (15) days after the date of the notice, the member shall be suspended; (ii) the member may be heard with respect to such suspension, orally or in writing, by making a written request for a hearing at least five (5) days before the effective date of such suspension or expulsion; and (iii) a suspended member may be restored to good standing by paying all delinquent amounts, plus interest and any costs, as provided in section 9.05 of these By-Laws.
 - (b) In addition to suspension on the grounds of failure to pay applicable dues, assessments, fees, or other charges, the Board of Directors may adopt standards and procedures for suspension and expulsion for a continued violation of the rules governing the use of the amenities and for other grounds inimical to the welfare of the corporation. Notice of the adoption of such standards and procedures shall be given to all members before becoming effective. The procedures adopted shall be fair and reasonable and carried out in good faith, and shall provide no less than fifteen (15) days prior written notice of the suspension or expulsion and the reasons therefor and afford the member an opportunity to be heard, orally or in writing, no less than five (5) days before the effective date of such suspension or expulsion. Any written notice shall be given by first class or certified mail sent to the last address of the member shown on the corporation's record.
 - (c) Any proceeding challenging an expulsion or suspension, including a proceeding in which defective notice is alleged, must be commenced within one (1) year after the effective date of the expulsion or suspension.
 - (d) The member who has been suspended will continue to be liable to the corporation for dues, assessments, fees, or other charges, including interest and any costs as provided in Section 9.05 of these By-Laws, accruing until such suspension is terminated. The member who has been expelled will be liable to the corporation for dues, assessments, fees, or other charges, accrued, plus interest and costs as provided in Section 9.05 of these By-Laws, unpaid as of the effective date of such expulsion.
- §48-52-106(b) Section 2.12 **Resignations**
 §48-56-301 The transfer of the ownership interest which provides the basis for membership shall be deemed to operate as an automatic resignation from the membership of the corporation. In addition, any member may resign at any time by filing a written resignation with the secretary of the corporation. Any resignation shall not, however, relieve the member so resigning of the obligation to pay any dues, assessments, fees, or other charges theretofore accrued and unpaid. Any person who resigns shall continue to be bound by and shall have the rights, privileges and duties accruing from any contract relating to that person's owning property in Lake Tansi Village Subdivision, including but not limited to the contract arising from the acceptance of an application.
- §48-52-106(b) Section 2.13 **Restoration of Membership**
- (a) Any member suspended for delinquencies in the payment of dues, assessments, fees, or other charges shall be restored to good standing on payment of all delinquent amounts then due, plus interest and any costs as provided by Section 9.05 of these By-Laws. Any member suspended for any other reason shall be restored to good standing on curing the grounds for suspension, as determined by the Board of Directors.
 - (b) Any person expelled for any reason must apply for membership as any new member, and, in addition, must pay all dues, assessments, fees, or other charges, plus interest and any costs provided in Section 9.05 of these By-Laws, which would have been due had not such expulsion occurred.
- §48-56-202 Section 2.14 **Regular and Business Memberships Not Transferable - Transferees Must Apply**
 No regular or business membership, or regular or business membership card, may be sold, assigned or transferred voluntarily, or by will, or by operation of law. Any person acquiring an interest qualifying that person for membership must apply and be admitted before becoming a member.

ARTICLE III MEETINGS OF MEMBERS

§48-57-101
§48-57-102

Section 3.01 Place

All meetings of the members shall be held at Lake Tansi Village or at such other place within Cumberland County, Tennessee, as may be set by resolution of the Board of Directors.

§48-57-101

Section 3.02 Annual Meetings

An annual meeting of the members of the corporation shall be held each year at a place and time as determined by the Board of Directors in accordance with Section 3.04. At the annual meeting the president and chief financial officer shall report on the financial condition of the corporation; directors and advisory committee members shall be elected; and the members shall consider and act upon such other matters as may be raised consistent with the notice requirements of §48-57-105 T.C.A. and these By-Laws.

Amended 4/15/04

§48-57-102

Section 3.03 Special Meetings

(a) A Special meeting of members shall be held:

(a) on call of the Board of Directors, or the Chairman of the Board, or the president, or

(b) if the holders of at least ten percent (10%) of all votes entitled to be cast on any issue proposed to be considered at the proposed special meeting, sign, date and deliver to the corporation's secretary, one or more written demands for the meeting describing the purpose or purposes for which it is to be held.

(b) If not otherwise fixed pursuant to §48-57-103 or §48-57-107 T.C.A., the record date for determining the members entitled to demand a special meeting is the date the first member signs the demand.

(c) If a notice for a special meeting demanded by the holders of at least 10 percent (10%) of all the votes entitled to be cast is not given pursuant to §48-57-105 T.C.A. within one (1) month after the effective date of the written demand or demands under §48-51-202 T.C.A., regardless of the requirements of §48-57-102(d), any person or persons signing the demand or demands may set the time and place of the meeting and give notice thereof.

(d) Only business within the purpose or purposes described in the meeting notice may be conducted at a special meeting of members.

§48-51-202
§48-57-105
§48-57-106(b)

Section 3.04 Notice of Meeting - Waiver

(a) Written notice of all meetings of members shall be given, stating the place, date and time of the meeting, no fewer than ten (10) days nor more than sixty (60) days before the date of the meeting.

(b) Notice shall be deemed to have been given when deposited in the United States mail, first class, postage prepaid, addressed to the member at his address as it appears on the records of the corporation. Such notice may be included as part of a newsletter or other publication regularly sent to members, and in the case of members who are residents of the same household and who have the same address, if addressed or delivered to one of such members at the address appearing on the current list of members.

(c) Notice of an annual meeting shall include a description of any matter or matters which must be approved by members under §48-58-302 (director and officer conflict of interest), §48-58-507 (indemnification of officers, employees, and agents), §48-60-103 and §48-60-202 (amendments to Charter or By-laws), §48-61-103 (action on mergers), §48-62-102 (sale of assets other than in regular course of activities), or §48-64-102 (voluntary dissolution), and may include such other matters as may be deemed appropriate by the Board of Directors to inform the members of the matters which are expected to be raised at the meeting.

(d) Notice of a special meeting shall include a description of the matter or matters for which the meeting is called.

(e) If an annual meeting or special meeting of members is adjourned to a different date, time or place, notice need not be given of the new date, time or place, if the new date, time or place is announced at the meeting before adjournment. If a new record date for the adjourned meeting is or must be fixed under §48-57-107 T.C.A., however, notice of the adjourned meeting must be given to the members of record of the new record date.

(f) Notices of meetings shall include notice of a matter a member intends to raise at the meeting, if: (i) request in writing to do so is made by a person or persons entitled to call a special meeting; and (ii) the request is received by the secretary or president of the corporation at least ten (10) days before notice of the meeting is given.

(g) A notice need not refer to the approval of minutes or to other routine matters customarily incident to the conduct of meetings of the members.

(h) A certificate of the secretary or other person giving the notice that the notice required by this section has been given shall in the absence of fraud, be prima facie evidence of the facts stated therein.

(i) A member's attendance at a meeting; (i) waives objection to lack of notice or defective notice of the meeting, unless the member at the beginning of the meeting (or promptly upon his arrival) objects to holding the meeting or transacting business at the meeting and (ii) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the member objects to considering the matter when it is presented.

§48-57-107

Section 3.05 Record Date - Determining Members Entitled to Notice and Vote

(a) The members shown on the records of the corporation as being in good standing at the close of business on the fifth business day preceding the day on which notice is to be given shall be entitled to notice of a meeting.

(b) The members shown on the records of the corporation as being in good standing at the close of business on the day preceding the day of the meeting shall be entitled to vote at the meeting.

§48-57-108

Section 3.06 Action by Written Ballot

- (a) Except as provided in Subsection (e) of this section, any action which may be taken at any annual or special meeting of the members may be taken without a meeting if the corporation delivers a written ballot to every member entitled to vote on the matter.
- (b) A written ballot shall (i) set forth each proposed action; and (ii) provide an opportunity to vote for or against each proposed action.
- (c) Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.
- (d) All solicitations for votes by written ballot shall; (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than election of Directors; and (iii) specify the time by which a ballot must be received by the corporation in order to be counted.
- (e) A written ballot, once received by the corporation, may not be revoked.

§48-57-2-1

Section 3.07 Members List for Meeting

- (a) After fixing a record date for notice of a meeting, the corporation shall prepare an alphabetical list of the names of all members who are entitled to notice of the meeting. The list must show the address and number of votes each member is entitled to vote at the meeting. The corporation shall prepare on a current basis through the time of the membership meeting a list of members, if any, who are entitled to vote at the meeting, but who are not entitled to notice of the meeting. The latter list shall be prepared on the same basis and be part of the list of members.
- (b) The list of members must be available for inspection by any member for the purpose of communication with other members concerning the meeting, beginning two (2) business days after notice is given of the meeting for which the list was prepared and continuing through the meeting, at the corporation's principal office or at a reasonable place identified in the meeting notice in Cumberland County, Tennessee. A member, a member's agent, or attorney is entitled on written demand to inspect and, subject to the limitations of §48-66-102(c) and §48-66-105 T.C.A., to copy the list at a reasonable time and at the member's expense, during the period it is available for inspection.
- (c) The corporation shall make the list of members available at the meeting, and any member, a member's agent, or attorney is entitled to inspect the list at any time during the meeting or any adjournment.

§48-57-202

Section 3.08 Right to Vote

Each regular member and each business member of the corporation shall be entitled at each membership meeting, and upon each proposal presented at such meeting, to one (1) vote for each such membership. **Amended 2/18/02**

§48-57-203

Section 3.09 Quorum

- (a) Unless the statutes of Tennessee or the Charter of this corporation provide for a higher or lower quorum, ten percent (10%) of the votes entitled to be cast on a matter must be represented at a meeting of members to constitute a quorum on the matter.
- (b) An amendment to the Charter that adds, changes, or deletes a greater quorum or voting requirement shall meet the same quorum requirement and be adopted by the same vote and voting groups required to take action under the quorum and voting requirements then in effect or proposed to be adopted, whichever is greater.
- (c) When a quorum is once present to organize a meeting, a meeting may be adjourned despite the absence of a quorum caused by the subsequent withdrawal of any of those present.

§48-57-204

Section 3.10 Voting Requirements

§48-57-206

- (a) If a quorum exists, action on a matter by a voting group is approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action, unless the Charter or the statutes of Tennessee require a greater number of affirmative votes.
- (b) Directors shall be elected by a plurality of the votes cast by the members entitled to vote for directors in the election at a meeting at which a quorum is present.

§48-57-205

Section 3.11 No Proxies

Proxy voting is prohibited, and proxies shall not be used for voting on any matters. **Amended 12/20/05**

§48-57-208

Section 3.12 Corporation's Acceptance of Votes

- (a) If the name signed on a vote corresponds to the name of a member, the corporation if acting in good faith is entitled to accept the vote and give it effect as the act of the member. **Amended 12/20/05**
- (b) If the name signed on a vote does not correspond to the record name of a member, the corporation if acting in good faith is nevertheless entitled to accept the vote and give it effect as the act of the member if: (i) the member is an entity and the name signed purports to be that of an officer or agent of the entity; or (ii) two (2) or more persons hold the membership as co-owners and the name signed purports to be the name of at least one (1) of the co-owners and the person signing appears to be acting on behalf of all co-owners. **Amended 12/20/05**
- (c) The corporation is entitled to reject a vote if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has a reasonable basis for doubt about the validity of the signature or about the signatory's authority to sign for the member. **Amended 12/20/05**
- (d) The corporation and its officer or agent who accepts or rejects a vote in good faith and in accordance with the standards of this section are not liable in damages to the member for the consequences of the acceptance or rejection. **Amended 12/20/05**
- (e) Corporate action based on the acceptance or rejection of a vote under this section is valid unless a court of competent jurisdiction determines otherwise. **Amended 12/20/05**
- (f) The grounds for acceptance of votes set out in Subsection (b) of this section do not constitute the exclusive basis on which a corporation may accept votes. **Amended 12/20/05**

ARTICLE IV BOARD OF DIRECTORS

§48-58-102
§48-58-103
§48-58-104

Section 4.01 Number, Qualifications and Designation

- (a) The number of directors of the corporation shall be nine (9), one of whom shall be designated by the Holiday Out R.V. Park Association, and one (1) of whom shall be designated by the Hiawatha Manor West and the Hiawatha Timeshare Associations to represent both those associations.
- (b) The designation of directors shall be done in accordance with the rules, procedures, and by-laws of each association on an annual basis.
- (c) The number of directors may be increased or decreased from time to time by amendment of these By-Laws, but no decrease shall have the effect of shortening the term of any incumbent director.
- (d) No person shall be eligible for election as director at an election at which he or she is completing two (2) consecutive terms as director, but such a person shall be eligible at an election to be held one (1) or more years after the completion of the second consecutive term.
- (e) In the event of an appointment or election to fill a vacancy on the board of an elected member, such action will not affect the eligibility of such a person to serve two (2) full consecutive terms. **(a) & (b) Amended 2/18/02**

§48-58-104
§48-58-105

Section 4.02 Existing Directors

The adoption of these By-Laws shall not affect the term of directors then in office, but such directors shall serve under these By-Laws for the remainder of their terms and are, thus, designated as directors.

§48-58-104
§48-58-105
§48-58-106

Section 4.03 Nominations, Elections and Terms

- (a) Any regular member in good standing may submit his/her name as a candidate for the Board of Directors by §48-58-106 submitting a petition signed by at least fifty (50) voting members of the corporation to the secretary of the corporation. **Amended 2/18/02**
- (b) Directors shall be elected by a plurality of votes.
- (c) The seven (7) elected directors shall be elected for a term of three (3) years, on a staggered basis with no more than three (3) directors being elected each year unless required to fill a vacancy. Elected directors' terms begin on January 1 of the year following their election. The two (2) designated directors, including all directors in office as of the date of the adoption of these By-Laws, shall hold office for the duration of the term for which they are, or have been designated or elected, and thereafter until their successors have been elected or designated. **Amended 2/18/02, 2/19/04**

§48-58-107

Section 4.04 Resignation of Directors

- (a) A director may resign at any time by delivering written notice to the Board of Directors, the president or secretary, or to the corporation.
- (b) A resignation is effective when the notice is effective unless the notice specifies a later effective date. If a resignation is made effective at a later date, the Board of Directors may fill the pending vacancy before the effective date if the Board provides that the successor does not take office until the effective date.

§48-58-108
§48-58-109

Section 4.05 Removal of Directors

- (a) The members may remove any director elected by them with or without cause, if the number of votes cast to remove the director would be sufficient to elect the director at a meeting to elect directors.
- (b) A director elected by the members may be removed by the members only at a meeting called for the purpose of removing the director and the meeting notice must state that the purpose, or one of the purposes, of the meeting is removal of the director.
- (c) The Board of Directors may remove a director without cause where that director has been elected by the Board. Any such removal requires the vote of two-thirds (2/3) of the directors then in office.
- (d) A designated director may be removed only by the entity or entities designating that director.

§48-58-111

Section 4.06 Vacancy on Board

- (a) Except as provided in this section, if a vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of directors or a vacancy resulting from a removal with or without cause: (i) in the case of a vacancy in a seat elected by the members where more than one (1) year remains to be served the members shall fill the vacancy; (ii) in the case of a vacancy in a seat elected by the members where the remaining term is less than one (1) year the Board of Directors may fill the vacancy; or (iii) in the case of a vacancy in an appointed or designated seat the vacancy shall be filled by the appointing or designating authority as the case may be.
- (b) If the directors remaining in office constitute fewer than a quorum of the Board, they may fill the vacancy or vacancies by the affirmative vote of a majority of all the directors remaining in office.
- (c) Any director elected or designated to fill a vacancy shall take office immediately upon election or designation and shall hold office for the unexpired term of his or her predecessor, or, if there is no predecessor, until the next annual meeting of the members.
- (d) If a vacant office was held by a designated director, the vacancy shall be filled by the designating entity or entities.

§48-58-201

Section 4.07 Meetings of Board

- (a) The Board of Directors shall meet after the annual meeting of members, and at the same place as such annual meeting of members, provided a quorum be present, and no notice of such meeting shall be necessary.
- (b) Other regular meetings of the Board of Directors shall be held at such time and place as the Board of Directors shall - - determine.
- (c) Special meetings of the Board of Directors may be called by the Chairman of the Board or, in the absence or disability of the Chairman by the president, or any three (3) directors.
- (d) The Board may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.