

PART 2

BYLAWS

OF THE

BRIDAL VEIL HOMEOWNERS ASSOCIATION

PART 2 - BYLAWS OF THE BRIDAL VEIL HOMEOWNERS ASSOCIATION

ARTICLE - NAME

The following provisions shall constitute the Bylaws of the BRIDAL VEIL HOMEOWNERS ASSOCIATION, a Tennessee nonprofit entity (the "Association"). The Bylaws shall, along with the provisions of the Declaration of Restrictive Covenants for the Bridal Veil (the "Declaration"), govern the administration of The Bridal Veil, (the "Development"). These Bylaws may be amended from time to time for compliance with the Declaration and such Rules and Regulations as may be adopted by the Board of Directors of the Association (the "Board").

Terms in these Bylaws (unless otherwise defined) shall have the same meaning as defined in Part 1, the Declaration.

ARTICLE II - OFFICE

The principal office of the Association shall be located at the following address:

Bridal Veil Homeowners Association c/o
Theresa A. Monette
474 Sussex Drive, Huntsville, AL 35824
Tel: 256-774-3908 OR 256-520-7517 cell
Tmonette@BridalVeilBluffs.com

This address shall be changed to such other place and person either within or without the State of Tennessee, as shall be lawfully designated by the Association or as the officer elections or other affairs of the Association may require from time to time.

ARTICLE III - PURPOSES

The purposes of this Association shall be to provide for the establishment of a residents' association for the government of the Development in the manner provided by the Declaration, these Bylaws and in the Charter for the Association (the "Charter") when it is formally established as a Tennessee business entity. The aims of this Association are to be carried out through any and all lawful 2-2 activities, including others not specifically stated in the Declaration, the Charter or these Bylaws but incidental to the stated aims and purposes; provided that any such activity or contribution shall conform to any applicable restrictions or limitations set forth in the Charter or which are imposed on real estate homeowners' associations by the Internal Revenue Code of 1986, as amended, and the regulations thereunder, as presently enacted or as they may hereafter be amended or supplemented. All present or future Owners or tenants, or their employees, or any other person who might use facilities on the Development in any manner, shall be subject to the covenants, provisions or regulations contained in the Declaration and Bylaws, as amended, and shall be subject to any restriction, condition or Rules and Regulations hereafter adopted by the Association.

ARTICLE IV - THE ASSOCIATION

4.01 Purposes and Powers

Upon its formation, the Association shall be the governing body for all of the Owners for the maintenance, repair, replacement, administration and operation of the Common Property and the administration and interpretation of the Declaration, the Bylaws and any Rules and Regulations adopted pursuant thereto. The Association shall have and exercise all powers necessary or convenient to effect any or all of the purposes for which it is organized and to do every other act consistent with law which may be appropriate to promote and obtain the purposes set forth in the Declaration, Bylaws, Rules and Regulations.

Upon formation of the Association, the Developer shall transfer all of its rights, powers and obligations to the Association except for those rights set forth elsewhere as specifically remaining with the Developer.

4.02 Membership

Every person or entity who is an Owner of a fee simple interest or an undivided fee simple interest in any Lot subject to the Declaration shall be a Member of the Association. Membership shall be automatically transferred to the new Owner upon the conveyance of any Lot and recording of the deed of conveyance in the Register's Office of Grundy County, Tennessee.

Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment. A Member Emeritus is not a Member of the Association.

4.03 Voting Rights

The Association shall have one (1) regular voting membership classification. Each platted Lot in the Development shall entitle the Owner to one (1) vote for the purpose of exercising decision and approval authority of the Association in accordance with these Bylaws. Developer shall also be entitled to one vote for each platted Lot in the Development owned by the Developer

Platted Lots in the Development are identified initially as:

- (1) Six (6) Lots platted in the Bridal Veil Bluffs component as defined in Exhibit "A",
- (2) The single Lot platted as the Bridal Veil Falls component as defined in Exhibit
- (3) The single Lot platted as the Stone House Tract component as defined in Exhibit "A" and
- (4) The single Lot platted as the Pines component as defined in Exhibit "A",

Neither the Developer nor the Association shall be entitled to any vote by virtue of ownership of a Common Property.

When more than one person holds an interest or interests in any Lot as Owner, all such persons shall be members of the Association, however their one allowable vote for such Lot shall be exercised as they determine among themselves.

When one or more co-owners signs a proxy or purports to vote for his or her co-owners, such vote shall be counted unless one or more of the other co-owners is present and objects to such vote, or if not present, submits a proxy or objects in a written instrument delivered to the Secretary of the Association before the vote is counted. If co-owners disagree as to the vote, the vote shall not be counted.

For contiguous Lots that have the same Owner and are combined for the purpose of erecting a dwelling thereon or for such other approved reasons established by the Owner, the allocation of Lot assessments and

Owner voting rights provided for in these Bylaws will continue to be based upon the number of original platted Lots purchased.

ARTICLE V - THE BOARD OF DIRECTORS

5.01 Board of Directors

Subject to Section 5.02 of this Article, the administration of the Property on behalf of the Association shall be conducted by a Board of Directors ("Board") which shall consist of at least five (5) Board members (Directors) of legal age, one of which shall be the Developer and the others shall be Owners. The Developer or his nominee shall be a member of the Board until he/she dies or elects to withdraw from continuing affiliation with the Development, whichever occurs first. The association may, with approval of at least fifty-one percent (51%) of eligible votes within the Development, Increase or decrease the number of directors from time to time at, any annual or special meeting but the Board must have no more than eleven (11) and not less than 5 directors.

5.02 Developer Performs Functions

The rights, duties and functions of the Board shall be solely exercised by the Developer until such time as the Developer calls a special meeting of the Association to elect a Board or until the Developer appoints an Interim Board to serve until formal elections of Board members can be held.

5.03 Election of the Board

Members of the Initial Board elected to succeed the Developer or the appointed Interim Board shall be elected at any special meeting duly called for that purpose by the Developer or Interim Board. Thereafter, at each annual Association meeting the Association shall elect members of the new Board who shall serve the terms set out in Section 5.04. For those annual Association meetings elections of the new Board, any nomination for a position on the new Board may be made by petition filed with the Secretary of the Association at least seven (7) days prior to the annual or special meeting of the Association, which petition shall be signed by three more Owners and by the nominee named therein indicating his/her willingness to serve as a member of the Board, if elected.

5.04 Term of Board Members

Members of the Board shall serve for a term of one (1) year or until their respective successors are duly elected and qualified, or until their death, resignation or removal.

5.05 Resignation and Removal from the Board

Any member of the Board may resign at any time by giving written notice to the President. Any member of the Board may be removed from membership on the Board by the approval of sixty-seven percent (67%) of the eligible votes within the Development, except that a vacancy on the Board shall be deemed to exist in the event of the death of a member, the disability of a member which, in the opinion of a majority of the Board, renders such member incapable of performing Board duties, or in the event a member declares. he is incapable of performing Board duties, or in the event a member shall cease to be an Owner. Whenever there shall occur a vacancy on the Board for any reason, the remaining members of the Board shall elect a successor Board member to serve until the next annual meeting of the Association, at which time said vacancy may be filled by the Association for the un-expired term.

5.06 Compensation

The members of the Board shall normally receive no compensation for their services but shall be reimbursed for reasonable travel and special expenses incurred by them in the performance of their duties, such payments to be determined by the Board.

5.07 Powers and Authority of the Board

The Board, for the benefit of the Development and the Association, shall enforce the provisions of the Declaration, these Bylaws, and such other Rules and Regulations governing the Development. Subject to any provision herein, the Board shall have the power and authority to acquire and pay for the following, which shall be deemed Common Expenses of the Association.

- (1) water, sewer, garbage collection, electrical, telephone, gas and other necessary utility services for the Common Properties.
- (2) Legal, accounting and administrative services necessary or advisable in the operation of the Property and the enforcement of the Declaration, these Bylaws, and the Rules and Regulations made pursuant thereto.
- (3) Painting, maintenance, repair, replacement and landscaping of the Common Properties.
- (4) Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments that the Board is required to secure or pay for pursuant to the terms of the Declaration, these Bylaws or any other Rules and Regulations promulgated hereunder or which, in its opinion, shall be necessary or advisable for the operation of the Property or for the enforcement of the Declaration, these Bylaws, or the Rules and Regulations.

The Board shall also have the exclusive right from time to time to acquire and dispose of by sale or otherwise and without the necessity of approval by any Owner, furnishings and equipment and other personal property for the Common Properties and to provide maintenance, repair and replacement thereof.

The Board shall have the exclusive right to contract for all goods and services, including security personnel, and insurance, payment for which is to be made a Common Expense.

5.08 Additional Powers of the Board

The Board shall have the right to acquire, operate, lease, manage, mortgage and otherwise trade and deal with the Common Properties as may be necessary or convenient in the operation and management of the Common Properties, and in accomplishing the purposes set forth herein. The Board or any managing agent or entity designated by the Board shall be deemed the agents of the Owners and as such shall manage, maintain and improve the Common Properties and also collect, conserve, allocate and expend money received from the Owners in a manner consistent with such agent's relationship and in conformity with this Declaration, these Bylaws and the Rules and Regulations.

5.09 Meetings of the Board

Meetings of the Board shall be held at such places within or without the State of Tennessee as the Board shall determine. A majority of the then elected members of the Board shall constitute a quorum. The decision of at least a majority of the then elected members of the Board shall constitute the act of the Board. Meetings of the Board shall be chaired by the President of the Association, and the minutes shall be recorded by the Secretary of the Association. The Association shall annually elect all of the officers set forth in Article VI hereof. Any action required to be or which may be taken by the Board may be taken without a meeting of the Board pursuant to a

written consent, setting forth the action so taken, signed by all members of the Board. All officers must be members of the Board.

5.10 Special Meetings

Special meetings of the Board may be called by the President of the Association or by a majority of the Board members.

5.11 Notice of Meetings

Regular meetings of the Board may be held without special call or notice. The person or persons calling a special meeting of the Board shall, at least ten (10) days before the meeting, give notice thereof to each of the other Board members by any usual means of communication. Such notice need not specify the purpose for which the meeting is called. If an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

5.12 Waiver of Notice

Any members of the Board may, at any time, waive notice of any meeting of the Board in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting thereof shall constitute a waiver of notice of such meeting unless a Board member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called and does so object by delivering a written document to that effect.

5.13 Notice of Election

After the election of the Board to succeed the Developer, the Secretary of the Association shall execute and, where desirable, acknowledge and record a certificate stating the names of all of the members of the then Board, provided, that, in the event of the disability or other incapacity of the Secretary, the President of the Association shall be empowered to execute the aforesaid certificate. The certificate shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith.

5.14 Fiscal Year

The fiscal year of the Association shall be the calendar year.

5.15 Special Committees

Included in such Special Committees shall be an Architectural Control Committee with duties to perform as defined in, but not limited to, architectural control provisions of the Declaration and those provisions set forth in Article XI of the Bylaws. The Developer or its nominee shall always be a member of the Architectural Control Committee.

The Board may also rescind any Special Committee resolutions by a further resolution duly adopted. The Developer shall perform the functions of all Special Committees until establishment of the Association and election of its officers. Such Special Committees shall have such names as may be determined from time to time by the Board and shall keep regular minutes of their proceedings and report the same to the Board when required. The Developer or Board, when formed, may appoint Owners to fill vacancies on any Special Committees.–

5.16 Rules and Regulations

The Board shall have the power and right to adopt and amend special Rules and Regulations for the purpose of governing the details of any Development operation and setting forth restrictions on, and requirements respecting the use and maintenance of Common Properties.

Notwithstanding the foregoing, the Board shall have the power to make any such structural alterations, capital additions to, or capital improvements of, the Common Properties as are necessary, in the Board's reasonable judgment, to preserve or maintain the integrity thereof without obtaining such approval, if in the opinion of the Board an emergency exists which should be corrected before a meeting of the Association could be reasonably called and held.

Further, Rules and Regulations may be enacted to govern details of any restrictive covenants running with the land, for protection of the environment and private property, for actions of residents, guests or renters regarding safety, privacy and intrusive behavior, and for any other aspect warranting explicit regulation by the Association.

5.18 Failure to Insist on Strict Performance Not Waiver

The failure of the Board or its agents to insist, in any one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions in the Declaration or these Bylaws, or the Rules and Regulations, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment, for the future of such term, covenant, condition or restriction, right, option or notice; but such term, covenant, condition or restriction, right, option or notice shall remain in full force and effect.

ARTICLE VI - THE ASSOCIATION: MEETINGS OFFICERS ETC.

6.01 Quorum

The presence in person or by proxy at any meeting of the Association of the Owners entitled to vote a majority of the eligible votes shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Association upon the affirmative vote of persons entitled to cast a majority of the votes of the Association.

6.02 Annual Meeting

There shall be an annual meeting of the Association on the second Saturday of January at any reasonable time of day, Central time, at such reasonable place or other time (but not more than sixty (60) days before or after such date) as may be designated by written notice by the Board delivered to Owners not less than fifteen (15) days prior to the date fixed for said meeting. At or prior to the annual meeting, the Board shall furnish to the Owners: budget for the coming fiscal year that shall itemize the estimated Common Expenses of the coming fiscal year with the estimated allocation thereof to each Owner; and (2) a statement of the Common Expenses itemizing receipts and disbursements for the previous and/or current fiscal year, if then, available, together with the allocation thereof to each Owner.

6.03 Special Meeting

Special meetings of the Association may be held at any time and at any reasonable place to consider matters which, by the terms hereof, require the approval of all or some of the Owners, or for any other reasonable purpose. Special meetings shall be called by a majority of the Board, or by the Owners of at least thirty-three percent (33%) of the eligible votes of the Association by written notice, delivered to all Owners not less than fifteen (15) days prior to the date fixed for said meeting. The notice shall specify the date, time and place of the meeting and the matters to be considered.

6.04 Parliamentary Rules

Robert's Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with these Bylaws or other such rules adopted by the Board.

6.05 Officers

The officers of the Association shall be a President, Vice-President, Secretary and Treasurer, all of whom shall be members of the Board. Once an initial Board has been elected by the Association Members to succeed the Developer, the following provisions shall become applicable: Each officer shall be required to be an Owner. No officer shall receive compensation for serving as such. In the event an office becomes vacant due to an officer ceasing to be an Owner, or due to the death or disability of an officer, or for any other reason, the Board shall immediately appoint a successor to that office to serve out the remainder of the term. The Board may, in its discretion require that officers be subject to fidelity bond coverage.

A. President. The President shall preside at all meetings of the Association and of the Board and may exercise the powers ordinarily allocable to the presiding officer of an association, including the appointment of committees.

B. Vice-President. In the absence or inability of the President, the Vice-President shall perform the functions of the President.

C. Secretary. The Secretary shall keep the minutes of all proceedings of the Board and of the meetings of the Association and shall keep such books and records as may be necessary and appropriate for the records of the Association and the Board, including the minute book wherein the resolutions shall be recorded.

D. Treasurer. The Treasurer shall be responsible for the fiscal affairs of the Board and the Association, but may delegate the daily handling of funds to accountants or other persons, firms or entities selected by the Board.

ARTICLE VII - ASSESSMENTS

7.01 Purpose of Assessments

Assessments are generally of two types: annual assessments and special assessments. The Developer or the Association (after Association is formed) may impose assessments upon Lots for any of the following purposes, but not limited thereto:

- (1) Maintaining or improving the Common Properties, including establishment of reserves deemed necessary for such purposes;
- (2) Paving or surfacing and maintaining any private road and cutting grass and maintaining beauty of appearance along both public and private roads;
- (3) Installing and maintaining lights along roadways and at Common Area facilities and features.
- (4) Constructing and equipping gates and/or guard facilities at the entrance or entrances to the Development and hiring or contracting for personnel to staff such facility, and otherwise maintaining the same;
- (5) Purchasing such insurance, including, without limitation, property, general liability, fidelity and/or directors insurance, as the Association deems necessary;
- (6) Paying any expense defined as a Common Expense under the Bylaws;
- (7) Protecting and preserving the beauty of the Development or the health and safety of persons living within it.

(8) Constructing, maintaining and marking walking trails, bridges, viewpoints and other recreational facilities within Common Properties or on private properties where access by the Association members is granted by the private property owners to the Association.

7.02 Annual Assessments

At least fifteen (15) days prior to the annual meeting of the Association, the Board (after Board is formed) will adopt a proposed budget for the upcoming year. The budget will establish the total amount of annual assessments on all Lots in the Development. The amount of the annual assessment for the individual Lots will be determined on the same basis as voting rights under Section 4.03 of the Bylaws. The budget shall be approved, modified or rejected at the annual meeting of the Association by vote determined pursuant to Section 6.01 of the Bylaws.

7.03 Annual Assessments on Added Property

Whenever additional land is added to the Development pursuant to the Declaration—such additional property will, automatically without the necessity of a vote of the Owners as required for other types of amendments, reduce the assessment imposed upon the then existing. Each additional Lot added to the Development will be subject to assessments hereunder on the same basis as the original Lots submitted to the terms of the Restrictive Covenants and Bylaws.

7.04 Special Assessments

In addition to annual assessments, the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of an improvement upon the Common Properties, the cost of any addition to the Common Properties or any unexpected expense, provided that such special assessments shall have the written approval of at least a majority of the eligible votes in the Association. Such approval may be given in writing or at a duly called Special Meeting.

7.05 Date of Commencement of Annual Assessments

Annual assessments shall commence on 1 January of each year. The amount of the first annual assessment on a Lot shall be based pro-rata on the balance of the calendar year from date of its purchase closing and shall become due and payable on the closing of the Lot. The Assessment for any year, after the first year, whether an annual or special assessment, shall be due and payable within thirty (30) days following approval of such assessment by the Association.

7.06 Obligation for assessments

Each Owner by deed, whether or not it shall be so expressed in any deed or other conveyance, shall be deemed to covenant and agree to all of the terms and provisions of the Declaration and Bylaws and pay annual assessments and special assessments for the purposes set forth herein. The Owner of each Lot shall be personally liable, such liability to be joint and several if there are or more Owners, for the payment of all assessments, whether annual or special, which may be levied while such party or parties is an Owner, except where explicitly exempted from such assessments by special action of the Board for legitimate reasons. The annual and special assessments, together with such interest thereon and costs of collection therefor as hereinafter provided, shall be a charge and continuing lien on the Lot and all of the improvements thereon against which each such assessment is made. Unpaid assessments shall bear interest from the due date to date of payment at a rate

established by either the Developer or the Association, when formed, on an annual, not to exceed the maximum rate allowed by law.

Any assessments, whether regular or special, that are implemented by the Developer or the Association, when formed, will apply to any Lots of Developer that are platted of record. However, no assessments shall apply to: (1) any property of Developer not platted as a lot; and (2) any property of Developer reflected as "Future Development"; and (3) any property of Developer not formally designated within the Property description at Exhibit "A"

7.07 Lien

Recognizing that the necessity for providing proper operation and management of the Property entails the continuing payment of cost and expenses therefore, the Developer or the Association, when formed, is hereby granted a lien upon each Lot and the improvements thereon; as security for the payment of all assessments against said Lot, now or hereafter assessed, which lien shall also secure all costs and expenses, including reasonable attorney's fees, which may be incurred by the Developer or the Association, when formed, in enforcing the lien upon said Lot as well as interest accruing thereto. The lien granted in this Paragraph may be foreclosed as other liens are foreclosed in the State of Tennessee.

7.08 Lease, Sale or Mortgage of Lot

Whenever any Lot may be leased, sold or mortgaged by its Owner, the Developer or the Association, when formed, shall, upon written request of the Owner of such Lot, furnish to the proposed lessee, purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to the Developer or Association by the Owner of such Lot and any matter in dispute between the Owners of such Lot and the Developer or Association. Such statement shall be executed by any officer of the Developer or Association, when formed, and any lessee, purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction, and the Developer or Association shall be bound by such statement..09 Subordination of Lien to First Mortgages

The liens provided for in this Declaration and Bylaws shall be subordinate to the lien of a First Mortgage on any Lot, but only if all assessments, whether annual or special, with respect to such Lot having due dates on or prior to the date such First Mortgage is recorded have been paid. In the event any such mortgagee shall acquire title to any Lot by virtue of any foreclosure or deed in lieu thereof, the mortgagee of a First Mortgage shall only be liable and obligated for assessments, whether annual or special, as shall accrue and become due and payable for said Lot subsequent to the date of acquisition of title. In the event of the acquisition of title to foreclosure, any assessments, annual or special, as to which the party so acquiring title shall not be liable, shall be absorbed and paid by all Owners as part of the common expenses; provided, however, nothing contained herein shall be construed as releasing the party or parties liable for such delinquent assessments from the payment thereof or the enforcement of collection of such payment by means other than foreclosure. Any First Mortgagee may notify in writing the Developer or the Board, when formed, of its name and address in order to be entitled to notices under Paragraph 9.03 of the Bylaws.

7.10 Allocation of Assessments for Combined Lots

For contiguous Lots that have the same Owner and are combined for the purpose of erecting a dwelling thereon or for such other approved reasons established by the Owner, the allocation of Lot assessments and Owner voting rights provided for in these Bylaws will continue to be based upon the number of original Lots purchased

ARTICLE VIII - LIABILITY AND INDEMNIFICATION

8.01 Liability of Members of the Board and Officers

The members of the Board, the officers and any agents and employees of the Association shall: (1) not be liable to the Owners or Association as a result of their activities as such for any mistake of judgment, or otherwise, except for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (2) have no personal liability to an Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Owners in their capacity as such; (3) have no personal liability in tort to an Owner or any other person or entity direct or imputed by virtue of acts performed by them as Board members and/or officers except for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; and (4) have no personal liability arising out of the use, misuse or condition of the Common Properties, or which might in any other way be assessed against or imputed to them as a result or by virtue of their capacity as such Board members and/or officers.

Developer shall not be responsible or liable for any violation of the Declaration or Bylaws or Rules and Regulations by any person other than itself.

8.02 Indemnification by Association.

To the extent now or hereafter permitted by applicable law, the Association shall indemnify and hold harmless any person, his heirs and personal representatives, from and against any and all personal liability, and all expenses, including without limitation counsel fees and court costs, incurred or imposed, or arising out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, instituted by any one or more Owners or any other persons or entities, to which he or she shall be made a party or shall be threatened to be made a party by reason of the fact that he or she is or was a member of the Board or an officer or agent or employee of the Association; provided, in the case of any settlement, that the Board shall have approved the settlement, which approval is not to be unreasonably withheld. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or by vote of the Association or the Board, or otherwise. The indemnification by the Association set forth herein shall be paid by the Board on behalf of the Association and shall constitute a Common Expense.

8.03 Actions Brought by One or More Owners on Behalf of All Owners

No suit shall be brought by one or more, but less than all, Owners on behalf of the Association without approval by a majority of the votes of the Association.

8.04 Notice of Suit and Opportunity to Defend

Suits brought against the Association, or the Board, or the officers, employees or agents thereof, in their respective capacities as such, or the Property as a whole, shall be directed to the President of the Association, who shall promptly give written notice thereof to the other members of the Board and shall be defended by the Board. The Association and all Owners shall have no right to participate other than through the Board in such defense. Suits against one or more, but less than all, Owners shall be directed to such Owners, who shall promptly give written notice thereof to the Board and shall be defended by such Owners at their expense.

8.05 Owner Disputes

In the event of any dispute or disagreement between the Owners relating to the Property, any questions of interpretation or application of the provisions of the Declaration or the Bylaws, such dispute or disagreement shall be submitted to the Developer or the Board, when formed, and any such determination, provided it is not arbitrary or capricious, shall be final and binding on each and all of the Owners, subject to the right of the Owners to seek other remedies provided by law after such determination.

ARTICLE - GENERAL BUSINESS PROVISIONS

9.01 Businesses

Nothing contained in these Bylaws shall be construed to give the Board the authority to conduct any business intended for a sustaining profit on behalf of the Association or any Member. Any income-producing business conducted by or on behalf of the Association must be of a character and intent in keeping with the non-profit nature and charter of the Association.

9.02 Amendment.

These Bylaws may be amended, modified, or revoked in any respect from time to time by Developer prior to the election of the initial Board and thereafter by the affirmative vote of the Owners of not less than seventy-five percent (75%) of the eligible votes within the Association, provided, however, that the contents of these Bylaws shall always contain those particulars which are required to be contained herein by the laws of the State of Tennessee. Any amendment of Bylaws shall not be required to be recorded with the Register's Office of Grundy County but must be kept on file with the Developer and the Secretary of the Association and available to all Owners upon written request.

9.03 Notices

Any notice required to be sent to any Owner under the provisions of these Bylaws shall be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to the last known address of the Owner on the records of the Association at the time of such mailing. Notice to one of two or more co-owners of a Lot shall constitute notice to all co-owners. It shall be the obligation of every Owner to immediately notify the Secretary in writing of any change of address. Any notice required to be sent to the Board, the Association or any officer thereof, under the provisions of these Bylaws shall likewise be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to such entity or person at the address specified in Article II - Office.

9.04 Conflict

In the event of any conflict between these Bylaws and the provisions of the Charter of the Association, the Charter shall control and govern. In case of any conflict between the Declaration and these Bylaws, the Declaration shall control and govern.

9.05 Non-waiver of Covenants

No covenants, restrictions, conditions, obligations or provision contained in the Declaration or these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

9.06 Agreements Binding

All agreements and determinations made by the Association in accordance with procedures established in the Declaration and Bylaws shall be deemed to be binding on all Owners, their respective heirs, successors and assigns.

9.07 Severability

The invalidity of any covenant, restriction, condition, limitation or any other provisions of these Bylaws, or of any part of the same, shall not impair or affect in any manner the validity, enforceability or effect of the rest of these Bylaws.

9.08 Books and Records

The books, records and papers of the Association shall at all times, during reasonable hours, be subject to inspection by any Member at the principal office of the Association, including, but not limited to, the Declaration, the Charter, the Bylaws and any Rules and Regulations of the

Association. Copies of such documents may be purchased at reasonable costs.

9.09 Law Governing

This Declaration is made in the State of Tennessee, and any question pertaining to its validity, enforceability, construction or administration shall be determined in accordance with the laws of that State.

ARTICLE X - COMMON PROPERTIES

10.01 Types of Common Properties

All Common Properties are intended for the common use, benefit and enjoyment of the Owners and Residents occupying accommodations of Owners on a guest or rental basis. Common Properties may be owned or leased or contracted for use by the Association or given use to the Association on a loan basis; however, a Common Property of any type carries with it some degree of responsibility by the Board to manage its operation and maintenance and assume liability for its use by the Association members.

Any lands which are on loan to the Association or leased by the Association for use as Common Properties shall lose their character as Common Properties upon expiration of such lease.

Common Properties include but are not limited as to those described.

All rights-of-way and easements established—within the Development for the purpose of providing common access roads and public utilities to boundaries; of [individual Lots;]

- (1) Any bridge within the Development that is located on an easement intended for use by all Owners.

Any facility, structure or feature established by the Developer or Association, When formed, to provide Common Area security lighting, fencing, access control/ signs, common mailbox facilities, ornamental items shrubbery and irrigation.

- (4) Any private water, power, telephone or other utility line established by Developer or Association to service operations and maintenance of Common Area real estate, facilities and features.

The Easement established by Developer to provide walking access along the eastern boundary of Bridal Veil Bluffs Lot 1 into the Wilderness Common Area.

(6) Any hiking trails, bridges, signs or other facilities established by Developer or Association within the Wilderness Common Area.

(7) Any hiking trails, bridges, signs or other facilities established by Developer or Association for use by Owners and Residents of the Development within any easements established on private properties of the Development or within any other properties that may be purchased or leased or on loan to the Association for that purpose.

10.02 Easements for Access to Common Properties and Private Owner Lots.

An easement, or easements, shall be provided for use by Owners and Developer to gain foot or vehicle access to Common Properties and to Owner's private Lot(s). Such easements will be for exclusive use of Association members, their families, guests, postal delivery persons, fire services and public utility agencies, the Developer and other authorized persons or organizations that normally serve a residential community. Such easements are not for use by the public in general, until such time as they may become so dedicated, if ever, as public rights of way. The Bridal Veil development is established as a private community, and its easements for access to Common and private properties within the Development are for private use.

10.03 Utility Easements

A perpetual easement for the benefit of the Developer and the Association is reserved over portions of each Lot, as described in Exhibit "A" for the construction and maintenance of access roads, public utilities and drainage. The Developer, or the Association as applicable, and any utility provider may cut and clear trees or other vegetation within that easement area to construct, install, repair or maintain such utility services. The Developer, and the Association, together with any utility provider shall also have permanent non-exclusive easements to install and maintain utilities within road rights-of-way.

In the event it is deemed advantageous to Lot Owners to run any main utility lines outside their Common Area utility easements and across one or more private Lot interiors, and such diversion is agreed by the Owners of transited Lots, then the Developer or Association may implement such main utility line runs so long as those runs are properly dedicated and recorded as main public utility easements across the affected Lots, in order to permit public utility providers access for main and residential service installations and maintenance, else the Association shall assume responsibility for future maintenance of those main utility lines.

10.04 Public and Private Utility Services and Connections

The Developer or Board, when formed, may contract with public utility companies to install main water, primary electric or other utility service lines for the Property. Initial installation of those main public utility lines shall not be a Common Expense, but all costs subsequently incurred in the ownership, maintenance and repair of such main public utility lines shall be Common Expenses. In lieu of including charges (including amounts to establish a reserve) for maintenance and repair of any such main utility lines as part of Common Expenses, the

Developer or the Association may arrange with the utility company to include charges for repairs and/or reserves on individual bills to Owners utilizing such services. Notwithstanding anything herein to the contrary, each Owner shall be responsible for the costs of installation and repair of service lines on the residential side of utility connections for his or her Lot, and such costs shall not be Common Expenses.

The Developer or Board, when formed, may elect to connect to main utility lines for private water, electric or other utility services for operation of Common Property facilities and features including, but not limited to,

common area lighting, security systems, signs illumination and landscape irrigation. Connection charges and utility consumption costs for these private utility services shall be Common Expenses.

10.05 Maintenance of Common Properties

Developer agrees to maintain Common Properties until the Association is established. After the Association is established the Developer will convey the existing Common Properties to the Association for Ten and No/100 Dollars (\$10.00) or under such other terms and conditions as may be appropriate for the type Common Property to be conveyed and circumstances of its intended use by the Association. The Developer shall have no obligation to maintain the Common Property after the Association is established, but shall have the right to perform any maintenance work on such property it deems as necessary or of an emergency nature, the cost of such work becoming a Common Expense.

10.06 Common property Improvements

The Developer may initially install entry gates and one or more identifying signs at the entries and In the Interior of the Development. The signs and entry gates shall become part of the Common Properties when Developer conveys them to the Association, at which time the Association shall become responsible for their operation, maintenance, repair and replacement. The Developer may also landscape entry areas and other areas within the Development. These areas shall become Common Properties and the Association shall then become responsible for their maintenance. The Developer or Board, when formed, may add additional facilities, utilities, decorative features or other improvements to the Common Properties from time to time as they see fit.–

10.07 Damage to Common Properties

Any damage done to roads, drives, curbs, gate, fences, utilities, entryways, or other Common Properties by any Lot Owner, or by a contractor, subcontractor, laborer of material supplier employ or construct a dwelling or other improvement on a Lot, will be repaired immediately at the expense of the responsible Lot Owner.

10.08 Restricted Entrance

The Developer or Board, when formed, reserves the right to construct and place a gate at the entrance to the Development or at any other location within the Development to restrict access to the Development or any portion thereof. Once erected, such gate(s) shall become Common Properties and operated and maintained by the Association as such.

10.09 Dedication for Public Use

The Developer or Board, when formed, reserves the right to dedicate to the public any roadways, rights of way, easements and the like when deemed in the best interest of the Development. Following establishment of the Board, any such dedication must receive the approval of seventy-five percent (75%) of the eligible votes within the Association.

ARTICLE XI - ARCHITECTURAL AND CONSTRUCTION CONTROL

11.01 Architectural Design Control.

In order to preserve, to the extent possible, the natural beauty of the Property and its setting, to maintain a pleasant and desirable environment, to establish and preserve a harmonious design for the Development, and to promote and protect the value of the Property, the Developer or the Board, when formed, may create a body

of Rules and Regulations covering design and construction details for all dwellings, structures, facilities, driveways and features located, or planned to be located, on private Owner Lots and Common Properties. Such rules and regulations shall be available for all Owners or prospective Owners of Lots in the Property.

The Developer shall have sole architectural and design approval authority for the Development until the Board has established the Architectural Control Committee in accordance with the Bylaws and Declaration. When such Committee has been established, the Developer shall transfer controlling authority to it, provided, however, that the Developer or its nominee shall always be a member of such committee until he may eventually elect to withdraw permanently from formal affiliation with the Development as the Developer. No building, fences, or structures of any type, shall be erected, placed, added to, or altered and no grading shall be commenced until the proposed building plans and specifications (including height, and composition of roof, siding, or other exterior materials and finish), plot plan (showing the proposed location of such building or structure, drives and parking areas) shall have been submitted to the Developer or the Architectural Control Committee for approval at least thirty (30) days prior to the proposed date of construction. In addition, any repainting of a substantial portion of the exterior of any structure in a manner not previously approved by the Developer or the Architectural Control Committee shall be subject to prior approval of the Developer or the Architectural Control Committee as provided in the preceding sentence. The Developer or the Architectural Control Committee shall give written approval or disapproval of the plans within thirty (30) days of submission; however, if written approval or disapproval is not given that period, then the plans shall be deemed to have been approved. Developer or the Architectural Control Committee may, by written notice given from time to time to the Owners of Lots, exempt certain matters of a non-essential nature from the review requirements subject to the terms and conditions and for the time periods established by Developer or the Architectural Control Committee. In the event of the completion of any dwelling house on any Lot, without any proceedings having been instituted to enjoin the construction thereof, said dwelling shall be conclusively presumed to have had such approval.

The Developer or Architectural Control Committee shall charge a reasonable fee for each application submitted for review. The amount of the fee shall initially be set at Fifty and No/i 00 Dollars (\$50.00). Such fee may be adjusted at the reasonable discretion of the Developer or Architectural Control Committee.

11.02 Approval Standards

Architectural and design review shall be directed, toward preventing excessive or unsightly grading, indiscriminate clearing of property, removal of trees and vegetation, insuring that the location and configuration of structures are visually harmonious with the terrain and vegetation of the surrounding property and improvements thereon, and insuring that plans for buildings and landscaping provide visually pleasing settings for structures on the Lot and on adjoining or nearby Lots.

Approval of any proposed building plan, location, specifications or other type special request relating to design and construction will be withheld unless such plans, location specifications and special requests comply with these requirements in the sole unfettered discretion of the Developer or the Association, when formed. Accordingly, prospective owners shall be encouraged to obtain preliminary approval of plans, specifications and special requests prior to purchase of a Lot. Approval of the plans and specifications by the Developer or the Architectural Control Committee is for the mutual benefit of all owners and is not intended to be, and shall not be construed as an approval or certification that the plans and specifications are technically sound or correct from an engineering or architectural viewpoint or comply with applicable zoning laws, building codes or other land use laws or regulations. Each Owner shall be individually responsible for the technical aspects of the plans and specifications for his or her residence and other structures or activities on a Lot as well as the determination that such matters are in full compliance with all laws, codes and regulations of applicable governmental authorities.

Except where otherwise specified in the Declaration, the Architectural and Construction Control Regulations described in this Article of the Bylaws shall be applied by the Architectural Control Committee for enforcement by the Association.

Certain Lots that had pre-existing dwellings, structures and other improvements before those Lots incorporation into the Development, such as the Stone House Tract described in

Exhibit "A", may be exempted from specific Architectural and Construction Control Regulations that cannot be complied with by virtue of such preexistences. However, all other Architectural and Construction Control Regulations specified in these Bylaws shall be applicable to such Lots.

11.03 Lot Reconfigurations

There shall be no alteration or subdivision of lots in the Development without prior written approval by the Developer or the Board, even where Restrictive Covenants may allow such alterations or subdivisions. Any Lot reconfiguration is subject to specific restrictions as may be defined by the Declaration.

11.04 Setback Lines

No dwelling or other permanent building structure shall be built within 50 feet of its boundary lines, except on the bluff rim, without prior written approval by the Developer or the Board. For good cause shown, an Owner may petition the Developer or the Architectural Control Committee for a variance from any of the above set-back requirements.

11.05 Temporary Structures

No part of any Lot shall be used for residential purposes until a completed dwelling conforming fully to the provisions of the Declaration, Bylaws and applicable Rules and Regulations shall have been erected thereon. In no event shall a mobile home, temporary shed or shack, metal building, modular building or house-type trailer be placed or permitted to remain on any Lot except as may be required for a temporary construction office or storage facility. Neither the foregoing provisions nor any other paragraph of the Declaration or Bylaws shall prevent the Developer from designating a Lot or Lots from time to time for the temporary placement of a trailer or other suitable structure for use as an office and/or sales center by the Developer and/or builders at the sole discretion of the Developer.

11.06 Completion of Construction

Any residence or other approved structure being erected on a Lot shall be completed within eighteen (18) months from the date of the pouring of the footings for said residence. In the construction of such structures upon a Lot, the builder shall keep all debris cleared from the street or streets bounding the Lot. Before any residence is occupied, all debris must be removed from the entire Lot and any damaged roadway shall be repaired to the condition existing prior to the disturbance. Absolutely no burying of debris or construction waste shall be permitted anywhere in any Lot or anywhere in the Development.

11.07 Service Area

Each home shall provide an area or areas on the rear or side yard of the Lot to accommodate air conditioner compressors, garbage cans, an electrical service entrance, propane or gas tanks, or other ancillary residential functions that by nature may present an unsightly appearance. These types of services areas shall be convenient to the utility services and screened from view from adjacent streets.

11.09 Sewage Disposal

All dwellings shall be connected to a public sewer or shall have a septic tank and field lines of type and quality approved by all applicable governmental agencies or authorities. There shall not be erected, permitted,

maintained or operated on any Lot any privy, cesspool, vault or any form of privy, except such sewage system as meets the requirements of all applicable governmental laws, regulations and codes.

11.10 Tree Removal

Except as otherwise stated herein, no trees larger than five (5) inches in diameter at breast height shall be removed from any Lot except in the construction or installation of a driveway or utility service, or in the construction of a residence or other permitted structure, or as may be allowed by express written approval from Developer or Architectural Control Board, when formed

The Developer reserves the right, however, to remove trees at its reasonable discretion on any Lot or property owned by the Developer within the Development: (1) for the purpose of building or constructing a lake; (2) for the purpose of constructing and developing any right of way; and (3) for the purpose of establishing and developing any Common Property.

11.11 Tanks and Garbage Receptacles

No fuel tanks or similar storage receptacles may be exposed to view. Such tanks or receptacles may be installed only within a dwelling unit, within a screened area or buried underground. All garbage and trash containers must be placed in enclosed areas of the rear or side yard and must not be unsightly, disorderly, in disrepair or offensive to the view or smell.

11.12 Antennas

No television antenna, dish, radio receiver or sender or other similar device shall be installed within the set-back areas or so as to be visible from adjoining Lots or streets.

11.13 Excavation

No Owner shall excavate or extract earth from any of the Lots subject to this Declaration for any business or commercial purpose. No elevation changes shall be permitted which will materially affect the surface grade of a Lot unless the prior written consent of the Developer or the Architectural Control Committee is obtained.

11.14 Ponds and Lakes

No ponds or lakes shall be installed on any Lot without the prior written approval of the Developer or the Association. Any such allowed construction or other activity affecting streams or wetlands on the Development shall be conducted in accordance with all federal and state statutes, laws, Rules and Regulations. Developer, however, reserves the right to construct ponds and/or lakes on any of the Property not yet conveyed to Owners.

ARTICLE XII - COMMUNITY ORDER AND BEAUTIFICATION

12.01 Unsightly Conditions and Corrective Recourse

All of the Lots in the Development must, from the date of purchase, be maintained by the Lot Owner in an orderly condition (grass being cut where needed, as well as leaves, broken limbs, dead trees, and other debris being removed when needed). Tree limbs, rocks and other debris must be kept out of access roads. In the event that an Owner of a Lot in the Development fails, of his own volition, to maintain his Lot in a neat and orderly condition, Developer, or the Board, when formed, may enter said lot without liability and proceed to put said lot into an orderly condition, billing the cost of such work to the Owner.

12.02 Lot Trafficking

No Lot may be used as a means of service or entrance to other property not a part of the Property unless such other property is subject to the Declaration and Bylaws and unless the Developer or Board consents thereto in writing.

12.03 Parking

Passenger and utility vehicles shall be parked only in the Owner's garage, carport, or in an approved outbuilding or in the Lot driveway so as to not be easily visible from right-of-way streets in the Development. No heavy transport vehicles or trailers, busses, heavy equipment, farm machinery or any other such machinery shall be stored on Lots, even if not visible from right of-way streets, nor shall they be parked overnight on right-of-way roads anywhere in the Development.

12.04 Offensive Activities

General activities proscribed. No activities of any kind, private or public, will be conducted that intrude upon the tranquility of the natural setting of The Bridal Veil, or disrupt the peace and quiet. Nor shall anything be done thereon which may be or may become an annoyance, discomfort, embarrassment or nuisance to the Development or the Owners.

Off-road sport vehicles. Trail bikes, go-carts, all-terrain vehicles, cross country motorcycles and similar vehicles shall be expressly prohibited from any and all sport operation anywhere within the Development by Owners or their guests or tenants

Nuisance Sound Devices. No exterior speaker, horn, whistle, bell or other sound device which is unreasonably loud or annoying, except security devices used exclusively for security purposes, shall be located, used, or placed upon Lots within the Development. The playing of loud music from any balconies or porches or vehicles shall be offensive, obnoxious activity constituting a nuisance.

Laundry. No Owner shall hang laundry from any area within or outside a dwelling residence if such laundry is within the public view or within view of a residence on an adjoining lot.

ARTICLE XIII - WILDLIFE CONSERVATION

13.01 General

It is the express obligation of the Association and all Owners to respect and enforce the entitlement of wildlife to live unmolested in their natural habitats within the Property. Wildlife protection and preservation shall always have precedence over rights of intrusive humans, except where risk of human life, injury or disease is a clearly at stake.

The hunting, shooting at, killing, trapping, frightening, harmful treatment or molestation of wildlife in any manner, for any reason, is expressly prohibited. This includes animals, reptiles, birds, fish and insects.

13.02 Conflicts of Interpretation

Only insects, diseased creatures or creatures by their nature that are potentially harmful to the health of humans and the environment within and adjacent to the Development are allowed to be exterminated if harmful effects on humans has occurred or is a clear probability. Rodents, snakes and other reptiles, and any other animal or bird shall not be deemed potentially harmful and subject to this paragraph simply because they may be predatory creatures or may defend their lives when threatened by means that could be harmful to humans encountered. Owners and guests or tenants are enjoined to avoid threatening encounters with these creatures.

13.03 Violations

Violations of these prohibitions against wildlife molestation by Owners or their Guests or Tenants shall be subject to fines established by the Association and possible prosecution where applicable state or federal laws or regulations are violated.

13.04 Posting

The Developer or Board, when formed, shall post appropriate signs stating these prohibitions and a warning of possible fines and prosecution for their violation by anyone, whether members of the Association or persons from the general public.