

AMENDED AND RESTATED BY-LAWS
OF
THE WALNUT GROVE FOREST HILL
ASSOCIATION, INC.

These By-Laws of The Walnut Grove Forest Hill Association, Inc., are made as of this ____ day of _____, 2023, to govern and administer **THE WALNUT GROVE FOREST HILL ASSOCIATION, INC.**, a Tennessee non-profit corporation, hereinafter referred to as the Association.

WITNESSETH:

WHEREAS, Bluffs of Riveredge is a residential subdivision situated in Shelby County, Tennessee, and is more particularly shown and depicted on those certain plats recorded in the Register's Office of Shelby County, Tennessee (the "Register's Office") in: **(i)** Plat Book 129, Page 44 (Phase 1) (the "Phase 1 Plat"); **(ii)** Plat Book 130, Page 10 (Phase 2) (the "Phase 2 Plat"); **(iii)** Plat Book 130, Page 11 (Phase 3) (the "Phase 3 Plat"); **(iv)** Plat Book 145, Page 35 (Phase 4) (the "Phase 4 Plat"); and **(v)** Plat Book 145, Page 36 (Phase 5) (the "Phase 5 Plat") (the Phase 1 Plat, the Phase 2 Plat, the Phase 3 Plat, the Phase 4 Plat, and the Phase 5 Plat, collectively, being the "Bluffs Plats"), with Bluffs of Riveredge being comprised of eighty-five (85) residential lots (each a "Lot") as of the date of these Bylaws; and

WHEREAS, the Bluffs at Riveredge is encumbered by and subject to those certain covenants, conditions and restrictions with: **(i)** the Lots shown and depicted on the Phase 1 Plat encumbered by The Bluffs of Riveredge Phase 1 Declaration of Covenants, Conditions and Restrictions (the "Phase 1 CCRs"), dated December 19, 1989, recorded in the Register's Office as Instrument No. BK 2902, re-recorded as Instrument No. BP 6485; **(ii)** the Lots shown and depicted on the Phase 2 Plat encumbered by The Bluffs of Riveredge Phase 2 Declaration of Covenants, Conditions and Restrictions (the "Phase 2 CCRs"), dated April 18, 1990, recorded in the Register's Office as Instrument No. BP 6486; **(iii)** the Lots shown and depicted on the Phase 3 Plat encumbered by The Bluffs of Riveredge Phase 3 Declaration of Covenants, Conditions and Restrictions (the "Phase 3 CCRs"), dated April 18, 1990, recorded in the Register's Office as Instrument No. BP 6487; **(iv)** the Lots shown and depicted on the Phase 4 Plat encumbered by The Bluffs of Riveredge Phase 4 Declaration of Covenants, Conditions and Restrictions (the "Phase 4 CCRs"), dated August 25, 1995, recorded in the Register's Office as Instrument No. FG 8616; and **(v)** the Lots shown and depicted on the Phase 5 Plat encumbered by The Bluffs of Riveredge Phase 5 Declaration of Covenants, Conditions and Restrictions (the "Phase 5 CCRs"), dated August 25, 1991, recorded in the Register's Office as Instrument No. FG 8617 (the Phase 1 CCRs, the Phase 2 CCRs, the Phase 3 CCRs, the Phase 4 CCRs, and the Phase 5 CCRs, collectively, being the "Bluffs CCRs"); and

WHEREAS, Section E(7) of the Bluffs CCRs expressly provides that the Association is an intended beneficiary of the Bluffs CCRs; and

WHEREAS, Plantation Oaks is a residential subdivision situated in Shelby County, Tennessee, and is more particularly shown and depicted on those certain plats recorded in the Register's Office in: (i) Plat Book 115, Page 4 (Section A – comprised of 64 Lots) (the "Section A Plat"); (ii) Plat Book 126, Page 76 (Section B – comprised of 41 Lots) (the "Section B Plat"); and (iii) Plat Book 121, Page 20 (Section C – comprised of 8 Lots) (the "Section C Plat"); (the Section A Plat, the Section B Plat, and the Section C Plat, collectively, being the "Plantation Oaks Plats"); and

WHEREAS, the Plantation Oaks are encumbered by and subject to those certain Protective Covenants (collectively, the "Plantation Oaks CCRs") which are contained and shown on the Plantation Oaks Plats; and

WHEREAS, while the Plantation Oaks CCRs separately apply to each of the Sections of Plantation Oaks, the covenants, conditions, and restrictions contained in the various Plantation Oaks CCRs applicable to Plantation Oaks are the same; and

WHEREAS, Section N of the Plantation Oaks CCRs provides the owners of Lots in Plantation Oaks shall be members of the Association; and

WHEREAS, Meadows of Riveredge is a residential subdivision situated in Shelby County, Tennessee, and is more particularly shown and depicted on that certain plat recorded in the Register's Office in Plat Book 168, Page 79, re-recorded in Plat Book 172, Page 71 and Plat Book 200, Page 59 (the "Meadows Plat"), with Meadows of Riveredge being comprised of thirty-eight (38) residential lots (each a "Lot") as of the date of these Bylaws; and

WHEREAS, the Meadows of Riveredge is encumbered by and subject to those certain Restrictive Covenants for the Meadows of Riveredge Subdivision Phase One, dated April 2, 1998, recorded in the Register's Office as Instrument No. HG 6696, as amended by Instrument No. HU 2285 (as amended, the "Meadows CCRs"); and

WHEREAS, Section 14 of the Meadows CCRs provides that all Lot Owners are Members of the Association; and

WHEREAS, Gardens of Riveredge is a residential subdivision situated in Shelby County, Tennessee, and is more particularly shown and depicted on those certain plats recorded in the Register's Office in: (i) Plat Book 115, Page 25 (Phase 1 – composed of 39 Lots) (the "Phase 1 Plat"); (ii) Plat Book 132, Page 88 (Phase 1A – composed of 21 Lots) (the "Phase 1A Plat"); (iii) Plat Book 132, Page 89 (Phase 1B – composed of 13 Lots) (the "Phase 1B Plat"); (iv) Plat Book 122, Page 62 (Phase 2A – composed of 30 Lots) (the "Phase 2A Plat"); (v) Plat Book 130, Page 30 (Phase 2B – composed of 13 Lots) (the "Phase 2B Plat"); (vi) Plat Book 124, Page 64 (Phase 3 – composed of 3 Lots) (the "Phase 3 Plat"); (vii) Plat Book 130, Page 54 (Phase 4 – composed of 14 Lots) (the "Phase 4 Plat"); and (viii) Plat Book 131, Page 8 (Phase 5 – composed of 5 Lots) (the

"Phase 5 Plat") (the Phase 1 Plat, Phase 1A Plat, the Phase 1B Plat, the Phase 2A Plat, the Phase 2B Plat, the Phase 3 Plat, the Phase 4 Plat, and the Phase 5 Plat, collectively, being the "Gardens of Riveredge Plats"); and

WHEREAS, the Phases at Gardens of Riveredge are encumbered by those certain: (i) Declaration of Covenants and Restrictions for Payment of Annual Lot Assessment, dated July 6, 1987, recorded in the Register's Office as Instrument No. Z8 2589 (Phase 1) (the "Phase 1 Assessment Declaration"); (ii) Declaration of Covenants and Restrictions for Payment of Annual Lot Assessment, dated April 8, 1991, recorded in the Register's Office as Instrument No. CD 4927 (Phase 1A) (the "Phase 1A Assessment Declaration"); (iii) Declaration of Covenants and Restrictions for Payment of Annual Lot Assessment, dated April 8, 1991, recorded in the Register's Office as Instrument No. CD 4928 (Phase 1B) (the "Phase 1B Assessment Declaration"); (iv) Declaration of Covenants and Restrictions for Payment of Annual Lot Assessment, dated August 5, 1988, recorded in the Register's Office as Instrument No. AP 6756 (Phase 2A) (the "Phase 2A Assessment Declaration"); (v) Declaration of Covenants and Restrictions for Payment of Annual Lot Assessment, dated March 23, 1990, recorded in the Register's Office as Instrument No. BN 6203 (Phase 2B) (the "Phase 2B Assessment Declaration"); (vi) Declaration of Covenants and Restrictions for Payment of Annual Lot Assessment, dated December 9, 1994, recorded in the Register's Office as Instrument No. EV 3835 (Phase 3) (the "Phase 3 Assessment Declaration"); (vii) Declaration of Covenants and Restrictions for Payment of Annual Lot Assessment, dated September 1, 1995, recorded in the Register's Office as Instrument No. FH 1995 (Phase 4) (the "Phase 4 Assessment Declaration"); (viii) Declaration of Covenants and Restrictions for Payment of Annual Lot Assessment, dated September 1, 1995, recorded in the Register's Office as Instrument No. FH 1108 (Phase 5) (the "Phase 5 Assessment Declaration") (the Phase 1 Assessment Declaration, the Phase 1A Assessment Declaration, the Phase 1B Assessment Declaration, the Phase 2A Assessment Declaration, the Phase 2B Assessment Declaration, the Phase 3 Assessment Declaration, the Phase 4 Assessment Declaration, and the Phase 5 Assessment Declaration, collectively, being the "Gardens Assessment Declarations"); and

WHEREAS, the Gardens Assessment Declarations expressly provide that the Association has a financial interest in Gardens of Riveredge; and

WHEREAS, Grove of Riveredge is a residential subdivision situated in Shelby County, Tennessee, and is more particularly shown and depicted on those certain plats (collectively, the "Grove of Riveredge Plats") recorded in the Register's Office in: (i) Plat Book 115, Page 26 (Phase 1 – composed of 44 Lots) (the "Phase I Plat"); (ii) Plat Book 119, Page 64 (Phase II – composed of 15 Lots) (the "Phase II Plat"); (iii) Plat Book 120, Page 71 (Phase III – composed of 9 Lots) (the "Phase III Plat"); and (iv) Plat Book 119, Page 66 (Phase IV – composed of 33 Lots) (the "Phase IV Plat"); and

WHEREAS, the Phases at Grove of Riveredge are encumbered by those certain: (i) Declaration of Covenants and Restrictions for Payment of Annual Lot Assessment, dated July 6, 1987, recorded in the Register's Office as Instrument No. Z8 2590 (Phase I) (the "Phase I

Assessment Declaration"); (ii) Declaration of Covenants and Restrictions for Payment of Annual Lot Assessment, dated February 26, 1988, recorded in the Register's Office as Instrument No. AG 9643 (Phase II) (the "Phase II Assessment Declaration"); (iii) Declaration of Covenants and Restrictions for Payment of Annual Lot Assessment, dated April 8, 1991, recorded in the Register's Office as Instrument No. AJ 6335 (Phase III) (the "Phase III Assessment Declaration"); and (iv) Declaration of Covenants and Restrictions for Payment of Annual Lot Assessment, dated February 26, 1988, recorded in the Register's Office as Instrument No. AG 9644 (Phase IV) (the "Phase IV Assessment Declaration") (the Phase I Assessment Declaration, the Phase II Assessment Declaration, the Phase III Assessment Declaration, and the Phase IV Assessment Declaration, collectively, being the "Grove Assessment Declarations"); and

WHEREAS, the Grove Assessment Declarations expressly provide that the Association has a financial interest in Grove of Riveredge; and

WHEREAS, the Village of Riveredge is a forty-one (41) lot residential development, more particularly shown on those certain plats of record in the Register Office in: (i) Plat Book 148, Page 52; (ii) Plat Book 150, Page 20, re-recorded in Plat Book 151, Page 50; Plat Book 160, Page 26; Plat Book 184, Page 45; and Plat Book 218, Page 31; (iii) Plat Book 164, Page 50; and (iv) Plat Book 237, Page 44 (the "Village of Riveredge Plats"); and

WHEREAS, the Village of Riveredge is encumbered by that certain Declaration of Covenants, Conditions and Restrictions for The Village of Riveredge (the "Village of Riveredge CCRs"), dated April 11, 1995, and recorded in the Register's Office as Instrument No. FA 1836, as amended by Instrument No. 18121771; and

WHEREAS, pursuant to Article XV of the Village of Riveredge CCRs, all Lot Owners in the Village of Riveredge are members of the Association; and

WHEREAS, the Association was formed on June 23, 1987, with the filing of its Charter with the Tennessee Secretary of State as Control No. 000190584, a copy of which is recorded in the Register's Office as Instrument No. Z8 2593; and

WHEREAS, the members of the Association, as provided in these Bylaws, are the owners of record of Lots shown and depicted on the Bluffs Plats, the Plantation Oaks Plats, the Meadows Plat, the Gardens of Riveredge Plats, the Grove of Riveredge Plats, and the Village of Riveredge Plats.

ARTICLE I

PURPOSE

Section I. Membership. Every person, being an individual, firm, corporation, partnership, association, trust, or other legal entity or any combination thereof, who is a record owner of a fee or undivided fee interest of any Lot shown and depicted on the Bluffs Plats, the Plantation Oaks Plats, the Meadows Plat, the Gardens of Riveredge Plats, the Grove of Riveredge

Plats, and the Village of Riveredge Plats (the real property shown and depicted on such plats, collectively, being "Walnut Grove Forest Hill") shall be a Member of the Association, provided, however, that anyone who holds such interest solely as security for the performance of an obligation shall not be a Member. Membership shall be appurtenant to and may not be separated from ownership of any Lot within Walnut Grove Forest Hill. Ownership of such Lot shall be the sole qualification for membership in the Association.

Section 2. Purpose. The purpose of the Association is to administer on a nonprofit basis, through a Board of Directors, The Walnut Grove Forest Hill Association, Inc., as shown on the **Charter of the Corporation**; to elect the Board of Directors, to amend from time to time these By-Laws and system of Administration; and to do and perform any and all other things, matters or acts required by or permitted by the owners, or the laws of the state of Tennessee

ARTICLE II

MEETINGS AND VOTING RIGHTS OF OWNERS

Section 1. Eligibility. The Owner or Owners of a Lot, who have become such in compliance with all of the requirements and conditions contained in the Declaration of Covenants, conditions and Restrictions, (Declaration) including these By-Laws and corporate Charter for The Walnut Grove Forest Hill Association, Inc., shall be entitled to attend and vote, through its authorized representative only (as described below), at all meetings of the Association.

Section 2. Voting Rights. The Owner or Owners of a Lot, shall be entitled to (1) vote at all meetings, for each Lot owned. Where two or more persons own a lot, the vote allocated to that lot shall be cast by the one authorized by such two or more owners, and in the event of failure of such authorization no vote shall be recorded for that lot. Where only one or two or more owners of a lot is present in person at the meeting, the Owner present shall be presumed to be authorized by all owners of such lot and shall be entitled to cast the vote with respect to that lot. Where one person or group of persons own more than one lot, such person or group shall be entitled to cast one vote for each lot owned.

Section 3. Corporation as Owner. In the event a partnership, trustee, corporation, or other entity owns a lot or lots, after having complied with all conditions contained in the **Declaration** including these By-Laws, the vote of such may be cast by a partner, trustee or officer of the same or by any person authorized in writing by a partner, trustee or officer thereof, to represent the same.

Section 4. Proxies. Votes may be cast in person or by proxy. Proxies. To be valid, shall be in writing for the particular meeting designated therein and any adjournments thereof and shall be filed with the Secretary of the meeting or authorized property management representative prior to voting.

Section 5. Annual Meetings. The annual meeting of the Membership of the Association in each year shall be held between the months of January and April, inclusive, on the particular day, hour, and location as determined and designated by the Board of Directors. Written notification of the Annual Meeting shall be given to the Members as provided in the Bylaws. Association

Section 6. Special Meetings. Special meetings of the Membership for any purpose may be called (1) by the President or (2) by the Secretary upon written request of ten percent (10%) of the Membership. Association When a special meeting is so-called, the Secretary or authorized management company representative shall mail or deliver written notice of the meeting to all Property Owners.

Section 7. Notice. Notice shall be given to all Property Owners of meetings of the Association, stating the time, place and purpose of which the meeting is called. Such notice shall be in writing and shall be mailed or delivered to each Property Owner at his address as it appears on the books of the Association, not less than seven (7) days nor more than thirty (30) days before the meeting. Proof of such mailing or delivery may be given by the written statement of the Secretary or other person giving the notice. Notice of a meeting may be waived before, at or after the meeting.

Section 8. Quorum. A quorum at any meeting of the Association shall consist of Authorized Owners entitled to cast at least ten percent (10%) of the votes at the entire number of Authorized lot owners. Except as otherwise provided herein, the affirmative vote of a majority of owners present, being more than fifty percent (50%) of the total number of lots in attendance, is required to adopt any resolution, make any decision or take any action; except that these By-Laws and the system of administration may be modified only in the manner hereinafter set forth.

Section 9. Presiding Officer. The President of the Board of Directors shall preside over all Council meetings; and the Secretary of the board of Directors or designee shall take and keep the minute books of all Council meetings, wherein adopted resolutions shall be recorded, and shall serve as Secretary at such meetings.

Section 10. Amendments. The Association may, at any duly called, held and conveyed meeting, modify or amend the system of administration of the Walnut Grove Forest Hill Association, Inc. and these By-Laws for the Administration of the Walnut Grove Forest Hill Association, Inc. by the affirmative vote of owners representing at least two-thirds (2/3rds) of the total lots in the Association provided that any such amendment is recorded in the Register's Office.

ARTICLE III

BOARD OF DIRECTORS

Section 1. Administration. The administration of the Walnut Grove Forest Hill Association, Inc., its business and affairs and of the general common elements therein shall be vested in its Board of Directors, which shall consist of seven (7) persons – one (1) Board Member from each Subdivision, being the Bluffs of Riveredge, the Gardens of Riveredge, the Grove of Riveredge, the Meadows of Riveredge, the Village of Riveredge, and Plantation Oaks, and one (1) At Large Board Members. Each Director shall be a Member, as such term is defined herein. In addition, each Director shall be a resident of Walnut Grove Forest Hill. For the purposes of these Bylaws, a “resident” shall be any person who intends to make a home in Walnut Grove Forest Hill their primary residence and evidences such intent by residing in such home at least two hundred seventy-five (275) days per calendar year. No Member who is delinquent in the payment of his or her assessment or otherwise in default of the Declaration may serve on the Board (in the event a Director becomes delinquent or otherwise in default of the Declaration, then he or she must resign from the Board and the remaining Directors shall elect a Director to fill such position until the next annual meeting of the Members at which time the Membership shall elect a replacement to fill such Director’s unexpired term – the event, such delinquent Director should not resign, then the remaining Directors may remove such Director by a majority vote).

Section 2. Election of Directors. The Members of the Association shall at the annual meeting elect the Board of Directors. Each Lot Owner shall be entitled to vote for both their respective Subdivision Board Member and all At-Large Board Members as provided in Article III, Section 1 of these Bylaws. Each Subdivision shall be represented by at least one (1) Director elected by the Lot Owners from such Subdivision at the annual meeting, provided there is a quorum, as provided herein. There shall be no cumulative voting. The candidates receiving the most votes at a duly-called annual meeting shall be elected to the Board of Directors. In the event of a tie, one (1) run-off ballot will be held with the candidate receiving the most votes being elected to the Board of Directors. In the event of a second tie, a coin flip will determine the winner. Except as otherwise provided herein, the Members of the Board of Directors shall be elected by written ballot or written proxy at the annual meeting of the Members and shall serve for a two (2) year term or until their successors are duly elected and qualified. In addition, the terms of the Directors are to be staggered to ensure that Directors with corporate knowledge of the Association remain on the Board. In order to establish the staggered Board of Directors, beginning with the annual meeting in 2024, the Association shall elect three (3) Directors, being the Directors representing: the Bluffs at Riveredge, the Grove of Riveredge, and the Meadows of Riveredge. The Directors representing the Gardens of Riveredge, the Village of Riveredge, Plantation Oaks, and the At-Large position shall be elected in 2025 and shall each be elected to a two (2) year term. Not less than sixty (60) days before a scheduled election, the Association may mail or deliver, whether by separate Association

mailing or included in another association mailing or delivery, including regularly published newsletters, to each Lot Owner, a first notice of the date of the election in order to solicit nominees to the Board of Directors. Any Lot Owner or other eligible person desiring to be a candidate for the board of Directors must give written notice to the Secretary not less than forty-five (45) days before a scheduled election. Additional nominations may be taken from the floor at the annual meeting, but will not be included on any ballot or ballot/proxy sent to the Members in accordance with the notice provisions contained in the Bylaws.

Section 3. Vacancies. Vacancies in the Board of Directors may be filled until the date of the next annual meeting by the remaining Directors. At the next annual meeting, the membership shall fill the unexpired term (in the event the vacancy is of a Subdivision Director, the Lot Owners of such Subdivision shall elect a Director to fill the unexpired term).

Section 4. Term. The term of each Board Member's service shall be 2 years and until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

Section 5. Initial Board Meeting. The organizational meeting of a newly elected Board of Directors shall be held within thirty (30) days of their election at such place and time as shall be fixed by the Board of Directors in advance of the annual meeting of the Association or at the meeting at which they were elected, and no further notice of this Board of Directors meeting shall be necessary, providing a quorum shall be present. Current Officers of the Board of Directors will remain in place until new officers are elected.

Section 6. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, by a majority of the Board. Notice of regular meetings of the Board of Directors shall be given to each Board Member, personally or by mail, e-mail, telephone or other electronic method at least five (5) days prior to the day named for such meeting, unless such notice is waived by an individual Board Member.

Section 7. Special Meetings. Special meetings of the Board may be called by the President and must be called by the Secretary at the written request of a majority of the Board Members. Not less than five (5) days' notice of the meeting shall be given, personally or by mail, e-mail, telephone or other electronic method which notice shall state the time, place and purpose of the meeting.

Section 8. Waiver of Notice. Any Board Member may waive their notice of a meeting before, at or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

Section 9. Quorum. A quorum at Board of Directors' meetings shall consist of the Board Members entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as otherwise provided in the Declaration or

elsewhere in these By-laws. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting until a quorum is present. At an adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 10. Presiding Officer. The President of the Board of Directors shall preside at all meetings of the Board; the Secretary of the Board shall serve as Secretary of all meetings or designate one of their number or an authorized management company representative to preside or to serve as Secretary, as the case may be.

Section 11. Compensation. No compensation shall be paid to any member of the Board or to any officer for their services as such unless approved by a majority of Board Members. Any member of the Board may be reimbursed for expenses actually incurred by him, upon approval of the Board of Directors.

Section 12. Removal. Any member of the Board may be removed by the vote of Board Members or authorized owners representing a majority of the total of sub-division lots at any regular or special meeting of the Association. The vacancy created by such removal may be filled by the remaining Board Members or authorized Sub-Council owners at the meeting at which such Director was removed.

ARTICLE IV

OFFICERS

Section 1. Generally. The Board of Directors shall elect, from its members, a President, Vice President, Secretary and Treasurer.

Section 2. President. The President shall be the chief administrative officer of the Board and shall execute contracts and agreements in the name and on behalf of the Board when directed by the Board. The president shall preside at all meetings and shall perform such other duties as the chief administrative officer as the Board may, from time to time, direct.

Section 3. Vice President. The Vice President shall, in the absence or disability of the President, preside at all meetings and perform all duties of the President.

Section 4. Secretary. The Secretary shall keep the minutes of all meetings and proceedings of the Association and of the Board of Directors. The Secretary shall serve all notice to the Representatives of meetings of the Board of Directors. The Secretary shall keep all other records of the Association and of the Board. An Assistant Secretary or authorized representative also be designated to perform the duties of the Secretary at the Secretary's discretion or when the Secretary is absent.

Section 5. Treasurer. The Treasurer shall be responsible and oversee the custody of all property of the Board, including funds, securities, evidence of indebtedness, books, assessment rolls and accounts of the owners. The Treasurer shall ensure Association

business is conducted in accordance with good accounting practice and shall perform or oversee all other duties incident to the office of Treasurer.

ARTICLE V

BOOKS AND RECORDS

Section 1. Fiscal Year. The fiscal year shall commence on January 1st and end on December 31st of each year. The Board of Directors may establish a different fiscal year and must notify each of the then existing Members of the change.

Section 2. Depository and Checks. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. All checks or demands for money and notes of the Association shall be signed by one (1) of the following officers: President or Treasurer. The Board of Directors, by resolution, may require more than one (1) signature. In addition, the Board may authorize its professional managing agent to have signature authority on the bank accounts of the Association.

Section 3. Bonds. The Board of Directors, in its sole and absolute discretion, may require fidelity bonds on all or any officers, employees, and agents of the Association or the Board and any other persons responsible for funds of the Association. The Board of the Administration shall determine the amount of such bonds. Premiums on such bonds shall be paid by the Association.

Section 4. Annual Budget. The Board of Directors shall propose an annual budget each year and may mail a copy of the Association's proposed annual budget of common expenses to each Member not less than ten (10) days prior to the annual meeting of the Members. Copies of the annual budget shall be available to all Members upon request.

ARTICLE VI

POWER OF THE BOARD OF DIRECTORS

Section 1. Generally. In addition to the rights, powers and duties conferred upon the Board of Directors by the Declaration, the laws of Tennessee and by other provisions these By-laws and without in anywise limiting the same, the Board of Directors shall have the following additional and cumulative rights, powers and duties:

- A. To hold title and possession to funds and property, including the maintenance funds and other assessments and including title to any purchased lot or purchased leasehold interest pursuant to the powers herein conferred, as trustee for the use and benefit of the owners of said lots;
- B. To make and collect maintenance fund assessments against owners to defray the costs of the Association, including, without limitation, all costs and expenses of maintaining, repairing, replacing, improving, altering, operating and administering

the improvements on the common areas including, but not limited to, the perimeter fence and wall, entry features, landscaping, irrigation, lighting, street-scaping and any service to be provided under the Declaration, and of engaging all necessary services and employees therefor;

- C. To use the proceeds of assessments in the exercise of its powers and duties;
- D. To oversee the maintenance, repair, replacement, operation and administration of the improvements of the common area and any services to be provided to the individual lots under the Declaration;
- E. To oversee the reconstruction of improvements after casualty and the further improvement of the property, including buildings and common areas;
- F. To make and amend regulations respecting the use of the property, including the building and common areas;
- G. To enforce by legal means, or otherwise, the provisions of the Declaration, including the By-Laws and the regulations for the use of the Property;
- H. To contract for the management of the Association and to delegate to a manager the management duties of the Board of Directors, to be performed by such manager under the supervision of the Board of Directors;
- I. To pay any taxes and assessments which are liens against any part of the property other than individual lots and the appurtenances thereto and to assess the same against the lot subject to such liens; and to oppose the levying of any such taxes;
- J. To carry insurance for the protection of lot owners and the Board of Directors against casualty and liabilities;
- K. To pay the cost of all power, water, sewer and other utility services rendered to the Association and not billed to owners of individual lots; and
- L. To employ personnel to perform services required for proper administration of the association, including, without limitation, auditors, attorneys, bookkeepers and managers.

ARTICLE VII

VOTING

Section 1. Amount of Votes Lot Owners of the Association shall be entitled to cast one (1) vote for each Lot owned by them in the Bluffs of Riveredge, Gardens of Riveredge, Grove of Riveredge, the Meadows of Riveredge, the Village of Riveredge, and Plantation Oaks.

ARTICLE VIII

INDEMNIFICATION

The Association shall indemnify any person who was or is a part, or is threatened to be made a party, to any pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by the Association) by reason of the fact that he or she is or was a Director or officer of The Walnut Grove Forest Hill Association, Inc.

against expenses (including attorneys' fees), judgements, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding, by judgement, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. No indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of this duty to the Association, unless and not only to the extent that Chancery court of Shelby County, Tennessee, or the court in which such action or suit was brought, shall determine upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court shall deem proper. To the extent that a Director or officer of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in this Article, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Any indemnification under this Article (unless ordered by a Court) shall be made only as authorized in the specific case upon a determination that indemnification of the Board Member or officer is proper in the circumstances because he has met the applicable standard of conduct set forth herein. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who are not parties to such action, suit or proceeding, or (2) if such quorum is not obtainable, or even if obtainable quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (3) by the Association.

Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon a secured receipt of an undertaking by or on behalf of the Directors or officer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorization herein.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any By-Law, agreement, vote of the Association or disinterested Directors or otherwise, both as to an action in his official capacity and as to an action in another capacity while holding office, and shall continue as to a person who has ceased to be a Director or officer, and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE IX

CONSTRUCTION

These By-Laws are intended to be read in conjunction with the Declaration, and if there is any conflict between the By-Laws and said Declaration, the Declaration shall control.

Secretary