

**BYLAWS
OF
DEER LAKE RETIREMENT ASSOCIATION, INC.**

A Tennessee Nonprofit Corporation

ARTICLE 1

FORM OF UNIT ADMINISTRATION

1.1 Deer Lake Retirement Community. The property located at the intersection of Hicks Road and Highway 70 South, Nashville, Davidson County, Tennessee, known and referred to as "DEER LAKE RETIREMENT COMMUNITY," has been submitted to the provisions of Chapter 27 of Title 6 of Tennessee Code Annotated by a master deed (the "Master Deed") recorded in Book 5097, Page 529, in the Register's Office of Davidson County, Tennessee. These Bylaws are adopted by the Deer Lake Retirement Association, Inc., a Tennessee nonprofit corporation created to serve the residents of Deer Lake Retirement Community by operating and maintaining Deer Lake Retirement Community.

1.2 Applicability of Bylaws. These Bylaws apply to the use and occupancy of the property comprising Deer Lake Retirement Community. The term "property" as used in these Bylaws includes the land, buildings, all improvements and structure, and all easements, rights and appurtenances belonging or relating to the property subject to the Master Deed of Deer Lake Retirement Community, all of which have been submitted to the provisions of Chapter 27 of Title 6 of Tennessee Code Annotated. The term "owner" as used in these Bylaws refers to all owners of record of units in Deer Lake Retirement Community.

1.3 Effect. These Bylaws, including any amendments, are and shall be covenants running with each unit and shall be binding on each successive owner, tenant, and mortgagee of each unit. All present and future owners, mortgagees, tenants, and occupants of units, including their agents and employees, and any other persons who may use the facilities of Deer Lake Retirement Community are subject to these Bylaws, the Master Deed, and the Rules and Regulations established pursuant to the Master Deed and Bylaws. Accepting a deed, conveyance, or mortgage; entering into a lease; or occupying a unit shall constitute a covenant and an agreement by the grantee, conveyee, mortgagee,

tenant or occupant that these Bylaws, the Rules and Regulations and the provisions of the Master Deed, as they may be amended from time to time, are acknowledged, accepted, and ratified.

1.4 Office. The principal office of the corporation shall be located at P. O. Box 728, 5001 Maryland Way, Brentwood, Tennessee 37027, or at such other location as the board of directors may from time to time designate.

ARTICLE 2

Board of Directors

2.1 Board of Directors. The business and affairs of the corporation shall be managed by the board of directors, and each director shall be of legal age. The number of directors shall not be less than three (3) nor more than seven (7). The number of directors may be increased or decreased within the limits set above as the board by majority vote of the entire board at any regular or special meeting of the board shall determine from time to time. No decrease in the number of directors shall shorten the term of any incumbent director.

2.2 Election and Tenure. The directors of the corporation shall be appointed by the board of directors of Tennessee Baptist Adult Homes, Inc., a Tennessee nonprofit corporation, to serve for terms of three (3) years. Each director appointed shall serve until his successor has been duly appointed and qualified.

2.3 Newly Created Directorships and Vacancies. Each newly created directorship resulting from an increase in the number of directors and any vacancy occurring in the board of directors for any reason shall be filled by appointment made by Tennessee Baptist Adult Homes, Inc. A director appointed under this Paragraph shall be appointed for the unexpired term of his predecessor in office, if any, or otherwise for a period of time established by the board of directors, not to exceed three (3) years.

2.4 Action of Board in Emergency or By Default. If the appointment of new or replacement directors by Tennessee Baptist Adult Homes, Inc. does not occur within a reasonable period of time, for any reason, then the board of directors shall elect the new or replacement directors by a vote of a majority of the directors then in office, whether or not a quorum exists.

2.5 Regular Meetings. A regular meeting of the board of directors shall be held on the second (2nd) Tuesday in March, at a place and time to be established by the board of directors or the president. The board of directors may provide by resolution the time and place, either within or without the state of Tennessee, for the holding of additional regular meetings without notice other than such resolution.

2.6 Special Meetings. Special meetings of the board of directors may be called by or at the request of the president or the chairman of the board of directors. The person or persons authorized to call special meetings of the board of directors may select any place, either within or without the state of Tennessee, as a place for holding a special meeting of the board of directors.

2.7 Notice. Notice of any special meeting shall be given at least two (2) days before the date of such meeting by written notice delivered personally, by mail, or by telegram to each director at his address as shown on the corporation's records. Except as specifically provided by these Bylaws, neither the business to be transacted nor the purpose of any special or regular meeting of the board of directors need be specified in the notice of such meeting.

2.8 Notice of Special Actions. Any meeting of the board of directors at which one or more of the following actions shall be taken must be preceded by seven (7) days written notice to each director that the matter will be voted upon, unless notice is waived. Actions requiring such notice are: removal of a director; amendment or restatement of the Charter; amendment of the Bylaws; approval of a plan of merger; sale of all or substantially all of the corporation's assets; and dissolution of the corporation.

2.9 Conference Meetings. The board of directors, or any committee designated by the board of directors, may participate in a meeting of such board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can simultaneously hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting. The directors shall be promptly furnished a copy of the minutes of such conference meeting.

2.10 Quorum and Voting. A majority of the directors shall constitute a quorum for the transaction of business at any meeting of the board of directors. When a quorum is once present to organize a meeting, it is not broken by subsequent withdrawal of any of those present. A meeting

may be adjourned despite the lack of a quorum. The vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless a greater vote is specifically required by the Charter or these Bylaws.

2.11 Compensation. By resolution of the board of directors, the directors may be paid their expenses, if any, of attendance at each meeting of the board of directors. The directors shall receive no compensation other than reimbursement of expenses incurred in the performance of their duties.

2.12 Removal of Directors. Any director may be removed with or without cause by the board of directors of Tennessee Baptist Adult Homes, Inc. Notice of removal shall be given in writing to the director and either the presiding officer of the board of directors, the president, or the secretary. Unless otherwise stated in the notice of removal, the removal is effective upon delivery of notice.

2.13 Powers and Duties. The board of directors shall have the powers and duties necessary for the administration of the affairs of the corporation and Deer Lake Retirement Community, including but not limited to the following:

- (a) Operation, care, upkeep and maintenance of the common elements.
- (b) Determination of the common expenses required for the affairs of the corporation including, without limitation, the operation and maintenance of the property.
- (c) Collection of the common charges from the owners.
- (d) Employment and dismissal of the personnel necessary for the maintenance and operation of the common elements.
- (e) Adoption and amendments of rules and regulations covering the details of the operation and use of the property.
- (f) Opening of bank accounts on behalf of the corporation and designating the signatories required therefor.
- (g) Purchasing or leasing or otherwise acquiring in the name of the corporation units offered for sale of lease or surrendered

by their owners in accordance with the Master Deed and these Bylaws.

- (h) Purchasing of units at foreclosure of other judicial sales in the name of the corporation.
- (i) Organizing corporations to act as designees of the board of directors in acquiring title to or leasing of units on behalf of all owners.
- (j) Leasing of guest room, laundry rooms, and granting of licenses for vending machines.
- (k) Obtaining of insurance for the property, including the units, pursuant to these Bylaws.
- (l) Making of repairs, additions, and improvements to or alterations of the property, and repairs to and restoration of the property, in accordance with these Bylaws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

2.14 Managing Agent and Manager. The corporation may employ a managing agent and/or manager at a compensation established by the board of directors, to perform such duties and services as the board of directors or president may authorize and delegate. A member of the board of directors or an officer of the corporation may be manager and /or managing agent.

2.15 Fidelity Bonds. The board of directors shall obtain adequate fidelity bonds for all officers and employees of the corporation handling or responsible for corporate funds. The premiums on such bonds shall constitute a common expense.

2.16 Liability of the Board of Directors. The directors shall not be liable to the owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The owners shall indemnify and hold harmless each of the members of the board of directors against all contractual liability to others arising out of contracts made by the board of directors on behalf of the corporation unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Deed or these Bylaws. It is intended that the directors shall have no personal liability with respect to any contract made by them on behalf of the corporation. It is also intended that the

liability of any owner arising out of the aforesaid indemnity in favor of the directors shall be limited to such owner's proportionate share of the common expenses as set out in these Bylaws.

ARTICLE 3

OWNERS AND MEMBERS

3.1 Members. The members of the corporation shall consist of all of the owners. If a unit is owned jointly by more than one person, all of the co-owners shall be considered owners, but the co-owners shall have only one vote for each unit owned in any vote taken by the members. Membership may be established by delivering to the corporation a certified copy of a duly recorded deed to a unit of Deer Lake Retirement Community.

3.2 Annual Meeting. Annual meetings of the members shall be held during the month of April. The date, time, and place will be approved by the board of directors.

3.3 Advisory Committee. At each annual meeting, the members shall elect by ballot an advisory committee comprised of five members, whose function shall be to serve as a liaison between the owners and the board of directors. The advisory committee shall submit proposals and recommendations from the owners to the board of directors for its consideration and action. The board of directors shall meet and consult with the advisory committee to discuss proposals and recommendations, when requested to do so.

3.4 Special Meetings. Special meetings of the members for any purpose or purposes may be held at any time at the call of the president, the advisory committee, or ten percent (10%) of the members entitled to vote at such meeting.

3.5 Place of Meetings. Meetings of the members shall be held at the activity building of Deer Lake Retirement Community or such other suitable place convenient to the members as may be designated by the president or the advisory committee.

3.6 Notice of Meeting. Written or printed notice stating the place, date, and hour of the meeting, and in case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered, either personally or by mail, by or at the direction of the president, secretary, or the person or persons calling the meeting. The business

transacted at any special meeting shall be limited to the purposes stated in such notice. Notice shall be given not less than ten (10) days nor more than twenty (20) days before the meeting. If mailed, the notice shall be deemed given when deposited in the United States mail, postage pre-paid and addressed to the member at his address as it appears on the records of the corporation.

3.7 Quorum. Forty percent (40%) of the members entitled to vote at a meeting of the members shall constitute a quorum at that meeting. When a quorum is once present to organize a meeting, business may continue to be conducted and votes taken despite the subsequent withdrawal of any members. A meeting may be adjourned despite the absence of a quorum.

3.8 Majority Vote. The vote of a majority of the members entitled to vote at a properly organized meeting at which a quorum shall be present shall be binding upon all owners for all purposes.

3.9 List of Members Entitled to Vote. A list of members entitled to vote at a meeting, certified by the secretary, shall be open for inspection at any meeting of members. If the right to vote at any meeting is challenged, the person presiding thereat may rely on such list as evidence of the right of the persons challenged to vote at such meeting.

3.10 Proxies. At any meeting, members may vote in person or by proxy. Proxies shall be in writing, executed by the member or the member's attorney-in-fact, and filed with the secretary at or prior to the meeting. Proxies shall be void after six (6) months from their execution unless otherwise provided in the proxy.

3.11 Order of Business. The order of business at each meeting of the members shall be as follows:

- (a) Roll call
- (b) Proof of notice of meeting
- (c) Reading of minutes of preceding meeting
- (d) Reports of advisory committee
- (e) Election of members of the advisory committee
(at the annual meeting)

(f) Old business

(g) New business

ARTICLE 4

OFFICERS

4.1 Officers. The corporation shall have at least three officers: a president, a secretary, and a treasurer, and such other officers as may be named by the board. Any two offices may be held by the same person, except the offices of president and secretary. No officer need be a director or member.

4.2 Election and Term of Office. The officers of the corporation shall be elected at the annual meeting of the board of directors which is held in conjunction with each annual meeting of the members. Each officer shall hold office until the expiration of the term for which he is elected and thereafter until his successor has been duly elected and qualified, except that the term of office of any officer who dies, resigns, or is removed shall end immediately upon such event.

4.3 Removal. Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the removal would serve the best interests of the corporation. Such removal shall be without prejudice to the contract rights, if any, of the person removed.

4.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the board of directors for the unexpired portion of the term.

4.5 President. The president shall be the chief executive officer of the corporation and, subject to the control of the board of directors, shall in general supervise and control all of the business affairs of the corporation and see that all orders and resolutions of the board of directors are carried into effect. He shall preside at all meetings of the board of directors, unless a duly elected chairman of the board is present. The president may sign any deeds, mortgages, bonds, or other instruments and any contracts or documents made, executed and delivered in the ordinary course of business or which the board of directors has authorized to be executed, except in cases where the signing and the execution thereof shall be expressly delegated by the board of directors or these Bylaws to some other officer or agent of the

corporation, or shall be required by law to be otherwise signed or executed. The president shall perform any other duties which may be prescribed by the board of directors from time to time.

4.6 Secretary. The secretary shall keep the minutes of meetings of the members or directors in one or more books provided for that purpose; shall see that all notices of meetings are duly given according to these Bylaws and Tennessee law; shall be custodian of the corporate records and of the seal of the corporation, if any, and shall see that the seal of the corporation is affixed to documents duly executed on behalf of the corporation; shall keep a register of the post office address of each member and director as furnished by the member or director to the secretary; and shall in general perform all duties incident to the office of secretary and such other duties as may from time to time be prescribed by the president or by the board of directors.

4.7 Treasurer. The treasurer of the corporation shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these Bylaws; and shall in general perform all the duties incident to the office of treasurer and such other duties as from time to time may be prescribed by the board of directors.

4.8 Compensation. The compensation of the officers shall be fixed from time to time by the board of directors, and no officer shall be precluded from receiving such compensation by reason of the fact that he is also a director of the corporation.

ARTICLE 5

ACTION BY WRITTEN CONSENT

5.1 Procedure. Whenever members or directors of the corporation are required or permitted to take any action by vote, such action may be taken without a meeting or written consent, setting forth the action so taken and signed by all of the persons or entities entitled to vote thereon.

ARTICLE 6

WAIVER OF NOTICE

6.1 Procedure. Any notice required to be given to any member or director of the corporation under these Bylaws, the Charter, or the laws of Tennessee may be waived, and a waiver of notice in writing, signed by the person or persons entitled to such notice shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at nor the purpose of any annual, special, or regular meeting need be specified in the waiver of notice of such meeting.

6.2 Waiver By Attendance. The attendance of a member or director at any annual, regular, or special meeting shall constitute a waiver of notice of such meeting, except where a member or director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE 7

OPERATION AND COMMON CHARGES

7.1 Determination of Common Expenses and Charges. At least annually, the board of directors shall approve a budget for the corporation, and determine the amount of the common charges payable by the owners to meet the expenses of administration, maintenance, and repair of the general common elements of the property and any other expenses lawfully agreed upon. As a general rule the board of directors shall allocate and assess the common charges to each owner according to the percentages contained in the apportionment article of these Bylaws; however, the board of directors is not bound to make such an allocation with respect to charges that would be unfairly allocated on such basis. The board of directors may determine different allocations, but the allocations shall be applied uniformly to all owners under like situations. The common expenses shall include, among other things:

- (a) Premiums on all policies of insurance obtained by the corporation pursuant to these Bylaws
- (b) Expenses for the operation and maintenance of the property
- (c) An amount for working capital of the corporation

- (d) A general operation reserve
- (e) A reserve fund for replacements
- (f) Amounts to make up any deficit for replacements or common expense for any prior year
- (g) Management fees and property taxes for the common areas
- (h) Such amounts as may be required for the purchase or lease by the corporation or its designee, corporate or otherwise, on behalf of all owners, or any unit whose owner has elected to sell or lease such unit or any unit which is to be sold at a foreclosure or judicial sale.
- (i) The assessed cost to the board of directors with regard to any utilities (including, but not limited to, gas, electricity, water, water, sewers, and the like), or other services serving the property which are not separately charged or metered on the property.

7.2 Notice of Common Charges. The corporation shall advise each owner, promptly and in writing, of the amount of common charges payable by that owner, and shall, upon request furnish copies of the budget on which the common charges are based to all owners and their mortgagees.

7.3 Payment of Common Charges. The corporation shall assess common charges against the owners on a monthly basis, with such charges payable in advance for each month on the first day of that month. Common charges shall be paid in the manager's office or such other place designated by the president or board of directors. Common charges shall be considered delinquent if not received by the 7th of the month. A late charge of FIVE DOLLARS (\$5.00) shall be imposed upon and collected from any owner whose monthly common charge is delinquent. Any monthly common charge not received within thirty (30) days from the due date shall accrue additional late charges of TWO DOLLARS (\$2.00) per day until received or collected by legal process. In the event of the death or incapacitation of an owner, the monthly common charges including any applicable late charges, shall continue to be an obligation of the owner's estate or heirs, until the unit is sold or conveyed to a new owner.

7.4 Additional Assessments. All owners shall pay any additional common charges assessed by the board of directors at such time or times as the board of directors shall determine. No owner shall be liable for the payment of any common charges assessed against the owner's unit subsequent to a sale, transfer, or other conveyance by the owner, if the sale, transfer, or conveyance was made in accordance with the Master Deed and these Bylaws.

7.5 Special Assessments. In addition to the other common charges authorized in these Bylaws, the board of directors may assess common charges for the construction of additional recreational or other common facilities, or the alteration, remodeling, demolition, or removal of existing recreational or other common facilities, as approved by the board. Such common charges shall be paid by all the owners upon the same basis as other common charges are paid, and may be paid monthly over a term of years if satisfactory financing can be obtained.

7.6 Default in Payment of Assessments. If any owner fails to pay to the corporation the common charges assessed by the board of directors, other than monthly common charges, such owner shall be deemed in default and shall be obligated to pay interest at the maximum legal rate on such common charges from the due date until paid in full.

7.7 Lien Not Affected by Sale or Transfer. The sale or transfer of any unit shall not affect the corporation's right to a lien for common charges, whether or not a notice of lien has been recorded at the time of the sale or transfer, nor shall such a sale or transfer diminish or defeat the personal obligation of any owner for delinquent assessments. For the purposes of this Article, a sale or transfer of a unit shall occur on the date of the recordation of a deed or other instrument of title evidencing the conveyance of record title to the unit.

7.8 Collection of Delinquent Common Charges. The corporation shall have the right and duty to attempt to recover any unpaid common charges, together with any applicable interest or late charges. If the matter of unpaid common charges is placed in the hands of an attorney for collection, the owner owing such common charges shall be obligated to pay the expenses of collection, including reasonable attorney's fees and any court costs. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the common charges granted by Tennessee Code Annotated Section 66-27-116.

7.9 Subordination to Certain Trust Deeds. The lien for the common charges provided for in these Bylaws and Tennessee Code Annotated Section 66-27-116 in connection with a given unit shall be subordinate to the lien of any deed of trust or mortgage given and made in good faith and for value that is of record as an encumbrance against such given unit prior to the recordation of a claim of lien for the common charges. (Such a deed of trust or mortgage is referred to in this Paragraph as a "prior Deed of Trust".) Neither a breach of the covenants, conditions or restrictions in these Bylaws, nor the enforcement of any lien provisions of these Bylaws shall defeat or render invalid the lien of any prior Deed of Trust made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any owner whose title is derived through foreclosure or trustee's sale or otherwise.

ARTICLE 8

INSURANCE AND CASUALTY LOSS

8.1 Casualty Insurance. The board of directors shall obtain and maintain, to the extent obtainable, replacement cost fire insurance with extended coverage, vandalism, and malicious mischief endorsements insuring: each building on the property (including all of the units), kitchen and bathroom cabinet work, parquet floors, ceramic tile bathroom flooring, vinyl kitchen floor covering, and carpet. Insurance coverage on these items shall cover only replacement cost of materials, fixtures, or furnishings comparable to those initially installed or provided by the original builder of the buildings. The corporation shall not provide insurance on furniture, furnishings or on the property supplied or installed by tenants or owners. The corporation shall maintain insurance on all air conditioning equipment or other service machinery contained in or servicing common areas. The beneficiaries of such insurance shall be the corporation, the owners, and their mortgagees, as their interests may appear. Each of such policies shall contain a Tennessee standard mortgagee clause in favor of each mortgagee of a unit which will provide that the loss, if any, thereunder shall be payable to such mortgagee as its interests may appear, subject to the loss payment provisions in favor of the corporation set forth below. Such insurance policies shall contain a standard deductible clause of not less than \$100.00 or more than \$10,000.00 for each occurrence.

8.2 Liability Insurance. The corporation shall purchase public liability insurance covering each member of the board of directors, each officer, the managing agent, the manager, and each owner. Such public liability

coverage shall also cover cross liability claims of one insured against another.

8.3 Other Insurance. The corporation shall also purchase:

- (a) Worker's compensation insurance, if required by law;
- (b) Boiler and machinery insurance, if applicable;
- (c) Insurance to cover water damage from water heaters or other plumbing pipes or fixtures;
- (d) Such other insurance as the board of directors may determine, including fidelity bonds pursuant to Paragraph 2.15.

8.4 General Provisions. All insurance policies purchased by the corporation shall provide that adjustments of loss shall be made by the corporation and that any net insurance proceeds shall be payable to the corporation. All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured's, including all mortgagees of units. At least ten (10) days prior to expiration of any physical damage insurance policies, duplicate originals or certificates of such policies and certificates of renewals, together with proof of payment of premiums, shall be delivered to all mortgagees of units who so request and provide their addresses to the corporation.

8.5 Owner's Insurance . Owners may carry other insurance for their own benefit provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the corporation shall not be affected or diminished by reason of any additional insurance carried by any owner.

8.6 Repair or Reconstruction After Casualty. In the event of damage or destruction (as a result of fire or other casualty) to any property insured by the corporation against physical damage, the corporation shall, without the intervention of any owner, arrange for the prompt repair and restoration of the damaged property, except as otherwise provided below. Repair and restoration shall be as near as possible to the condition existing prior to the fire or casualty, but fixtures and furnishings shall be repaired or replaced with materials, fixtures, or

furnishings comparable to those initially installed or provided by the original builder of the buildings. Repair and restoration shall not include any wall, ceiling or floor decorations or covering or other furniture, furnishings, fixtures or equipment installed by tenants or owners in the units, unless insurance for such items is specially provided for in the insurance policy obtained by the corporation. The corporation shall disburse the proceeds of all insurance policies to the contractors engaged in the repair and restoration in appropriate progress payments. Any cost of repair and restoration in excess of the insurance proceeds shall constitute a common expense, and the board of directors may assess all the owners directly affected by the damage for such deficit as part of the common charges.

8.7 Sale in Lieu of Repair or Restoration. If two-thirds or more of all units are partially or totally destroyed and the board of directors votes not to proceed with repair or restoration, then the property shall be sold. The net proceeds of the sale, together with the net proceeds of insurance policies, shall be apportioned by the board of directors among the owners according to the percentages contained in the apportionment article of these Bylaws. Each owner's share of the proceeds shall then be distributed to the owner after paying out of the share of each owner the amount of any unpaid liens on his unit, in the order of priority of such liens.

8.8 Excess Insurance Proceeds. If there is a repair or restoration following a casualty loss to the property, and the amount of insurance proceeds exceeds the cost of such repair or restoration, then the excess of such insurance proceeds shall be divided by the board of directors among the owners according to the percentages contained in the apportionment article of these Bylaws.

ARTICLE 9

REPAIR AND MAINTENANCE

The common elements and limited common elements of Deer Lake Retirement Community shall be as described in the Master Deed and the plat described in the Master Deed.

9.1 Maintenance and Repair by Owner. All maintenance of and repair, of whatever type, to any unit, the furnishings or fixtures in any unit shall be made by the owner of such unit. This includes:

- (a) The paint, repaint, tile, wax , paper or otherwise refinish and decorate the inner surfaces of the walls, floors, ceilings, window

and doors bounding his unit, including the replacement of all broken window panes or glass doors and the replacement /repair of seals in window panes and/or doors to include storm windows and doors.

- (b) Electrical power distribution system from the customer side of the electrical meter throughout the unit. This includes the circuit breaker distribution box, light fixtures and all electrical outlets and switches.
- (c) Telephone lines and all connections on the customer side of the telephone distribution panel.
- (d) Water distribution system from the customer side of the main cut-off valve inside the unit. This includes all faucets, outlets, tanks and/or reservoirs. The corporation shall provide for all maintenance and repair of the water distribution system up to and including the main cut-off valve.
- (e) Air conditioning and heating units, except the main air conditioner compressor which is the responsibility of the corporation for owners of record prior to October 1, 2006.

9.2 Maintenance and Repair by Corporation . Except as provided in Paragraph 9.1, the corporation shall provide for all maintenance, repair, and replacement of common elements and limited common elements. The cost of maintenance, repair, and replacement of common elements, not assigned as owner responsibility, by Paragraph 9.1, shall be charged only to the owner or owners who abut the limited common element or are benefited by the limited common element. However, if the need for repair or maintenance is caused by the negligence, misuse, or neglect of any owner (including the agent, guest or invitee of the owner), then such owner shall bear the cost for repairs or maintenance of the common element or the limited common element. The Association will be responsible for painting and maintenance of all decks and storage areas.

9.3 Failure to Maintain. Each owner shall be responsible for damages to any unit, common element, or limited common element caused by the owner's failure to maintain and repair his unit. Each owner shall be under a duty to report to the president, or manager, any condition affecting the common elements within or adjacent to his unit which requires maintenance or repairs. The corporation may perform repairs and maintenance necessary to insure a unit is maintained in accordance with good housekeeping standards and does not pose any risk of damages or lessening of values to any other unit, common element or limited common element. The respective owner shall be charged the cost of such repair and/or maintenance.

9.4 Terraces and Storage Areas. A terrace or storage area to which a unit has sole access shall be for the exclusive use of the owner of that unit. Each owner shall keep his terrace and storage area free and clean of snow, ice, and any accumulation of water.

9.5 Additions, Alterations, or Improvements by Corporation. Whenever in the judgment of the board of directors or the president the common elements shall require additions, alterations, or improvements, the corporation may proceed with such additions, alterations, or improvements and may assess all owners for any cost as a common charge.

9.6 Additions, Alterations or Improvements by Owners. No addition, alteration, or improvement to a unit shall be made without the prior written consent of the president or the board of directors. Any work begun without said written consent shall be stopped until application is made to the president or board of directors and written consent is received. If said application is denied, then the unit shall be returned to its previous condition at the owner's expense and/or subject to a \$100 per day fine after one week from the date of notice until the work is completed. A lien for labor or materials supplied for any additions, alterations, or improvements to a unit shall attach only to the owner's interest in that unit. The president or board of directors shall answer any written request by an owner for approval of a proposed addition, alteration, or improvement in the owner's unit within thirty (30) days of receipt of the request. Failure to deny the request within the stipulated time shall constitute a consent to the proposed addition, alteration, or improvement. Copies of any required application to any department of the Metropolitan Government of Nashville and Davidson County, Tennessee, or to any other governmental authority for a permit to make an addition, alteration, or improvement in or to any unit shall be provided to the president, but the corporation shall have no liability to any contractor, subcontractor, or material man nor to any person having any claim for injury to person or damage to property on account of any addition, alteration or improvement.

9.7 Right of Access. The president, manager, or any other person authorized by them or by the board of directors shall have a right of access to each unit for the purpose of: making inspections; correcting any condition originating or existing in a unit which threatens another unit or common element; performing installations, alterations or repairs to mechanical or electrical services or other common elements in a unit or elsewhere on the property; or correcting any condition which violates the provisions of any mortgage covering another unit. Requests for entry shall

be made in advance and shall set a time for entry which is reasonably convenient to the affected unit owner. In case of an emergency, the right of entry shall be immediate, whether the owner is present or not.

ARTICLE 10

MORTGAGES

10.1 Notice. An owner who mortgages his unit shall notify the president of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the president. The president shall maintain such information in a book entitled "Mortgages of Units."

10.2 Notice of Default. The corporation, upon the written request of a mortgagee of a unit, shall promptly report any default by the owner of the mortgaged unit, including unpaid and owing common charges. The corporation, when giving notice of default to an owner, shall send a copy of the notice to each holder of a mortgage covering such unit whose name and address has been previously furnished to the corporation.

10.3 Examination of Books. Each owner and each mortgagee of a unit shall be permitted to examine the books of account of the corporation at reasonable times on business days, but not more often than once a month.

ARTICLE 11

SALES AND LEASES

11.1 Application. The provisions of this Article shall apply to any lease, sale, or conveyance by any unit owner of his unit, including, but not limited to a sale or conveyance to a spouse, a family member, or any one or more family members of them. This Article shall not apply to the acquisition of a unit by a purchase money mortgagee who acquires title to a unit by foreclosure or by deed in lieu of foreclosure. The provisions of this Article shall apply to the sale or conveyance of a unit by any mortgagee, or at a foreclosure or judicial sale by any one other than a purchase money mortgagee.

11.2 Sale of any Unit. No unit owner may sell, transfer, or otherwise convey any interest in his unit except by complying with the provisions of this Paragraph. When any unit is offered for sale or transfer, the

corporation shall then have an option to purchase the unit at a price equal to the greater of:

- (a) Eighty percent (80%) of the appraised fair market value of the unit determined by a current appraisal obtained by the corporation, or
- (b) The purchase price paid by the owner for the unit.

Any unit owner desiring to sell or transfer a unit shall first advise the president, in writing, of the intent to sell or transfer the unit. The corporation must notify the unit owner within 30 days after receipt of the notice from the unit owner of its intent to exercise its option to purchase the unit, or the unit owner may sell the unit to any person meeting the age, physical requirements, and other criteria for unit owners established by the corporation at the time of the sale. If the corporation exercises its option to purchase the unit, it shall have an additional 60 days to close the sale, beginning with the date of its election to purchase the unit. If the unit is encumbered by a mortgage, the unit owner shall permit the corporation to assume the mortgage as part of the purchase price.

11.3 Death of an Owner. Upon the death of any unit owner, the corporation shall have an option to purchase the unit at a price equal to eighty percent (80%) of its fair market appraised value as of the date of death, or an amount equal to the purchase price paid by the deceased owner for said unit, whichever shall be the greater. The option may be exercised by the corporation by written notice to the personal representative of the estate of the deceased unit owner within 90 days after the qualification or appointment of the personal representative. The option shall be enforceable by the corporation against the personal representative, the deceased owner's testamentary beneficiaries or heirs-at-law, or their successors or assigns.

11.4 Lease of a Unit. Any unit owner desiring to lease his unit must, before entering into any written or verbal agreement, advise the president. No unit owner may lease his unit to any individual who would not meet the established requirements for ownership of a unit, including criteria of age and physical condition. Any lease of a unit shall be consistent with and require the tenant's compliance with the Master Deed and these Bylaws. The owner will provide required documentation on any renter at time of application. If the corporation does not exercise its option to purchase a unit, the deed conveying that unit to another purchaser shall provide that the conveyance is subject to the provisions of

the Master Deed, these Bylaws, and the rules and regulations of Deer Lake Retirement Community as the same may be amended from time to time.

11.5 Enforcement and Waiver. Any purported sale, transfer, or lease of a unit in violation of this Article shall be voidable at the election of the corporation. The corporation may release or waive the performance of all or part of the requirements of this Article with respect to any transaction, but no release or waiver of the provisions of this Article shall be deemed a release or waiver with respect to any other transaction, whether relating to the same or other units. A notarized certificate executed by the president, stating that the provisions of this Article have been met by a unit owner, or have been duly waived with respect to a specific transaction, shall be conclusive upon the corporation in favor of all persons who rely in good faith on the compliance or waiver in connection with that specific transaction. Such a certificate shall be furnished upon request to any unit owner who has complied with the provisions of this Article or who has been granted a waiver excusing the compliance with provisions of this Article.

ARTICLE 12

CONDEMNATION

12.1 Condemnation. In the event of a taking in condemnation or by eminent domain of a part of the common elements, the award made for such taking shall be payable to the corporation for and on behalf of the owners. If a majority of the board of directors in their sole and absolute discretion approves the repair and restoration of the common elements, the corporation shall arrange for the repair and restoration of such common elements and the corporation shall disburse the proceeds of the award to the contractors performing the repair and restoration in appropriate progress payments. If the board of directors does not provide for the repair and restoration of such common elements, the corporation shall promptly disburse the net proceeds of the award in the same manner as insurance proceeds are to be distributed if there is no repair or restoration of fire or casualty damage, as provided in Article 8 of these Bylaws.

ARTICLE 13

RECORDS

13.1 Records and Audits. The president or other officer designated by him shall keep detailed records of the actions of the board of directors, minutes of the meetings of the board of directors, financial records and books of account of the corporation, including a chronological listing of receipts and expenditures, as well as a separate account for each unit which shall include the amount of each assessment of common charges against such unit, the date when due, any amounts paid or credited, and the balance remaining unpaid. An annual report of the receipts and expenditures of the corporation shall be rendered by the corporation to all owners and, upon request, to all mortgagees of units, promptly after the end of each fiscal year.

ARTICLE 14

RULES AND REGULATIONS

14.1 Rules of Conduct. Rules and regulations concerning the use of the units and the common elements may be promulgated and amended by the corporation. Amendments to the rules and regulations shall be furnished to each owner prior to becoming effective.

14.2 Unit Owners. Deer Lake Retirement Community was designed as a planned unit development for the benefit and accommodation of unit owners of retirement age. Purchasers of units must meet certain fixed requirements relating to age and physical condition. These requirements may be established and amended from time to time by the board of directors in its sole discretion. The requirements shall be included in the Rules and Regulations and shall include but not be limited to the following:

- (a) All single occupants of units shall be at least 55 years of age. For married occupants, at least one spouse must be at least 55 years of age.
- (b) No children or other occupants under 21 years of age shall be allowed.
- (c) All occupants must be ambulatory and in reasonably good health.

14.3 Restrictions on Use of Units. In order to provide for congenial occupancy of Deer Lake Retirement Community and to protect the values of the units, the use of the property shall be restricted by the following provisions.

- (a) Each of the units shall be used as a single family residence, and for no other purpose.
- (b) The common elements and limited common elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of a unit.
- (c) No nuisances shall be allowed on the property, nor shall any use or practice be allowed which is a source of annoyance to the residents of Deer Lake Retirement Community or which interferes with the peaceful possession or proper use of the property by its residents. No solicitation, petition circulation, or similar canvassing of residents shall be conducted by residents or outside groups, except members of the Advisory Committee, without prior written approval of the president, or manager.
- (d) No immoral, improper, offensive, or unlawful use shall be made of any portion of the property, and all applicable laws, zoning ordinances, and regulations of governmental bodies relating to any portion of the property shall be complied with. The cost of such compliance shall be borne by either the respective owner or the corporation, whichever shall have the obligation with respect to the portion of the property affected.
- (e) No portion of a unit (other than the entire unit) may be rented, and no transient tenants may be accommodated in a unit.
- (f) No sale of any kind shall be conducted on the property except to sell the personal effects of a deceased resident of a unit. At the discretion of management exceptions may be made in case of terminally ill residents

when the sale of a unit is planned. Any such sale shall be conducted for not more than two consecutive days and between the hours of 9:00 a.m. and 5:00 p.m.

14.4 Use of Common Elements and Limited Common Elements.

Unless the president or manager consents in writing, no owner shall place or cause to be placed any furniture, packages, or other objects of any kind in common elements or common facilities. Any area designated as a limited common element shall be used only with the permission of the president or manager and any resident(s) of the unit(s) which abuts/about directly on that area.

14.5 Declaration of Default. Should the board of directors or the president determine that any owner is in default in the performance of any obligation contained in the Master Deed, Bylaws, or the Rules and Regulations established by the board of directors, then the secretary or the president shall send written notice of the default to the owner. If the default is not cured to the satisfaction of the board of directors or president within a reasonable time (not in excess of two weeks from the date of sending notice), or if, in the opinion of the president sufficient cause exists, then the corporation may:

- (a) If practical, enter the unit in which or as to which the violation or breach exists without disturbing the peace, and summarily abate and remove, at the expense of the owner, any structure, thing, or condition causing the violation or breach. In such event, neither the corporation, the board of directors, nor its officers or agents shall be deemed guilty in any manner of trespass;
- (b) Cure the default or breach and assess the cost of such cure as a common charge against the owner or owners in default or breach; or
- (c) Enjoin, abate or remedy by appropriate legal process, either at law or in equity, the continuance of the violation or breach.

ARTICLE 15

INDEMNIFICATION OF OFFICERS AND DIRECTORS

15.1 Indemnification. The corporation shall indemnify any director or officer who was, is, or is threatened to be made a party to a

completed, pending, or threatened action or proceeding from any liability arising from the director's or officer's official capacity with the corporation. This indemnification shall extend to the personal representative of a deceased director or officer if the director or officer would, if living, be entitled to indemnification under these Bylaws.

15.2 Costs and Expenses Covered by Indemnification.

Indemnification provided under these Bylaws shall extend to the payment of a judgment, settlement, penalty, or fine, as well as attorneys' fees, court costs, and other reasonable and necessary expenses incurred by the director or officer with respect to the action or proceeding.

15.3 Limitation on Indemnification. No indemnification shall be made to or on behalf of any director or officer if a judgment or other final adjudication adverse to the director or officer establishes liability:

- (a) For any breach of the duty of loyalty to the corporation or its members;
- (b) For acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or
- (c) For any distribution of the assets of the corporation which is unlawful under Tennessee law.

ARTICLE 16

Apportionment of Expenses or Proceeds

16.1 Apportionment Percentages for Expenses. Whenever these Bylaws provide for common expenses, special assessments, or any other expenses to be apportioned among and charged to the owners according to the percentages provided in the apportionment article of these Bylaws, then such expenses shall be apportioned to each owner on the following basis:

- (a) To each owner or the co-owners of a unit which is part of a triplex (i.e., a single building containing three individual units), a share of 0.65525%.
- (b) To each owner or the co-owners of a one bedroom unit which is not part of a triplex, a share of 0.69753%.

- (c) To each owner or the co-owners of a two bedroom unit, a share of 0.76094%.

Provided that, if the total number of units of Deer Lake Retirement Community is increased or decreased from 135 units, the above percentages will be adjusted by the board of directors in a fair and equitable manner.

16.2 Apportionment Percentages for Proceeds. Whenever these Bylaws provide for the proceeds or net proceeds from a recovery of insurance, the sale of all or part of the property, or any other proceeds to be apportioned among and distributed to the owners according to the percentages provided in the apportionment article of these Bylaws, then such proceeds shall be apportioned to each owner on the following basis:

- (a) To each owner or the co-owners of a unit which is part of a triplex (i.e., a single building containing three individual units), a share of 0.65525%.
- (b) To each owner or the co-owners of a one bedroom unit which is not part of a triplex, a share of 0.69753%.
- (c) To each owner or the co-owners of a two bedroom unit, a share of 0.76094%.

Provided that, if the total number of units of Deer Lake Retirement Community is increased or decreased from 135 units, the above percentages will be adjusted by the board of directors in a fair and equitable manner.

ARTICLE 17

MISCELLANEOUS

17.1 Role of Tennessee Baptist Adult Homes, Inc. As a ministry of the Tennessee Baptist Convention, Tennessee Baptist Adult Homes, Inc., a Tennessee nonprofit corporation, entered into a written agreement with the developer of Deer Lake Retirement Community under which the land comprising Deer Lake Retirement Community and all common and limited common elements have been deeded to Tennessee Baptist Adult Homes, Inc. Tennessee Baptist Adult Homes, Inc., has provided for the maintenance, repair, and continued administration of Deer Lake Retirement Community, by designating directors to the board of Deer Lake Retirement Association, Inc.

17.2 Notices. All notices to the corporation required or permitted under these Bylaws shall be sent by registered or certified mail to the president at P. O. Box 728, Brentwood, Tennessee 37027, or to such other address as the corporation may designate from time to time by notice in writing to all owners and to all mortgagees of units whose addresses are registered with the corporation. All notices to any owner shall be delivered to the owner's unit, or sent by United States mail to owner's unit or to such other address as the owner may designate from time to time by written notice to the corporation. All notices to mortgagees of units shall be sent by United States mail to their respective addresses, as the mortgagees may designate from time to time by written notice to the corporation. All notices shall be effective when mailed, except notices of change of address which shall be effective when received.

17.3 Severability. If any part of these Bylaws is determined to be invalid or unenforceable, all other provisions of the Bylaws shall remain in full force and effect.

17.4 Captions. The captions used in these Bylaws are inserted only as a matter of convenience and for reference, and do not define, limit, or describe the scope or intent of the Bylaws.

17.5 Gender. The use of masculine pronouns in these Bylaws includes the feminine gender.

17.6 Waiver. No restriction, condition, obligation, or provision contained in these Bylaws shall be waived by the corporation's failure, on one or more occasions, to enforce the restriction, condition, obligation, or provision in question.

17.7 Units Subject to Master Deed. All present and future unit owners and tenants of units shall be subject to and shall comply with the provisions of the Master Deed and these Bylaws. The acceptance of a conveyance, gift, devise, or inheritance; the entering into a lease of a unit; or the occupancy of any unit, shall constitute an agreement that the provisions of the Master Deed and these Bylaws are accepted and ratified. The provisions of the Master Deed and these Bylaws shall be covenants running with the land, and shall bind each person having an interest or estate in a unit as fully as if such provisions were recited in full in each and every deed or lease relating to a unit.

ARTICLE 18

AMENDMENTS TO BYLAWS

18.1 Amendment to Bylaws. These Bylaws may be modified or amended, in whole or in part, by the action of at least seventy-five percent (75%) of the board of directors or two-thirds of all members.

ARTICLE 19

CONFLICTS

19.1 Conflicts. These Bylaws are set forth to comply with the requirements of Chapter 27 of Title 66, Tennessee Code Annotated, as it may be amended from time to time. The Bylaws control the administration of this corporation and Deer Lake Retirement Community in every situation where such law allows. In case any Bylaw conflicts with the provisions of state law or of the Master Deed, the provisions of the law or of the Master Deed, as the case may be, shall control. Terms used in these Bylaws which are defined in the Master Deed shall have the same definition as in the Master Deed. Terms not otherwise defined shall have the same definition as in Chapter 27 of Title 66, Tennessee Code Annotated.

Amended March 13, 2013