

IN THE CHANCERY COURT FOR CAMPBELL COUNTY, TENNESSEE

Daniel J. Valle, et al.

PLAINTIFFS,

v.

Paula Rae Lejeune, et al.

DEFENDANTS.

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No. 7CHI-2019-CV-237

NOTICE OF FILING OF PROPOSED BYLAWS

Come the Plaintiffs and hereby give Notice of the filing of proposed bylaws for Deerfield Resort Homeowners Association, Inc., which are attached hereto as **Exhibit A**. Simultaneous with the filing of this Notice with this Honorable Court, counsel for the Defendants and the Receiver are being provided with a copy of this Notice pursuant to the Certificate of Service which is attached hereto.

Respectfully submitted this the 29th day of April, 2024.

THE HURLEY LAW FIRM, P.C.

By: 
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing pleading was sent via U.S. Mail, facsimile, or electronically to the following interested parties, on this 29th day of April, 2024:

Preston Hawkins, Esquire
Attorney for Defendants
Lewis, Thomason, King, Krieg & Waldrop, P.C.
P.O. Box 2425
Knoxville, TN 37901

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D. Scott Hurley

**BYLAWS
DEERFIELD RESORT HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I: DEFINITIONS

All of the terms used herein shall have the same meaning as set forth in the Declaration of Covenants, Conditions and Restrictions, and recorded in the Office of the Register of Deeds of Campbell County, Tennessee.

Section 1. “Articles of Incorporation” shall mean the Articles of Incorporation of Deerfield Resort Homeowners Association, Inc., as may be amended from time to time, and filed with the Secretary of State’s Office, State of Tennessee.

Section 2. “Assessment” shall mean such amounts as are required by the Association for the construction, maintenance, repair, replacement, operation, management, and administration of the Subdivision and the common areas, together with any expenses which are the specific responsibility of an individual owner which are paid by the Association and charged to the responsible owners as a personal charge for reimbursement.

Section 3. “Association” shall mean and refer to the state-registered corporation, Deerfield Resort Homeowners Association, Inc., and its successors and assigns.

Section 4. “Association Documents” shall mean the Declaration, Articles of Incorporation, these Bylaws, and any reasonable Rules and Regulations, established by the Board of Directors for the safety and enjoyment of the Deerfield Resort Subdivision as may be amended from time to time.

Section 5. “Board” shall mean the Board of Directors of the Association, whose duties shall be the management of the affairs of the Association subject to the Association Documents, and the laws of the State of Tennessee as may be amended from time to time.

Section 6. “Builder” shall mean any person or entity that acquires a lot from Declarant or property owner for the purposes of constructing thereon a residence or residences and appurtenances by undertaking the performance of all the work and supply of all the material necessary to complete the residence for resale in the ordinary course of business of such person or entity or under contract with a vendor or owner.

Section 7. “Bylaws” shall mean these Bylaws of the Deerfield Resort Homeowners Association, Inc., as may be amended from time to time, which establish the methods and procedures of the Association’s operation.

Section 8. “Common Area” shall mean all real and personal property now or hereafter owned by the Association for the common use and enjoyment of the owners and all other property designated by the Association for the common use and enjoyment of the owners,



Including, but not limited to entrances, gates, fences, walls, irrigation, lighting, landscaping, recreation parks, playgrounds, swimming pools, commons, tennis courts, streets and footpaths, buildings, structures, and personal properties incident thereto, and other recreational amenities, lawns, green space, and easement areas.

Section 9. "Commercial Development" shall mean and refer to the construction and development of structures intended for business, professional, and/or commercial purposes. Commercial lots shall provide support services for this lakefront recreational residential community, and may include marina, boat service, storage facilities, airstrip, taxiways, and hangars.

Section 10. "Communicate" shall mean mailing or emailing to a reasonably believed valid mailing or email address or posting on a website maintained by, or at the direction of, the Association. The Board shall regularly and reasonably notify Members of the existence of and how to access the website.

Section 11. "Declarant" shall mean Fields Development Company, Inc.

Section 12. "Declaration" shall mean the Declaration of Covenants, Conditions, and Restriction for Deerfield Resort, as recorded with the Register of Deeds Office of Campbell County, Tennessee, including amendments thereto.

Section 13. "Developer" shall mean the same as "Declarant" as defined herein. Declarant/Developer shall cease to play a formal role in the Subdivision or the Association once it transfers ownership, operation, and management of the Association to its members.

Section 14. "Director" shall mean and refer to an individual who is elected by Owners to hold a position on the governing board of the Association having fiduciary duties to act in the best interests of the Association and its members and have the responsibility to participate in decision-making processes related to strategic direction, governance, policies, and oversight.

Section 15. "Eligible Voting Member" shall mean and refer to members who are current in payment of fees and assessments owed to the Association and not in violation of Association document, policies, or rules and regulations.

Section 16. "Lot" shall mean and refer to a designated parcel of land or airspace, as recorded with the Office of Register of Deeds of Campbell County, Tennessee, that is allocated for exclusive use by each owner, along with any associated rights, responsibilities, and restrictions. The term "Lot" encompasses the various types of property uses found within the Deerfield Resort community, which offers both residential and commercial uses as defined herein. Parcels that are reserved exclusively for use as septic fields, garage lots, and parcels too small for the construction of residential or commercial structures do not qualify as lots under this definition, and Common Areas owned by the Association are excluded from this definition.

Section 17. “Member” or “Members” shall mean and refer to owners of single-family residential, multifamily residential, or commercial property uses entitled to membership in the Association as provided in the Articles of Incorporation, the Declaration, and these Bylaws.

Section 18. “Member in Good Standing” shall mean and refer to a Member who is not delinquent with respect to the payment of any assessments, fees or other charges owing to the Association and who is otherwise not in violation of any provision of the Declaration, these Bylaws or rules, regulations, and policies of the Association.

Section 19. “Occupant” shall mean and refer to any individual who shall be an Owner, or if not an owner, the individual(s) who shall occupy or use any structure erected on any Lot.

Section 20. “Officer” shall mean and refer to an individual who holds a specific position within the Board, and typically include such positions as President, Vice Presidents, Secretary, and Treasurer. These individuals are responsible for specific functions related to governance and management of the Association.

Section 21. “Owner” shall mean and refer to the record owner according to a deed or other conveyance as recorded with the Office of Register of Deeds of Campbell County, and if more than one person or entity, then to them collectively, of the fee simple title to any lot, home, condominium, duplex, townhome, or airplane hangar which is a part of the Subdivision, so that for purposes of this Declaration and the Association Documents, as defined herein, each Lot shall be deemed to have one owner.

Section 22. “Person” shall mean and refer to any individual, corporation, partnership, association, trust, or other legal entity capable of holding title to real property or entering into contracts. It encompasses both natural persons (individuals) and legal entities recognized by law.

Section 23. “Plat” shall mean those certain plats entitled “Deerfield Resort” and/or all areas included in the Boundary Map and served by private streets, as filed and amended by section at the Campbell County Office of Register of Deeds.

Section 24. “Property” shall mean single-family residential, multifamily residential, and commercial uses included within the Subdivision and served by private streets.

Section 25. “Record Date” shall mean the date established by the Board for determining ownership of a lot for purposes of casting a vote in an election. In the absence of a date established by the Board, the “Record Date” shall be no earlier than 60 days before the election date; and no later than 45 days before the election date, Members shall receive notice from the Association as to their eligibility to vote in the election.

Section 26. “Residential Development” shall refer to and mean lots designated for various residential uses, including single-family homes, condominiums, duplexes, hangar apartments, and townhomes.

Section 27. "Resolution" shall refer to and mean a formal decision and action taken by the Board of the Association during a Board meeting and documented in writing to serve as an official record of the Board's decision-making process. Board resolutions typically address significant matters affecting the Association, including, but not limited to, a) approving financial transactions, budget, or expenditures; b) authorizing contracts or agreements; c) electing or appointing officers, directors, or committee members; d) adopting policies, procedures, or bylaws; e) resolving disputed or legal matters; and f) making strategic decisions regarding operations, investments, or direction.

Section 28. "Subdivision" shall mean a subdivision, planned unit or townhouse development, or similar planned development in which all land has been divided into two or more parts and is subject to restrictions that limit a majority of the land subject to the dedicatory instruments, excluding streets, common areas, and public areas, to residential used for single-family homes, condominiums, duplexes, hangar apartments, or townhomes; b) are recorded in the real property records of the county in which the residential subdivision is located; c) require membership in the Association that has authority to impose fees and assessments on Lots and parcels of land in the Subdivision as described herein; and d) identify areas for compatible and complementary commercial uses as defined herein. The Subdivision known as Deerfield Resort is surrounded to the east, south, and west by Norris Lake, and includes Lots that are accessed via the private street network providing the single point of ingress and egress south of the intersection of S. Chapman Road and Alder Shore Lane.

ARTICLE II: NAME AND OFFICE

Section 1. Name. The name of the Association shall be the Deerfield Resort Homeowners Association, Inc., incorporated under the laws of the State of Tennessee as of the 15th day of April 1986. The name of the corporation, or the names of any of its Officers and Directors, shall not be used for any purpose not related to the policies of the Association, as determined by the Board.

Section 2. Offices. The Association shall have and continuously maintain a registered office and a registered agent whose office address is identical with such State of Tennessee registered office and may have other offices either within or without the State of Tennessee, as the Board may from time to time require.

ARTICLE III: PURPOSE AND ORGANIZATION

Section 1. Purpose. As set forth in the Articles of Incorporation, the Association is organized and shall be operated exclusively for the purposes as allowed under Tennessee laws and regulations. The purposes of the Association are to administer and maintain the properties and Common Areas as provided herein and included in the Declaration, and to promote the general health, safety, and welfare of the Owners within Deerfield Resort.

Section 2. Organization. The Association shall be managed by a Board.

Section 3. Members. Membership in the Association shall be limited to Lot owners as recorded by the Office of Register of Deeds of Campbell County, Tennessee. Each Owner, upon acquisition of title to a Lot, shall automatically become and remain a Member of the Association. Owner membership shall terminate upon the sale or other disposition of said Lot. In the case of the sale of any Lot by means of a Land Installment Contract, the Lot owner may assign membership in the Association to buyer of said Lot. Said assignment will be effective upon the date of delivery to the President or Secretary of the Board, or their designee.

ARTICLE IV. MEETINGS OF MEMBERS

Section 1. Annual and Regular Meetings. Except for the initial annual meeting, the annual meeting of the Board shall be held during the second quarter of each year on the day, at the hour, and at the place approved by the Directors. Notice of the annual meeting shall include any matter or matters which must be approved by the Members, the review of the financial status of the Association, and the election of Directors to fill Board vacancies. The schedule for regular meetings shall be determined by the Board.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President of the Board, a majority of the Board, or two thirds (2/3) of the Members, upon ten (10) days' notice, stating the purpose of the meeting.

Section 3. Conduct of Meetings. Robert's Rules of Order shall apply to the conduct of all meetings of Members except as otherwise specifically provided in the Articles of Incorporation, the Declaration or these Bylaws.

Section 4. Place of Meetings. Meeting of the Members shall be held at such place as may be determined by the Board. The Board shall provide a method for Members to attend meetings electronically/remotely.

Section 5. Notice of Meetings. Except as otherwise provided in Tennessee law, the Articles of Incorporation, the Declaration or these Bylaws, written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call a meeting, to each Member entitled to vote at such meeting, by delivering, mailing or emailing a copy of such notice not less than ten (10) days or more than thirty (30) days before such meeting. Notices shall be provided to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of said notice. Such notice shall specify the place, day, and hour of the meeting. In the case of a special meeting, the notice shall provide the purpose of the meeting. Meeting notice waiver by a Member, in writing, received before or after the meeting, shall be equivalent to the giving of such notice.

Section 6. Quorum. A quorum shall be required for matters that affect the substantive rights of owners. A Member quorum shall exist if ten percent (10%) of those eligible to vote are represented at the meeting either in person or remotely. A majority of the votes cast at a duly called and noticed meeting of Members shall be sufficient to take or

authorize action upon any matter which may properly come before the meeting, unless the concurrence of a greater proportion is required for such action in Tennessee law, the Articles of Incorporation, the Declaration, or these Bylaws.

Section 7. Voting. Each Lot as defined herein is eligible to have one vote. If real property is owned by two or more persons or other entities, the voting rights of the Owners shall be exercised in accordance with the provisions of any instrument governing the ownership of the Lot. In the event of a contest as to authority to cast the vote for a Lot,

the Board may require the owners of a Lot to designate the person authorized to cast the ballot on behalf of the Lot, shall determine who may cast the vote, or may disallow the vote for that Lot. Neither cumulative voting nor fractional voting is permitted. For voting purposes, ownership shall be determined as of the Record Date.

Section 8. Method of Voting. At all meetings of Members, the Board shall provide a process whereby each Member may vote by either written ballot or remotely via vetted and Board approved online process. Policies and procedures for online voting participation shall be established by the Board consistent with these Bylaws and Tennessee law.

ARTICLE V. BOARD OF DIRECTORS

Section 1. Number and Qualifications. The affairs of this Association shall be managed by a Board consisting of nine (9) Directors, who shall be, and remain during their time in office, Eligible Voting Members of the Association. The Board shall determine the number of Directors to be elected at the annual meeting based on the expiration of terms of office. The number of Directors may be increased or decreased by action of the Board, provided that any such action by the Board shall require the vote of a majority of the Members. No decrease shall shorten the term of any Director then in office.

Section 2. Term and Term Limits. The term of office of a Director shall be three (3) years. No Director shall be eligible to serve more than three (3) consecutive three-year terms, except that a Director who is initially appointed for less than a three-year term (e.g., to fill a vacancy) shall be eligible to serve three (3) consecutive three-year terms following the completion of the initial term. A former Director shall be ineligible to be re-elected until a period of at least one (1) year shall have elapsed from the expiration of such Director's third term. Directors' terms shall be staggered beginning with the first Board, with three Directors serving for a term of one year, three Directors serving for a term of two years, and three Directors serving for a term of three years. Each Director shall hold office until the expiration of the term for which they were elected or until their resignation or removal as hereinafter provided. Each Director's term shall commence on the date of the meeting at which the Director was elected.

Section 3. Initial Board. Except as herein provided, the terms of the initial Directors shall be determined by a blind draw conducted at the first meeting of the Board.

Section 4. Nomination. Any Member wishing to become a candidate for a Director's position shall submit their name and qualification to the Secretary of the Board on or before March 1 of the year of the election. The Board shall develop election rules and procedures intended to facilitate a process that seeks to encourage participation in the Association by creating a shared understanding of the requirements, qualifications, timing, and process for nominating, campaigning, and voting for Directors of the Association. All potential nominees will be required to submit a written nomination application. The Board shall oversee the nomination and voting processes, vet all candidates, and prepare/authorize ballot forms/processes. For the initial election of the homeowner-directed Board, any person wishing to become a candidate for a Director's position shall submit their name and qualification to the court appointed receiver by the deadline date approved by the court.

Section 5. Election. The Directors shall be elected at the annual meeting of the Members by written ballot or via online ballot. In such election, the Members may cast, with respect to each seat up for election, as many votes as they are entitled to under the provisions of these Bylaws. The persons receiving the largest number of votes shall be elected to fill the Director positions on the Board. Neither cumulative nor fractional voting is permitted.

Section 6. Attendance. Attendance by all Directors is required at all Board meetings. If a Director cannot attend a meeting, the Director shall inform the Board President or Secretary prior to the meeting. The Board shall determine whether absence is excused. If directed by the President, the Secretary shall reflect the Director's absence as an excused absence in meeting minutes. The Board may utilize electronic/remote meeting methods so that physical attendance of all Directors at the same location is not required.

Section 7. Resignation. A Director may resign at any time by providing written notice to the Board, the President, or the Secretary of the Association. Such resignation shall take effect at the time specified therein, or if no time is specified, at the time of its receipt by the Board, the President, or the Secretary. The acceptance of a resignation shall not be necessary to make it effective.

Section 8. Removal. Any Director may be removed as provided by the statutes governing nonprofit corporations in the State of Tennessee. Without limiting the foregoing, no Director, who is not an Eligible Voting Member, may continue in office.

Section 9. Vacancies. In the event of death, resignation or removal of a Director, the vacancy may be filled by the selection of the remaining Directors of a successor, who shall serve for the unexpired term of the predecessor Director. The Members may elect a Director to fill any vacancy that is not filled by the Directors within sixty (60) days after such vacancy.

Section 10. Remuneration. Directors shall serve without compensation except for the reimbursement of actual, reasonable, and necessary expenses incurred in connection for work done for the Association. Travel expenses shall not be considered reimbursable expenses.

Section 11. Restrictions. Directors and Officers are not to accept material gifts, services, meals, entertainment, or any other considerations of value from any person to whom a fiduciary duty is owed or company with which the Association has a contract or is doing business. Violations of this provision shall be grounds for removal from office by vote of the Board.

ARTICLE VI. MEETINGS OF DIRECTORS

Section 1. Annual and Regular Meetings. The annual meeting for Members shall be held during the second quarter of the year at which time Directors shall be elected to the Board. At the first meeting of the Board following an election of Board members, the Board shall establish a schedule of regular meetings for the year. Such schedule shall be published on the Association's website and shall be sent electronically to each Member who has provided an email address to the Association. At least seven (7) days prior to a regular meeting, the Secretary, or his or her designee shall provide the meeting agenda to each Director and to each Member who has provided an email address to the Association. Items not appearing on the agenda may be considered at a regular meeting. Every Member shall have the right to address the Board on any issue. The Board may establish reasonable rules for Member participation in Board meetings.

Section 2. Special Meetings. Special meetings of the Board may be called by the President or by a majority of the Directors. Except in the case of an emergency, at least ten (10) days prior to a special meeting, the Secretary, or his or her designee shall provide notice of the time, place, and purpose of the special meeting to each Director and to each Member who has provided an email address to the Association. Only matters related to the purpose of the special meeting may be considered at a special meeting. Every Member shall have the right to attend a special meeting, either in person or remotely, and shall have the right to address the Board on any issue. The Board may establish reasonable rules for Member participation in Board meetings. In the event of an emergency, twenty-four (24) hour notice need be given to the Directors and the Members who have provided an email address to the Association.

Section 3. Open Meetings. All meetings of the Board shall be open to all Members. After convening a meeting, the Board may go into executive session that is not open to Members, only to discuss the following matters: a) personnel matters; b) discussions with legal counsel regarding threatened or pending litigation; c) purchase of sale of property or contract negotiations where disclosure of information would be prejudicial to the Association; and d) matters required by law to be kept confidential.

Section 4. Meeting Participation Methods. Directors may participate in a meeting of the Board by means of authorized communications equipment within the meaning of Tennessee law. Participation of a Director at a meeting by authorized communication equipment shall constitute presence in person at such meeting if all of the following apply: a) each Director participating in the meeting can communicate with all of the other Directors concurrently, and b) each Director is provided the means of participating in all matters before the Board, including, without limitation, the capacity to propose, or to interpose an objection to a specific action to be taken by the Association.

Section 5. Quorum. At any meeting of the Board, a majority of the Directors then in office shall be necessary and sufficient to constitute a quorum for the transaction of all business. A majority of the votes cast at a meeting of the Board, duly called and at which a quorum is present, shall be sufficient to take or authorize action upon any matter which may properly come before the meeting, unless the concurrence of a greater proportion is required for such action by Tennessee law, the Articles of Incorporation, the Declaration, or these Bylaws.

Section 6. Voting. Except as otherwise provided in the Articles of Incorporation or these Bylaws, each Director shall be entitled to one vote on any matter properly submitted to the Directors for their vote, consent, waiver, release, or other action. No Director shall be entitled to vote by proxy.

Section 7. Adjournment. A majority of the Directors present at a meeting, whether or not a quorum, may adjourn any meeting to another time and place. Notice of such adjourned meeting shall be promptly given to all Directors, whether or not present when the meeting was adjourned.

ARTICLE VII. BOARD OFFICERS

Section 1. Enumeration of Offices. The Officers of the Association shall be a President, who shall at all times be a member of the Board, a Secretary, a Treasurer, and each Vice President(s) and other officers as the Board may from time to time by resolution appoint. All Officers shall be Members of the Association eligible to vote in elections.

Section 2. Election and Term of Office. The election of Officers shall take place at the first meeting of the Board following each annual meeting of the Members. The Officers of the Association shall be elected annually by the Board, and each shall hold office for one (1) year unless they shall sooner resign, be removed, or be otherwise disqualified to serve. Any Officer may serve consecutive terms.

Section 3. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 4. Duties. The duties of the Officers shall be as follows:

- (a) **President.** The President shall preside at all meetings of the Board and of the Members; have general and active management of Association business; see that orders and Resolutions of the Board are carried out; have general superintendence and direction of all other Officers of the Association; submit a report of Association operations to the Members at the annual meeting; shall be ex-officio member of all standing committees and shall have the power and duties usually vested in the office of the President, including signing all leases, promissory notes, mortgages, security interests, financial statement, deeds and other written instruments; and sign all checks.

- (b) **Vice President.** The Vice President shall be vested with all the powers and shall perform all the duties of the President during the absence of the latter and shall exercise and discharge such other duties as may be required by the Board.
- (c) **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and Members in a book to be kept for that purpose; in concert with the President shall make arrangement for all meetings; serve notice of meetings of the Board and of the Members; send notices of all meetings and take reservations for meetings; perform official correspondence from the President or Board; keep appropriate current records showing the Members of the Association and their addresses; and perform such other duties as required by the Board.
- (d) **Treasurer.** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; prepare and review financial statements; keep proper books of account; issue, or cause to be issued, all requested certificates setting forth whether the assessments applicable to a specific Lot have been paid; cause an annual audit of the Association books to be made by an independent and unaffiliated certified public accountant at the completion of each fiscal year; prepare a balance sheet and a statement of income and expenditures to be presented to the membership at its regular annual meeting; review any and all contracts for the Association; perform other such duties as may be prescribed by the President or the Board, and, sign all checks of the Association along with the President or Vice President.

Section 5. Vacancies. If an office becomes vacant by reason of death, resignation, retirement, disqualifications, removal from office, or otherwise, the Board may elect a successor or successors who shall hold office for the unexpired term in respect of which said vacancy occurred.

Section 6. Resignation and Removal. Any Officer may resign at any time by providing written notice to the Board, the President or the Secretary of the Association. Whenever in the judgement of the Board the best interest of the Association will be served thereby, any Officer may be removed from office by the affirmative vote of a majority of the Directors.

Section 7. Other Officers. The Board may elect or appoint such other Officers as it shall deem necessary or desirable, which shall hold their offices for such terms and shall have such authority and perform such duties as shall be determined by the Board.

Section 8. Delegation of Authority and Duties. The Board is authorized to delegate the authority and duties of any Officer to any other Officer, and generally to require the performance of duties in addition to those mentioned herein. The Board may engage other persons or firms to support and advise in the affairs of the Association.

ARTICLE VIII. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board shall have powers to:

- (a) exercise for the Association all powers, duties, and authority for regulating and managing the affairs of the Association as vested in or delegated to the Association by the Articles of Incorporation, Bylaws, Declaration, and Tennessee law;
- (b) purchase, receive, accept, lease or otherwise acquire and own, hold, improve, use, and deal with real or personal property, or any legal or equitable interest in property; sell, convey, mortgage, pledge, lease, rent, exchange, and otherwise dispose of, or grant a security interest in, all or any part of its property;
- (c) elect, appoint, and designate Officers, employees, and agents of the Association, define their duties, and fix their compensation;
- (d) declare the office of a Director on the Board to be vacant, if such Director shall be absent without such absence being excused from three (3) consecutive meetings of the Board, or for cause, resignation, or death;
- (e) make contracts and guarantees, incur liabilities, borrow money, issue its notes and bonds, and other obligations, and secure any of its obligations or those of any other person by mortgage, pledge of, or security interest in, any of its property or income;
- (f) enter into contracts, leases or otherwise to manage, repair, service or modify the Common Areas including roadway, recreational area and open space to replace facilities and equipment located thereon;
- (g) grant easements, either temporary or permanent, for the installation and maintenance of ingress and egress, drainage or utilities upon, over, under and across the property owned by the Association without the consent of the Members when such easements are necessary for the convenient use and enjoyment of properties and as allowable under State or Tennessee laws;
- (h) employ attorneys, accountants, and other professional persons or firms to represent the Association when deemed necessary to support and advise in the affairs of the Association; may appoint and remove at pleasure all agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient;
- (i) establish Board policies consistent with Tennessee law in order to implement its actions and ensure transparency for its Members;
- (j) adopt and publish Association rules and regulations governing the use of the Common Area and the personal conduct of Members and their guests thereon and establishing penalties for infractions thereof, and adopt and publish rules and regulations interpreting and/or supplementing the restrictions and covenants applicable to the properties owned or managed by the Association, outline appeal

processes, and take any and all actions deemed by the Board to be necessary or appropriate to enforce such rules and regulation;

- (k) suspend a Member's voting rights or the right to use the recreational facilities, without notice and hearing, during any period in which the Member is in default of the payment of any fees or assessment levied by the Association; such rights may be suspended only after notice to the Member and hearing; the processes for reinstatement after bringing the Member accounts current, the rights of an Eligible Voting Member, shall be governed by the published Declarations of the Association;
- (l) establish standing and special committees and appoint committee chairs and members as needed to manage the affairs of the Association; and
- (m) resolve to amend the Bylaws of the Association at any regular or special meeting. Any amendment that affects Member's substantive rights requires the consent of the Members as defined herein.

Section 2. Duties. It shall be the duty of the Board to:

- (a) adhere to the fiduciary duties of Board members as outlined in Tennessee law;
- (b) disclose all conflict of interest as outline in Tennessee law, including conflicts arising out of a material financial interest in a transaction or a material relationship related to the affairs before the Board;
- (c) supervise all Officers, agents and employees of the Association and see that their duties are properly performed;
- (d) send written notice of each assessment to every Owner subject thereto in advance of each annual assessment period per the Declaration and these Bylaws;
- (e) adopt annual budgets and establish and enforce procedures for collection of assessments and for filing and enforcement of liens for unpaid dues as provided in Tennessee law;
- (f) establish a committee structure that supports the oversight and implementation of Board policy including, at a minimum, an Audit and Finance Committee, an Infrastructure Committee, a Governance Committee, and a Membership Committee;
- (g) procure and maintain (i) adequate liability insurance covering the Association; (ii) Officers' and Directors' errors and omissions insurance; and (iii) full replacement value hazard insurance on the real and personal property owned by the Association;
- (h) require all Officers or employees having fiscal responsibilities to be bonded, as the Board deems appropriate;

- (i) cause the Common Area and all facilities erected thereon and any portions of any real property for which the Association has maintenance responsibility to be maintained;
- (j) provide such notices to and obtain such consents from Lot owners and holders of first mortgages on real property as required by the Declaration or these Bylaws;
- (k) pay all ad valorem taxes and public assessments levied against the real and personal property owned in fee by the Association;
- (l) hold annual and special meetings for the Members and regular and special meetings and elections for the Board;
- (m) review, at least annually, these Bylaws for consistency with the purposes and efficient functioning of the Association,
- (n) manage affairs in the best interest of the Association, and
- (o) establish, advertise, and maintain a website for members of the Association which website shall provide information concerning elections, meetings, minutes, financial information, and other information relevant to the Subdivision.

ARTICLE IX. CONFLICT OF INTEREST

Section 1. Conflict of Interest. Under Tennessee law, Directors, committee members or employees shall make full disclosure to the Board and/or the appropriate Board committees all facts and circumstances related to any transactions, activities, contracts and other dealings being considered before the Board and/or its committees which might directly or indirectly involve such Director, committee members or employee in a duality or conflict of interest with the Association. The disclosure shall be noted in the Board and/or committee minutes and the interested Director or committee members shall not participate in the discussion of such matter and shall not vote on said particular matter.

Section 2. Adoption of Policy. The Board shall approve and adopt a Conflict of Interest Policy consistent with the requirements under the law as applicable to nonprofit organizations, and consistent with the fiduciary duties required of Board members and Officers. The Conflict of Interest Policy shall apply to all Board members, employees, volunteers, agents, and contractors of the Association. Board members, Officers, and employees shall be required to provide an annual acknowledgment and disclosure statement with respect to conflicts and potential conflicts. Board committee members, when requested, shall provide an annual acknowledgment and disclosure statement with respect to conflicts and potential conflicts. In the absence of a Board-adopted policy, State law shall govern.

Section 3. Effect of Conflict Provisions. The failure of the Association, its Board, or any or all of its Directors, Officers, or employees to comply with the conflict of interest

provisions of Bylaws shall not invalidate, cancel, void, or make voidable any contract, relationship, action, transaction, debt, commitment, or obligation of the Association that otherwise is valid and enforceable under applicable law.

ARTICLE X. RIGHT OF INDEMNIFICATION

Directors and the Officers shall not be liable to the Members for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Association shall indemnify every Director and Officer, their heirs, executors, administrators, and assigns against all loss, costs and expenses, including counsel fees, reasonably occurred in connection with any action, suit or proceeding to which they may be made a party by reason of being or having been a Director or Officer of the Association except as to matters as to which they shall be finally adjudged in such action, suit or proceeding to be liable for willful misconduct or bad faith. The Board may purchase insurance in such amounts as it deems appropriate to provide such indemnification and the cost of such insurance shall be a common expense of the Association. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of willful misconduct or bad faith in the performance of their duty as such Director or Officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or Officer may be entitled. All liability, loss, damage, cost, and expenses incurred or suffered by the Association by reason of or arising out of or in connecting with the foregoing indemnification provisions shall be treated by the Association as common expenses; provided, however, a) that nothing contained in this section shall be deemed to obligate the Association to indemnify any Member or Owner, who is or has been a Director or Officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by them under and by virtue of their membership in the Association or as an Owner, and b) the Association will not indemnify or reimburse any person for amounts determined to be owned to the Association resulting from an action brought on by or on behalf of the Association.

ARTICLE XI. BOOKS AND RECORDS

Section 1. Records. Under Tennessee law, the Board shall keep the following books and records: a) the membership registry (including names, resort address and parcel number, permanent address, email, telephone numbers, and voting rights), b) books of account, minutes of meetings, and actions of the Members, Directors, and committees (including drafts and summaries) for the last three years; c) records of Board and committee actions for the last three years; d) charter and all amendments; e) Declaration and all amendments; f) Bylaws and all amendments; g) written communication to the Members for the last three years; h) names and addresses of current Officers and Directors; and the i) most recent annual report filed with the Tennessee Secretary of State.

Section 2. Inspection by Members. The books, records, and documents of the Association shall at all times, during reasonable business hours, be subject to review by any Members. The Declaration, the Articles of Incorporation, and these Bylaws of the Association shall be available for review by such Members at the principal office of the Association, where copies may be purchased at a reasonable cost.

Section 3. Rules for Inspection. The Board shall establish reasonable rules with respect to: a) notice to be given to the custodian of the records by the Member desiring to make the inspection; b) hours and days of the week when such an inspection may be made; and c) payment of the cost of reproducing copies of documents requested by a Member.

Section 4. Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. Provided it is done under the Director's duties on behalf of the Association, the right of inspection by a Director includes the right to make extracts and copies of documents, at the expense of the Association.

ARTICLE XII. MISCELLANEOUS

Section 1. Corporate Seal. The Association shall not have a corporate seal.

Section 2. Declaration. The Declaration is incorporated into the Bylaws by reference. In the event of a conflict between the Declaration, the Articles of Incorporation, and these Bylaws, the provisions of the Declaration shall take precedence, then the provisions of the Articles of Incorporation, then the provisions of these Bylaws, then the Rules and Regulations that may be established by the Board.

Section 3. Severability. If any provisions of these Bylaws or the application thereof to any person or circumstance shall be held invalid or unenforceable to any extent by a court of competent jurisdiction, such provision shall be complied with or enforced to the greatest extent permitted by law as determined by such court, and the remainder of these Bylaws and the application of such provision to other persons or circumstances shall not be affected thereby and shall continue to be complied with and enforced to the greatest extent permitted by law.

Section 4. Fiscal Year. The fiscal year of the Association shall end on such date as the Board of Directors may determine from time to time. In the absence of such determination, the fiscal year shall begin on the first day of January and end on the last day of December next succeeding.

Section 5. Effective Date. These Bylaws amend, restate, supersede, and replace in their entirety any and all previous Bylaws of the Association, and are effective as of the _____ day of _____, 2024.

Section 6. Captions. The captions of the various provisions of these Bylaws are not part of the Bylaws but for convenience of reference only.

ARTICLE XIII. DISSOLUTION

Upon dissolution and liquidation of the Association, the Board shall, after paying or making provision for the payment of all of the liabilities, dispose of all of the assets of the Association exclusively for the purpose of the Association in such manner, and to such organization or organizations organized and operated exclusively for purposes, and as shall at the time qualify as an exempt organization under Section 501(c)(3) of the Internal Revenue Code, Tennessee law, and as the Board may determine. Any assets not so disposed of shall be disposed of by a court of competent jurisdiction exclusively for such purposes or to such organization or organizations as such court shall determine.

ARTICLE XIV. AMENDMENTS

Except for any provision dealing with the substantive rights of Members of the Association, which must be approved by ten (10) percent of the Members, the Bylaws may be amended, altered, or repealed by a majority vote of the Board and/or in accordance with Tenn. Code Ann. §48-60-202 as same may be amended from time to time.

CERTIFICATION OF ADOPTION OF BYLAWS

The foregoing Bylaws of the Corporation have been duly adopted by action of the Board of the Corporation pursuant to the laws of the State of Tennessee.

ADOPTED AND APPROVED by the Board of Directors on this ____ day of _____, 2024.

Deerfield Resort Homeowners Association, Inc.

President, Deerfield Resort Homeowners Association, Inc.

ACKNOWLEDGEMENT OF CORPORATION

STATE OF TENNESSEE
COUNTY OF _____

Before me, _____ of the state and county mentioned, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged such person to be president (or other officer authorized to execute the instrument) of _____, the within named bargainer, a corporation, and that such president or officer as such _____, executed the foregoing instrument for the purpose therein contained, by personally signing the name of the corporation as _____.

Witness my hand and seal, at office in _____, this _____ day of _____.

Notary Public

Printed Name: _____

My Commission Expires: _____