This instrument prepared by:
Thomas M. Moore, Attorney
8116 Moores Lane
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BY-LAWS

OF

McCRORY TRACE ESTATES HOMEOWNER'S ASSOCIATION

ARTICLE I

The name of this non-profit corporation is McCRORY TRACE ESTATES HOMEOWNER'S ASSOCIATION, INC. The principal office of the corporation shall be located at 300 12th Avenue South, Nashville, Tennessee 37203, and all meetings of members and Directors will be held at the principal office unless some other place within the State of Tennessee is designated by the Board of Directors. The Board of Directors may change the principal office to any location in the State of Tennessee.

ARTICLE II

DEFINITIONS

The following words when used in these By-Laws or amendments thereto, shall have the following meanings:

SECTION 1. ASSOCIATION shall mean and refer to McCrory Trace Estates Homeowners' Association, Inc., a non-profit corporation organized and existing under the laws of the State of Tennessee, its successors and assigns.

SECTION 2. OWNER shall mean and refer to a record owner including the Declarant, of a fee simple title to any Building Site

which is part of the properties, including contract sellers, but excluding those persons or entities having such interests merely as security for the performance of an obligation.

SECTION 3. COMMON AREA shall mean and refer to all real property owned by the Association for the common use and enjoyment of the Owners.

SECTION 4. BUILDING SITE shall mean or refer to any plot of land to be used for residential purposes and so designated on a subdivision plat of the property with the exception of the Common Area, and shall be recorded in the Register's Office for Davidson County, Tennessee.

SECTION 5. PROPERTIES shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions and such additions thereto as may be brought within the jurisdiction of the Association.

SECTION 6. DECLARATION shall mean or refer to the Declaration of Covenants, Conditions and Restrictions applicable to the real property which is recorded in the Register's Office of Davidson County, Tennessee.

SECTION 7. DECLARANT shall mean or refer to Robert W. Bolster & Associates, Inc., a Tennessee corporation, its successors and assigns acquiring two or more undeveloped Building Sites for the purpose of development of residential housing.

SECTION 8. MEMBER shall mean or refer to any person or persons who shall be an Owner and entitled to membership in the Association pursuant to the Declaration.

SECTION 9. PERSON shall mean or refer to a natural person as well as a corporation, partnership, firm, association, trust or other legal entity. The use of the masculine pronoun shall include the neuter and feminine, and the use of the singular shall include the plural where the context so requires.

SECTION 10. ARTICLES shall mean or refer to the Articles of Incorporation of the Association, as said Articles are amended from time to time.

SECTION 11. BOARD shall mean or refer to the Board of Directors of the Association.

SECTION 12. BY-LAWS shall mean and refer to the By-Laws of the Association as such may be amended from time to time.

SECTION 13. McCRORY TRACE ESTATES shall mean and refer to the certain residential subdivision located in the County of Davidson, State of Tennessee, together with such additions as may be designated by Declarant by a Supplementary Declaration, as provided in the Declaration.

ARTICLE III

MEETING OF THE ASSOCIATION

SECTION 1. ANNUAL MEETING The annual meeting of the Association, except for the first annual meeting, shall be held on the first Tuesday of the second calendar month following the close of The Association's fiscal year. The first annual meeting shall be held within one year from the date of incorporation of the Association. In the event the date of the annual meeting falls on a legal holiday, the

annual meeting will be held on the first day following which is not a legal holiday.

SECTION 2. SPECIAL MEETINGS Special meetings of the Association may be called at any time by either the President or the Board of Directors or upon written request by one-fourth (1/4) of all votes of Class A membership entitled to vote. Upon receipt of such call, the Secretary shall *send* out notices to all Members of the Association.

SECTION 3. NOTICE OF MEETINGS. A written or printed notice of every meeting of the Association stating whether it is an annual meeting or special meeting, the authority for the call of the meeting, the place, day and hour thereof, and the purpose for the meeting, shall be given by the Secretary to the person or persons calling the meeting, at least fifteen (15) days before such meeting. Such notice shall be given to each Member in any of the following ways: (1) by leaving the notice with him personally, (2) by leaving the notice at the residence or usual place of business of such Member or (3) by mailing it, postage prepaid, addressed to such Member at his address as it appears on the records of the Association.

SECTION 4. WAIVER OF NOTICE. The presence of all Members, in person or by proxy, at any meeting shall render the same a valid meeting, unless any Member shall, at the opening of such meeting, object to the holding of same for noncompliance with the provisions of this Article.

SECTION 5. QUORUM. At any meeting of the Association, Members present or by proxy, entitled to cast one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action not prohibited by the Articles, Declaration or these By-Laws. If such a quorum shall not be present or represented at any meeting, the Members entitled to vote at such meeting shall have the power to adjourn from time to time, until a quorum shall be present or represented by proxy. At any subsequent meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting originally called.

SECTION 6. VOTING. Any person, firm, corporation, trust or other legal entity or a combination thereof owning any Building Site shall be a Member of the Association and either in person or by proxy be entitled to one (1) vote for each Building Site so owned except the Declarant and its successors and assigns acquiring two or more Building Sites for the purpose of developing residential housing may have three (3) votes in accordance with the terms and conditions of the Declaration, at all meetings of the Association. The authority or proxy given by a Member to another person to represent such Member at meetings of the Association shall be in writing, signed by such Member or Members and shall be filed with the Secretary of the Association. Every proxy unless limited by its terms, shall be deemed valid until revoked in writing; however, the said proxy shall automatically cease upon conveyance by a Member of his Building Site.

ARTICLE IV

BOARD OF DIRECTORS

SECTION 1. NUMBER. The affairs of the Association shall be managed by a Board of Directors who may or may not be members of the Association. The initial number of Directors shall be three (3) and shall serve as Directors until the first annual meeting of the Association. From and after this first annual meeting of the Association, the number of Directors shall be five (5). The number of Directors may be changed by amendment of these By-Laws.

SECTION 2. TERM. At the first annual meeting of the Association, the Members shall elect two (2) Directors for a term of one (1) year and three (3) Directors for a term of two (2) years. At each annual meeting thereafter, the successors to the Directors whose terms have expired shall be elected for a term of two (2) years. However, the Directors shall hold office until their successors have been elected and qualified.

SECTION 3. REMOVAL. At any regular meeting of special meeting duly called, any one or more of the elected Directors may be removed with or without cause, by a majority of the Members of the Association. In the event of death, resignation or removal of a Directors, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor.

SECTION 4. COMPENSATION. No compensation shall be paid to any Director for their services performed or rendered to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of his duties and responsibilities.

SECTION 5. ACTIONS. The Directors shall have the right to take any action without a called meeting which could be taken by them by obtaining the written approval of all Directors. Any such action taken shall have the same force and effect as though taken at a duly called meeting of the Directors.

ARTICLE V

NOMINATION AND ELECTION

SECTION 1. NOMINATION. All nominations of candidates for election to the Board of Directors shall be made by a Nominating Committee. However, additional nominations of candidates to the Board may also be made by any Member at the annual meeting. The Nominating Committee shall be appointed by the Board prior to each annual meeting and shall serve from the close of such annual meeting until the close of the next annual meeting. The Nominating Committee shall consist of the Chairman who shall be a member of the Board, and two (2) or more Members of the Association. The Nominating Committee shall make nominations for elections to the Board in a number equal to or greater than the number of vacancies on the Board.

SECTION 2. ELECTIONS. The election of candidates to the Board of Directors shall be by secret written ballot. The Members present or their proxies may cast as many votes for each vacancy on the board as they are entitled to exercise under the provisions of the Declaration. The person or candidate receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted in any election to fill a vacancy on the Board.

ARTICLE VI

MEETINGS

SECTION 1. REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held monthly, without notice, at such time and place as shall be determined, from time to time, by a majority of the Directors. If the monthly meeting falls upon a legal holiday, that meeting shall be held at the same place and time on the next day which is not a legal holiday.

SECTION 2. SPECIAL MEETINGS. Special meetings of the Board may be called by the President or by two Directors on at least three (3) days' notice to each Directors, given personally or by mail, addressed to his residence, or by telephone, which notice shall state the time, place and purpose of the meeting. Before or at any special meeting of the Board, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any special meeting of the Board shall be a waiver of notice by him of the time and place thereof.

SECTION 3. QUORUM. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business and the acts of the majority present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting from time to time, and any business which might have been transacted at the meeting as originally called may be transacted without further notice.

ARTICLE VII

POWERS AND DUTIES

SECTION 1. POWERS. The Board of Directors of the Association shall have the power to:

(i) Adopt and publish rules, regulations and penalties governing the Association and the personal conduct of Members and their guests.

(ii) Suspend the voting rights and right to use the Common Area during any period a Member shall be in default of any assessment levied by the Association. The Board may also suspend after appropriate notice and hearing, such rights for a period not to exceed sixty (60) days from any infraction of published rules and regulations.

(iii) Notwithstanding those powers and duties reserved to the membership under these By-Laws, Articles or Declaration, the Board may exercise on behalf of the Association all powers, duties and authority vested in or delegated to it.

(iv) Declare the membership on the Board to be vacant if any Director of the Board shall be absent from three (3) consecutive regular meetings.

(v) Employ a manager or other such employees as deemed necessary and reasonable by the Board.

SECTION 2. DUTIES. The Board of Directors of the Association shall have the duty to:

(i) Keep a complete record of all corporate acts and affairs and inform the Members of said acts and affairs at the annual meeting or any special meeting or at any special meeting when such information is requested in writing by one-fourth (1/4) of the Class A Members.

(ii) Procure and maintain adequate liability and hazard insurance on the Common Area.

(iii) Cause the Common Area to be maintained.

(iv) In the discretion of the Board to cause any or all officers or employees to be bonded.

(v) As more fully described in the Declaration, to fix the amount of annual assessment against each Building Site at least thirty (30) days in advance of each annual assessment; to send written notice of each assessment to every Owner at least thirty (30) days in advance of each annual assessment period; and foreclose any lien against any property for which the assessments are not paid within thirty (30) days after due or to bring an action at law against the Owner personally obligated to pay same.

(vi) Supervise all officers, agents and employees of the Association and ensure the performance of their duties and responsibilities.

(vii) Issue upon demand a certificate setting forth whether or not any assessment has been paid; however, a reasonable charge may be made against such person making the demand. Any certificate verifying that assessments have been paid shall be conclusive evidence of such payment.

ARTICLE VIII

OFFICERS

SECTION 1. DESIGNATION. The principal officers of the Association shall be a President, Vice-President, Secretary and Treasurer. The President and Vice-President shall at all times be members of the Board and the Secretary and Treasurer may or may not be members of the Board. The Directors may also appoint an Assistant Treasurer, and an Assistant Secretary and such other officers as in their judgment may be necessary.

SECTION 2. ELECTION. The officers of the Association shall be elected annually by the Board at the first meeting following each annual meeting of the Members and shall hold office at the pleasure of the Board. The Board may elect such other officers as necessary and each of whom shall hold office for such period having such authority

and performing such duties as the Board may determine.

SECTION 3. TERM. The officers of the Association shall be elected annually by the Board and shall hold office for one year unless said officer shall sooner resign or be removed or otherwise disqualified to serve.

SECTION 4. VACANCIES. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time, giving written notice to the Board; however, such resignation shall take effect on the date of receipt of such notice or at any later time specified therein. A vacancy in any office may be filled by appointment by the Board, and the said officer appointed to such vacancy shall serve for the remainder of the term of his predecessor.

SECTION 5. RESTRICTIONS. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to this Article.

SECTION 6. DUTIES. The duties of the officers of the Association are as follows:

(i) PRESIDENT. The President shall be the Chief Executive Office of the Association. He shall preside at all meetings of the Association and the Board and have the responsibility to ensure that all orders and resolutions of the Board are performed; sign all leases, mortgages, deeds or other written instruments and co-sign all checks and promissory notes. In addition, the President shall have all the general powers and duties which are usually vested in the office of President of an association, including but not limited to the power to appoint committees from time to time.

(ii) VICE-PRESIDENT. The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed by the Board.

(iii) TREASURER. The Treasurer shall have the responsibility to receive and deposit all monies of the Association; sign all checks and promissory notes; keep proper books of accounts; cause an annual audit at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures and to present such budget or statement at the membership's regular annual meeting.

(iv) SECRETARY. The Secretary shall attend and keep the minutes of all meetings of the Board or of the Association; shall give all notices provided by these By-Laws and shall have other powers and duties as may be incidental to the office of Secretary, as given by these By-Laws or assigned from time to time by the Board. If the Secretary shall not be present at any meeting, the presiding officer shall appoint a Secretary pro tempore who shall keep the minutes of such meetings and record them in the book provided for that purpose.

ARTICLE IX

COMMITTEES

The Board may appoint an Architectural Control Committee pursuant to the Declaration and a Nominating Committee as provided in these By-Laws. The Architectural Control Committee shall have the responsibility for enforcing architectural control and use restrictions set forth in the Declaration. The Board shall also appoint a Nominating Committee as provided in these

By-Laws. In addition, the Board shall appoint other committees as deemed appropriate to perform the duties and responsibilities of the Association.

ARTICLE X

BOOKS AND RECORDS

All books, records and papers of the Association shall be subject to inspection by any Member during reasonable business hours. In addition, the Declaration, Article and these By-Laws of the Association shall be available for inspection by any Member.

ARTICLE XI

ASSESSMENTS

Pursuant to the Declaration, each Member is obligated to pay any annual or special assessments which are secured by continuing lien upon the Building Site of the Member. Any assessment not paid when due shall be deemed delinquent. Any assessment not paid within thirty (30) days after the due date shall bear interest form the date of delinquency at a rate of ten percent (10%) per annum. In addition, the Association may bring an action at law against the Owner personally obligated to pay the delinquent assessment or foreclose the lien against the property, and any interest, costs or reasonable attorney's fees related to the collection of said delinquent assessment. No Owner or Member

may waive or otherwise escape liability for the assessments provided in the Declaration or these By-Laws by nonuse or abandonment of the Building Site.

ARTICLE XII

CORPORATE SEAL

The Association shall not have a corporate seal, and the lack of said seal shall not affect the validity of any acts.

ARTICLE XIII

AMENDMENTS

SECTION 1. These By-Laws may be amended by vote of the majority of a quorum of Members present or by proxy at any regular or special meeting of the Members. However, the Federal Housing Administration or the Veterans Administration shall have the right to veto any amendments to these By-Laws as long as there is Class B membership in the Association.

SECTION 2. In the event of any conflict between the Declaration and these By-Laws or the Articles, the Declaration shall control. If any conflict arises between the Articles of Incorporation and these By-Laws, the Articles shall control.

ARTICLE XIV

FISCAL YEAR

The fiscal year of the Association shall begin the 1st day of January and end on the 31st day of December of every year; however, the first fiscal year shall start on the day of incorporation.

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IN WITNESS WHEREOF, we, being all of the Directors of the McCrory Trace Estates Homeowner's Association, Inc., have hereunto set our hands this 15th day of June 1988.

Robert W. Bolster

Eugene Carbine

Winston Biggs

41522

IDENTIFICATION REFERENCE

JUN 20 8 27 AM '88

FELIX E. WILSON JR. REGISTER
DAVIDSON COUNTY, TN

RUSH