

EXHIBIT "B"
BY-LAWS
OF
RIVERWALK HOMEOWNER'S ASSOCIATION, INC.

ARTICLE I
DEFINITIONS

The following words, when used herein, shall have the following meanings:

Section 1. "Association" shall mean Riverwalk Homeowners' Association, Inc. a Tennessee not-for-profit corporation, its successors and assigns, which has as its members all owners of Lots in the Property. "Charter" shall mean the Articles of Incorporation of the Association as filed with the Office of the Secretary of State for Tennessee.

Section 2. "Board of Directors" shall mean the Board of Directors of the Association as described in Article IV hereof.

Section 3. "Declaration" shall mean the instrument headed "Declaration of Covenants, Conditions and Restrictions" recorded simultaneously herewith in the Register's Office for Davidson County, Tennessee, as hereafter amended.

Section 4. "Developer" shall have the meaning given it in the Declaration.

Section 5. "Member" shall mean and refer to those persons entitled to membership in the Association as provided in the Declaration.

Section 6. "Common Area" shall have the meaning given it in the Declaration.

Section 7. "Lot" shall have the meaning given it in the Declaration.

Section 8. "Lot Owner" shall have the meaning given it in the Declaration.

Section 9. "Plat" shall have the meaning given it in the Declaration.

Section 10. "Property" shall have the meaning given it in the Declaration.

ARTICLE II
NAME AND LOCATION

The name of the Association is Riverwalk Homeowner's Association, Inc. The principal office of the Association shall be located at c/o Ghertner & Company, 413 7th Ave South, Nashville, Davidson County, TN 37203 or at such other place as may be designated by the Board of Directors, meetings of members and directors may be held at such places within the State of Tennessee, County of Davidson, as may be designated by the Board of Directors.

ARTICLE II
MEETING OF MEMBERS

Section 1. Annual Meetings. The first regular annual meeting of the Members may be held, subject to the terms hereof on any day, at the option of the Board of Directors; provided, however, that the first meeting may (if necessary to comply with Federal Regulations) be held no later than the earlier of the following events: (a) Four (4) months after all the Lots have been sold by the Developer or (b) Three (3) years following conveyance of the first Lot by the Developer. Each subsequent regular annual meeting of the Members shall be held within fifteen (15) days of the anniversary of the first regular annual meeting each year thereafter at such time as set by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote at the meeting, addressed 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 notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, fifty percent (50%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Charter, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote at the meeting shall have power

to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. Further, as provided in the Declaration, if a quorum is not present a subsequent meeting may be called and the required quorum shall be reduced by half at such meeting and such procedure may be repeated until a quorum is established although in no event may the required quorum be less than 10% of the total number of eligible votes.

Section 5 Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 6 Action Taken Without A Meeting. The members shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written consent of the number of members which would otherwise be required to approve such action. For instance, if an action required the approval of members holding three-fourths (3/4ths) of the total votes, then a writing signed by members holding three-fourths (3/4ths) of the total votes of all members would be effective as if such approval was given at a meeting duly called for such purpose. Any action so approved shall have the same effect as though taken at a properly called meeting of the members.

ARTICLE IV **BOARD OF DIRECTORS**

Section 1. Number. The affairs of the Association shall be managed by a Board of Directors. The initial Board of Directors of the Association shall consist of three (3) persons, who need not be Members of the Association, who shall be appointed by the Developer and who shall serve until the Transfer of Control (as defined in the Declaration). After the Transfer of Control (as defined in the Declaration), the Board of Directors shall consist of five (5) directors each of whom must individually be a member of the Association or be an owner, officer, trustee or otherwise affiliated with a member of the Association.

Section 2. Term of Office. Directors shall be elected for terms of two (2) years or until their successor is elected. In addition, the Directors shall be grouped into three (3) separate classes so that approximately one-third of the existing total number of Directors are up for re-election each year. Thus, as to the initial Directors, certain Directors will serve for one year terms, certain Directors shall serve for two year terms, and certain Directors shall serve for three year terms as may be determined by the initial Directors elected by the Owners. Thereafter, Directors shall be elected for two year staggered terms so that only one third of the directors are up for reelection in any one year.

Section 3 Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association, or in the case of the initial Board, by the Developer. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Members of the Board, or in the case of the initial Board, by the Developer, and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation from any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nomination may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman who shall be a member of the Board of Directors and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at intervals established by the Board upon at least three (3) days written notice, (or

without notice if the time and place has been previously fixed by the Board), at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two Directors, after not less than three (3) days' notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII **POWERS AND DUTIES**

Section 1. Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish, assess and collect penalties and fines for the infraction thereof;

(b) Suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Charter or the Declaration;

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

(e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote.
- (b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- (c) As more fully provided in the Declaration, to:
 - (1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period; and
 - (2) Send written notice of each assessment to every Lot Owner subject thereto at least thirty (30) days in advance of each annual assessment period, and
 - (3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Lot Owner personally obligated to pay the same
- (d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) Procure and maintain adequate liability, hazard, and other insurance on property owned by the Association;
- (f) Cause all officers or employees having fiscal responsibilities to be bonded, as required by the Declaration;
- (g) Cause the Common Area to be maintained.
- (h) Exercise all discretion as provided in the Declaration regarding enforcement of all terms, restrictions and provisions contained in the Declaration and to take any and all enforcement actions as may be required pursuant thereto. Whenever discretion is granted to the Board to act upon any matter as required under the Declaration of these Bylaws, such discretion may be exercised by the president of the Association

although any such action by the president shall be subject to change upon review by the Board

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president, who shall at all times be a member of the Board of Directors, and a secretary, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. 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 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. 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 Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and

promissory notes.

(b) Vice-President. The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall 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 of Directors; shall together with another officer sign all checks and promissory notes of the Association; keep proper books of account, cause an annual audit of the Association's books to be made by a public accountant at the completion of each fiscal year, and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX **COMMITTEES**

The Board shall appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X **BOOKS AND RECORDS**

The books, records, papers of the Association and the Declaration, Charter and Bylaws shall be available for inspection by any Member or to the holder, guarantor or insurer of any first mortgage at the principal office of the Association, during normal business hours where copies may be purchased at reasonable cost.

ARTICLE XI **ASSESSMENTS**

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments as well as any other amounts assesses

against a Lot Owner by the Association which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall be subject to a late charge in an amount established by the Board of Directors and shall bear interest from the date of delinquency at the maximum rate allowed by applicable law. The Association may bring an action at law against the Lot Owner personally obligated to pay the same or foreclose the lien against the Lot, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Lot Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE XII **AMENDMENTS**

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person, or by proxy.

Section 2. In the case of any conflict between the Charter and these Bylaws, the Charter shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIII **MISCELLANEOUS**

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.