

2017 AMENDMENT AND RESTATEMENT TO THE 2007 BY-LAWS OF SUGARWOOD HOMEOWNERS ASSOCIATION, INC.

This amendment and restatement to the 2007 BY-LAWS OF SUGARWOOD HOMEOWNERS ASSOCIATION, INC., incorporates the 2009 Amendment and 2010 Amendment, as well as the Sugarwood Homeowners Association Pool Rules and Sugarwood Homeowners Association Pool Recreation Area General Rules by reference, which shall be known as the "2017 Amendment and Restatement", was approved by a resolution of the Sugarwood Homeowners Association 2016 Board of Directors, effective upon ratification by the Sugarwood Homeowners Association members at the next annual meeting of the members on January 14, 2017.

ARTICLE I NAME, LOCATION AND DESCRIPTION OF PREMISES

SUGARWOOD HOMEOWNERS ASSOCIATION, INC., a Non-Profit Corporation organized and existing under the laws of the STATE OF TENNESSEE, with its principal office address at P.O. Box 22702, Farragut, Tennessee 37933. The name of the corporation is SUGARWOOD HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association".

ARTICLE II DEFINITIONS

Section 1. "Association" shall mean and refer to Sugarwood Homeowners Association, Inc., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions for Sugarwood.

Section 3. "Common Properties" shall mean and refer to 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 recreation parks, playgrounds, swimming pools, commons, streets, and footways, including buildings, structures, and personal properties incident thereto, and other recreational amenities, lawns, green space, and other open areas, and easement areas.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with exception of the Common Area.

Section 5. "Owner" shall mean and refer to the recorded owner, whether one or more persons or entities, of the fee simple title to any Lot, but excluding those having such interest merely as security for the performance of any obligation.

Section 6. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restriction for Sugarwood Subdivision, as amended, applicable to the Properties recorded in the Office of the Register of Deeds for Knox County, Tennessee¹.

¹ Instrument Number 200710240034003 recorded 10/24/2007

Section 7. "Member" shall mean and refer to those persons entitled to membership in the Association as provided in the Declaration.

Section 8. "Eligible voting member" shall mean and refer to members who are current in payment of dues and assessments.

ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meetings. The regular annual meeting of the members shall be held on the second Saturday of January in each year, or in case such day is a legal holiday, on another day in January that the Board may chose. Written or printed notice stating the place, day, and hour of such meeting shall be mailed by the Secretary at least ten (10) days before such meeting to each member, to his last known post office, as shown by the books of the Corporation.

Section 2. Special Meetings. Special meeting of the members may be called by the President, Board of Directors, or two thirds (2/3) of the members on ten (10) days' notice, stating the purpose of the meeting.

Section 3. Notice of Meetings.

- (a) 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 delivering or emailing a copy of such notice at least 10 days but not more than 30 days before such meeting to each member entitled to vote thereat, addressed to the members' 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. All items to be voted on at the SHA Annual Meeting must be placed on the Agenda.
- (b) All agenda items to be voted on are to be included with the aforementioned Notice of Annual Meeting.
 - i) A member can request that the Board place an item on the Agenda, subject to Board approval.
 - ii) A member can also place an item on the Agenda without Board approval with the support and signatures of 10% of SHA members in good standing. Without Board approval, a member can only support adding two items to the Agenda for any year's Annual Meeting.
 - iii) All requests from members for an item to be placed on the Agenda for the January Annual Meeting must be submitted to the Board by December 1st of each year

Section 4. Quorum. The presence at the meeting of members entitled to vote, or of proxies entitled to vote ten percent (10%) of all votes of the members shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these by-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat 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.

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, not later than one business day preceding the date of the Annual Meeting, for proper validation and accountability. Every proxy shall be revocable and shall automatically expire upon the earlier of the day following the date of the Annual Meeting or the conveyance by the member of his lot.

**ARTICLE IV
BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE**

Section 1. Number. The affairs of this Association shall be managed by a Board of not less than five (5) or more than seven (7) directors, who shall be eligible voting members of the Association and residents of Sugarwood. The Board shall determine the number of directors to be elected at the annual meeting.

Section 2. Term of Office. The Associations' best interest is for directors to be elected to the Board for staggered terms. To that end annual elections of directors will be for terms with the Associations' best interest. The term of office for directors to be elected will be established by the Board of Directors before each annual meeting and set forth in the Notice of Annual meeting provided to the owners.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority of the eligible votes of the members at a special meeting of the Association. In the event of death, resignation or removal of a director, his successor shall be appointed by the remaining members of the Board and shall serve the unexpired term.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association in his capacity as a director. 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 consistent with the Declaration and Bylaws. Any action so approved shall have the same effect as though taken at a meeting of a quorum of the directors (including electronic communication).

**ARTICLE V
NOMINATION AND ELECTION OF DIRECTORS**

Section 1. Nomination. Nomination for election of the Board of Directors may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be member of the Board of Directors, and two or more eligible voting 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 until the next annual meeting. The Nominating Committee shall make as many nominations as it shall in its sole discretion determine, but not less than the number of vacancies to be filled at the next annual meeting. All nominations shall be made from among eligible voting members who are residents of Sugarwood Subdivision.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the eligible voting members and 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 monthly, at such place within the State of Tennessee, County of Knox, Town of Farragut, and at such time as may be designated by the Board of Directors. Notice of the place and time of each regular meeting of the Board of Directors will be published to the members at least five days (5) before the meeting.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by the President of the Board, or by any two directors, after not less than five (5) days' notice to each director.

Section 3. Quorum. A majority of the directors shall constitute a quorum for the transaction of business. Every act or decision voted on by a majority of the directors present at a duly called meeting at which a quorum is present shall be regarded as the act or decision of the Board.

ARTICLE VII POWERS, DUTIES AND RESTRICTIONS OF THE BOARD OF DIRECTORS

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 penalties for the infraction thereof; the Sugarwood Homeowners Association Pool Rules and Sugarwood Homeowners Association Pool Recreation Rules are incorporated herein by reference thereto,
- (b) Suspend the voting rights and right to use the recreational facilities of a member without notice and hearing during any period in which such member shall be in default in the payment of dues or any assessment levied by the Association. Such rights may also be suspended after notice to the member 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 the Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (d) Declare the office of a director on the Board of Directors to be vacant: if such director shall be absent from three (3) consecutive monthly meetings of the Board of Directors; for cause; resignation; or death.
- (e) Employ a manager, or independent contractor, or such other employees as the Board deems necessary, and to prescribe their duties.
- (f) Enter into contracts, leases or otherwise to manage, repair, service, or modify the common areas including recreational area and open space or replace facilities and equipment locate thereon.
- (g) Establish standing and special committees and appoint committee chair as needed to manage the affairs of the Association.
- (h) Resolve to amend the bylaws of the Association effective upon ratification by the Sugarwood Home Owners Association members at any regular or special meeting.

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

- (a) keep 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 a majority of the members who are entitled to vote;
- (b) supervise all officers, committees, agents and employees of this Association, and to see that their duties are properly performed;
- (c) Cause the annual budget to be prepared at least thirty (30) days prior to the annual meeting. Set the amount of the annual assessment against each Lot at least ten (10) days in advance of each annual assessment period; and

(d) send written notice of each assessment to every Owner subject thereto at least ten (10) days in advance of each annual assessment period; and

(e) file a lien against any property for which assessments are not paid within thirty (30) days after due date, and/ or to bring an action at law against the owner personally obligated to pay the same;

(f) Issue, upon demand by any owner, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If any certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(g) purchase and maintain adequate liability and hazard insurance on property owned by the Association, and directors, officers and duly appointed committee members;

(h) require all officers or employees having fiscal responsibilities to be bonded, as the Board deems appropriate;

(i) cause all Common Areas and improvements thereon to be reasonably maintained; repaired; replaced; managed; and

(j) Manage affairs in the best interest of the Association.

Section 3. Restrictions

SHA officers and directors are not to accept material gifts, services, meals, entertainment, or any other considerations of value from any person or company with which the Association has a contract or is doing business.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be president, vice-president and secretary, and treasurer, who shall be active members of the Board of Directors.

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 Association.

Section 3. Term. The officers of this 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 become disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers or committee chairs as the affairs of the Association may require, each of whom shall hold office or chair committees 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 or committee chair may be removed from office for cause by the Board. Any officer or committee chair may resign at any time 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 or committee 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 or committee member 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 or committees 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 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 of 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, maintain the Association and corporate documents, and shall perform such other duties as required by the Board or the office of the secretary.

(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 or otherwise approved by the Board of Directors; shall sign all promissory notes of the Association; keep proper books of account; if requested by the President, two Board members, or two thirds (2/3) of the members of the Association eligible to vote, cause an annual audit of the Association books to be made by a public accountant at the completion of that fiscal year; and shall prepare an annual budget and 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 BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to review by any eligible voting Association member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for review by any such members at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE X ASSESSMENTS

Consistent with the Declaration, every Lot Owner who assented to the Declaration or accepted a deed for a Lot after the Declaration was recorded, whether or not it was so expressed in such deed, is deemed to covenant and agree to pay to the Association annual dues and special assessments, which if unpaid are subject to being secured by a continuing lien upon the property against which the assessment is made. Any assessments not paid within thirty days of the due date shall be delinquent. Delinquent dues and assessments shall bear interest from the date of delinquency at the rate of 10 percent per annum. The Board of Directors may cause a lien to be filed against the owner's lot until paid, may hire counsel to the filed lien and cause the sale of the property to pay said lien. All liens will include the delinquent amount, accrued interest, litigation expenses and costs, and attorney fees. Non-use of common areas, recreation facilities, or abandonment of any lot will not affect any owner's obligation to pay dues and special assessments.

**ARTICLE XI
DESCRIPTION AND USE OF PREMISES**

The Association is the owner of certain real property and improvements thereon within the SUGARWOOD Subdivision, in the Town of Farragut, Tennessee, as shown on the map in the Register's Office for Knox County, Tennessee.

The Sugarwood Homeowners Association (SHA) facilities and common areas are for the use of all SHA members. No individual or group use is permitted, such as vegetable gardens. The SHA members are to have uninterrupted use of the pool and tennis courts, from the daily opening time until the pool and tennis courts close. The pool or tennis courts, in part or whole, cannot be exclusively used for parties, team practice, etc., during this period of time (example: 12:00 noon to 9 p.m.). This does not prevent the pool from being exclusively used, in this example, in the mornings for swim practice or water aerobics classes. What is not allowed is, for example, exclusive use of the pool from 4 p.m. to 6 p.m. in part or in its entirety, by any person or groups, thus denying SHA members complete access to their facility. Exceptions to the aforementioned restrictions are 3 swim meets each year and 2 tennis events. The scheduling of these events are subject to SHA Board of Directors approval.

The SHA prohibits any alcoholic beverages of any kind, illegal drugs, waste or nuisance on or about the Sugarwood Homeowners Association premises. The SHA does not allow the SHA premises to be used for any unlawful purpose. The SHA does not allow smoking within the SHA recreation area fences.

**ARTICLE XII
NO CORPORATE SEAL**

The Association shall not have a corporate seal.

**ARTICLE XIII
AMENDMENTS**

Section 1. These By-Laws may be amended by the members, at a regular or special meeting of the members after prior notice to all members of the proposed amendment, by a two-thirds majority (67%) of the votes cast by members, of which a quorum of members are present in person or by proxy.

- (a) The pre-notice provision for items to be voted on does apply.
- (b) All members must be notified 10 days prior to the meeting as to the proposed amendment to the Bylaws.
- (c) Members may vote in person or by proxy.
- (d) A member may provide his/her proxy to the Board or to another member.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

**ARTICLE XIV
MISCELLANEOUS**

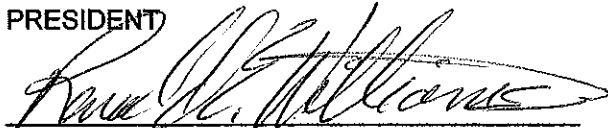
The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of each calendar year.

**ARTICLE XV
APPROVAL AND EFFECTIVENESS**

This amendment and restatement to the Bylaws, which has been approved by a resolution of the Sugarwood Homeowners Association 2016 Board of Directors, is effective upon ratification by the Sugarwood Homeowners Association members at the next annual meeting of the members on January 14, 2017. All previous Sugarwood Homeowners Association Bylaws and amendments thereto are superseded by these Bylaws.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

PRESIDENT

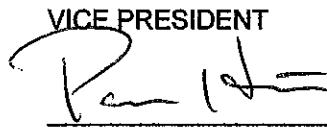


Authorized Signature

Ronald E. Williams - President

Print Name and Title

VICE PRESIDENT



Authorized Signature

Paul Hester - Vice President

Print Name and Title

SECRETARY



Authorized Signature

RICKY BULLOCK SECRETARY

Print Name and Title

TREASURER



Authorized Signature

Shane Pohlmann Treasurer

Print Name and Title