

Lakewood Club, Inc. Property Usage Rules

Approved by Board of Directors 10-18-2009

The purpose of Lakewood Club, Inc. is to preserve, maintain, and/or enhance properties under its ownership in Williamson County, Tennessee. The Board of Directors of Lakewood Club, Inc. has been charged with managing this task for the shared enjoyment of this precious natural resource. In doing so, the Board of Directors has established criteria to identify eligible users and developed guidelines for the appropriate use of this resource.

Lakewood Club, Inc. property includes approximately 150 acres of land consisting of two parcels designated on the attached maps (Appendix 1) as lots 42 and 43. Included within this land are two man-made lakes, docks on the larger lake, a walkway across the small lake, trails around the lakes, and a dam which separates the two lakes. The two roadways, Lakewood Club and Crystal Springs roads, are also corporate property.

A primary objective of these rules is to create a quiet and peaceful environment where one can take a walk and enjoy and appreciate the beauty of the woods and the mystery of nature, insulated somewhat from the hustle and bustle of work and traffic.

1. Definitions

Board or BOD means the Board of Directors of Lakewood Club, Inc.

Lakewood Club or LCI means Lakewood Club, Inc.

Neighborhood or The Neighborhood means all the individuals living on either Lakewood Club Road or Crystal Springs Road.

Shareholders means an individual who holds stock in LCI.

2. Management and Regulated Use of Lakewood Club Property

Article V, Section 13, of Lakewood Club's bylaws gives the board the authority to manage and regulate the use of Lakewood Club's property. It provides in part that:

"The board of directors may propose and adopt rules and regulations on the use of the Corporation's property including, but not limited to roadways, structures, lakes, common areas, guests, and land use."

"The BOD, by majority vote, may add, delete or modify these rules as needs require."

3. Authorized User

Authorized Users have permission to use LCI property. One becomes an authorized user by meeting the following requirements:

- (a) Resident head(s) of neighborhood household, owner of a neighborhood home, or shareholder of LCI;
- (b) Payment of an annual maintenance fee;
- (c) Signed agreement to comply with LCI usage rules;
- (d) Assurance that household members and guests comply with LCI usage rules;
- (e) Signed waiver/release of liability;
- (f) Approval by majority vote of the BOD to use LCI property.

4. Household Members

Permission to use Lakewood Club property extends to members of the authorized user's household.

5. Guests

An authorized user's permission to use Lakewood Club property extends to guests of the authorized user meeting the following requirements:

- (a) The authorized user must accompany guests or be at home while guests are on the property. Extenuating circumstances require BOD approval.
- (b) Perpetual or lifetime permission to use LCI property as a guest is not allowed.

6. House Sitters or Tenants

House sitters and/or tenants are permitted to use Lakewood Club property when the neighborhood homeowner or landlord is an authorized user, and the house sitters or tenants meet the following requirements:

- (a) Signed agreement to comply with LCI usage rules;
- (b) Signed waiver/release of liability;

- (c) The house sitters or tenants consist of a single family;
- (d) Approval by majority vote of the BOD to use LCI property;

If the owner of the neighborhood house is not an authorized user and has no interest in becoming an authorized user, the house sitter or tenant may be given permission to use LCI property by the BOD as an authorized user upon meeting the requirements of an authorized user stated in Rule 3.

7. Others

Other persons may be permitted land use by the board on a case-by-case basis.

8. Non-Transferable Permission For Use

An authorized user's permission to use Lakewood Club property is not transferable. If an authorized user moves from the neighborhood after paying an annual maintenance fee in advance, the proportionate amount will be refunded.

9. Denial, Revocation or Suspension of Permission for Use

Permission to use Lakewood Club property may be denied, suspended or revoked for non-compliance with the conditions for use. Upon revocation, a proportionate refund will be returned if the annual maintenance fee has been paid in advance. The BOD will exhaust all efforts to encourage compliance before seeking a suspension or revocation of permission to use LCI property.

10. Register of Individuals with Permission to Use Lakewood Club Property

The Secretary of the BOD shall maintain a register of individuals with permission to use LCI property. The register shall include the person's name, address, phone number, email address and the person's relationship to the authorized user.

11. Annual Maintenance Fee

The annual maintenance fee is \$300. This fee is set by the shareholders of Lakewood Club and is subject to change as needs require.

LCI operates on a fiscal year basis running from July 1st to June 30th of each year. In recent times, the annual maintenance fee was treated as a voluntary contribution and was collected near the end of the fiscal year and then applied retroactively to the year just ended.

The annual maintenance fee is no longer treated as a voluntary contribution but rather as a required payment due to the October 2008 shareholder vote, amending section 2 of article VI of the bylaws to clarify that the annual maintenance fee is required and a condition of use of LCI property.

Since the maintenance fee is now treated as required, the BOD has decided to change the application of the fee from retroactive to prospective. Fees paid by June 30, 2009 have been applied to the following fiscal year, July 1, 2009 to June 30, 2010. Fees paid by June 30, 2010 will be applied to the following fiscal year, July 1, 2010 to June 30, 2011, and so forth.

This change will result in the burden of the payment preceding the benefit of use; it will make the preparation of the annual budget more realistic and less speculative; and it will be easier to apply in cases of new people moving to the neighborhood and beginning their use of LCI property at some point after the start of the fiscal year.

12. Permitted Uses of Property

The majority of Lakewood Club property has been left undeveloped as a sanctuary for plants and wildlife. Activities that leave the land undisturbed and that are respectful to residents are permitted, the most common being hiking, fishing and cycling.

Ideas for improving the property are welcome; those desiring to make improvements to the land or existing pathways will need to gain BOD approval before doing so.

All activities are undertaken with explicit understanding that virtually any activity in this setting carries risks. The responsibility to recognize these risks and act accordingly is borne solely by the individuals involved in the activity. Those unfamiliar with plants and animals in the region are encouraged to seek the assistance of your neighbors.

13. Prohibited Uses of Property

Any activity that is harmful to people or alters property, including:

- (a) Conduct that causes an unreasonable risk of injury to people;
- (b) Conduct that unreasonably interferes with another's use of property;
- (c) Public intoxication or disorderly conduct;
- (d) Dumping debris or discarding trash on property;
- (e) Unrestrained pets...please call owner if you see an escapee;
- (f) Hunting, except as provided by Rule 16;

- (g) Cutting and removing trees and shrubs.

14. Roads

The speed limit on Lakewood Club and Crystal Springs Roads is 15 mph. Excessive speed is dangerous to children, cyclers, pets and walkers. Narrow roads and summer growth of trees and ground cover limit visibility; please observe the speed limit.

15. Hunting

Portions of Lakewood Club property are ideal for hunting deer and turkey. It is known that trespassers hunt on LCI lands when our property is not monitored during hunting season. Trespassers hunting on LCI property are potentially dangerous to residents of the neighborhood as their knowledge of the location of houses in the neighborhood is unknown and their skill and responsibility level is unknown.

For this reason, the BOD has decided that it will be beneficial to the neighborhood to approve a limited number of authorized users who are experienced and responsible hunters to hunt and keep a presence on designated portions of LCI property. This will discourage trespassers from hunting on LCI property and will provide a special and valuable benefit to those few authorized users who enjoy hunting.

The BOD will designate one authorized hunter as the Hunt Master who will be responsible for administering this rule during hunting seasons.

Authorized hunters are subject to the following conditions:

- (a) Approval by BOD as an authorized hunter;
- (b) Must be a resident of the neighborhood;
- (c) Must be a stockholder of LCI;
- (d) Hunting is permitted only during seasons recognized by the Tennessee Wildlife Resources Agency;
- (e) Hunters must abide by Tennessee regulations;
- (f) Hunting is allowed only on the hilltop north of the small pond and west of Brush Creek and the big lake;
- (g) An authorized hunter is allowed to hunt small game, such as squirrel, with one guest, and must be present with the guest at all times.

(h) All hunters must sign the agreement to comply with the LCI usage rules and sign the liability waiver;

(i) Hunters must comply with any additional requirements of the Hunt Master regarding scheduling, management quotas, etc.

A register of authorized hunters will be maintained by the secretary of the BOD. The register will contain the name, address and phone numbers of each authorized hunter.

16. Lakes

(a) Swimming is not advised.

(b) Docks are used at your own risk. Users are asked to report significant deficiencies in the docks to the BOD.

(c) Residents of the neighborhood may keep their small boats or canoes on Lakewood Club property, either secured to a dock or placed safely on the shore. Boats are to be stored in such a way that others may safely enjoy the lakes.

(d) The only motors permitted are trolling motors, with the exception of gasoline motors as necessary for maintenance activities.

BYLAWS

OF

LAKWOOD CLUB, INC.

APPROVED, AS REVISED, BY SHAREHOLDERS OCTOBER 18, 2009

ARTICLE I CORPORATE OFFICES

The registered office of the Corporation within the State of Tennessee shall be located at _____. The Corporation may also have such other offices, including its principal office, at such places, within or without the State of Tennessee, as the board of directors may from time to time designate or the business of the Corporation may require.

ARTICLE II SHAREHOLDERS' MEETINGS

Section 1. **Annual Meetings.** The Corporation shall hold an annual meeting of shareholders on such date during the year and at such time as may be designated by the board of directors and stated in the notice of meeting, for the purpose of electing directors and transacting such other business as may be properly brought before the meeting.

Section 2. **Special Meetings.** Special meetings of shareholders may be called for any purpose or purposes by the board of directors or by the holders of at least ten percent of the shares who sign, date and deliver to the Corporation's secretary one or more written demands for the meeting. Such demand or demands must describe the purpose or purposes for which the meeting is to be held.

Section 3. **Notice of Meetings.** A written notice of each meeting of shareholders stating the place, date and time of the meeting, and, in the case of a special meeting, describing the purpose or purposes for which the meeting is called, shall be given to each shareholder not less than ten days nor more than two months before the date of the meeting.

Section 4. **Place of Meetings.** Meetings of shareholders shall be held at such places, within or without the State of Tennessee, as may be designated by the board of directors and stated in the notice of meeting.

Section 5. **Quorum.** Unless the charter or the Act provides otherwise, the holders of a majority of the active shares constitute a quorum for action on any matter. Once a share is represented for any purpose at a meeting, the holder is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting, unless a new record date is or must be set for such adjourned meeting.

Section 6. **Voting**. A shareholder is entitled to one vote for each share of stock owned. Directors shall be elected by a plurality of the votes cast by the holders of the active shares represented at a meeting at which a quorum is present. Shareholder action on any other matter is approved, if the votes cast by holders of active shares in favor of the action exceed the votes cast by the holders of active shares in opposition to such action, unless the charter or the Act provides otherwise.

Section 7. **Adjournment**. If a meeting of shareholders is adjourned to another date, time or place, notice need not be given of the adjourned meeting if the new date, time and place are announced at the meeting before the adjournment. At the adjourned meeting, adjourned the Corporation may transact any business which might have been transacted at the time originally designated for the meeting; provided, however, that if a new record date is or must be fixed under the Act or these bylaws, a notice of the adjourned meeting must be given to shareholders as of the new record date.

Section 8. **Proxies**. A shareholder may appoint a proxy to vote at a meeting of shareholders or otherwise act for him or her by signing an appointment form, either personally or by his or her attorney-in-fact. An appointment of a proxy is effective when received by the secretary or other officer or agent authorized to tabulate votes. An appointment is valid for 11 months, unless another period is expressly provided for in the appointment form. An appointment of a proxy is revocable by the shareholder, unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest.

Section 9. **Action by Written Consent**. Any action required or permitted to be taken at a meeting of the shareholders may be taken without a meeting, if all shareholders consent to the taking of such action without a meeting by signing one or more written consents describing the action taken and indicating each shareholder's vote or abstention on the action. The affirmative vote of the number of shares which would be necessary to authorize or take action at a meeting of shareholders is the act of the shareholders without a meeting. The written consent or consents shall be included in the minutes or filed with the corporate records reflecting the action taken. Action taken by written consent is effective when the last shareholder signs the consent, unless the consent specifies a different effective date.

Section 10. **Shareholder Restrictions**. Any stock issued or sold by the Corporation on or after August 26, 1995 shall be subject to the following restrictions:

(a) Stockholders must own property with a street address on either Crystal Springs Road or Lakewood Club Road.

(b) Upon the sale of property, any shares owned by the selling property owner shall be sold to either the new owner, to the Corporation, or to another property owner.

(c) Voting rights of any shares not sold within 12 months shall be revoked until sold as required.

(d) Ownership of shares of stock does not entitle a voting member access to Lakewood Club Inc. property.

ARTICLE III SHARES OF STOCK

Section 1. **Stock Certificates**. Shares of stock shall be represented by stock certificates issued by the Corporation and signed by the president and secretary.

Section 2. **Transfer of Stock**. Shares of stock of the Corporation shall be transferred on the books of the Corporation by surrender of properly endorsed certificates therefore by the holders thereof or their duly authorized attorneys-in-fact. In case of transfer by attorney, the power of attorney, duly executed and acknowledged, shall be deposited with the secretary. The person in whose name stock stands on the books of the Corporation shall be deemed by the Corporation to be the owner thereof for all purposes.

Section 3. **Sales of Shares**. Shares may be sold by the board of directors from time to time and for such consideration as the directors deem appropriate. The secretary shall keep a record of persons seeking to buy or sell shares. The board will give notice of any sales of shares to each shareholder and each non-shareholder property owner in Lakewood Club. Priority of sales of shares will be given first, to non-shareholder property owners with outstanding requests for stock, second, to non-shareholder property owners with no prior requests for stock, third, to property owners with other outstanding agreements, and fourth, to other property owners requesting to purchase shares, in the order the requests were received. If the total number of shares the purchasers wish to purchase is more than the total number of shares available, the secretary will allot one share to each purchaser in the order in which the secretary received written requests, if possible, proceeding to the end of the list, if possible. If there are additional shares available after each purchaser has received one share, the secretary will continue the allotment, proceeding through the list of purchasers in order of request until all the available shares have been distributed, allotting no individual purchaser more shares than originally requested in writing.

ARTICLE IV RECORD DATE

In order that the Corporation may determine the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other action, the board of directors may fix, in advance, a record date, which shall not be more than 70 nor less than ten days before the date of such meeting, nor more than 70 days prior to any other action. If no record date is fixed, (i) the record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day before the day on which the first notice is given to such shareholders and (ii) the record date for determining shareholders for any other purpose shall be at the close of business on the day that the board of directors authorizes the action. A determination of

shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting, unless the board of directors fixes a new record date. The board of directors must fix a new record date, if the meeting is adjourned to a date more than four months after the date fixed for the original meeting.

ARTICLE V DIRECTORS

Section 1. **Number and Term.** The business and affairs of the Corporation shall be managed under the direction of a board of directors consisting of five or more members. Each director shall hold office until the next annual meeting of shareholders and until his or her successor is elected and takes office or until his or her earlier resignation or removal.

Section 2. **Committees.** The board of directors, with the approval of a majority of all the directors in office when the action is taken, may create one or more committees. A committee shall consist of one or more directors who serve at the pleasure of the board of directors. Any such committee, to the extent specified by the board of directors, may exercise the authority of the board of directors in supervising the management of the business and affairs of the Corporation, except that a Committee may not: (i) authorize distributions, except according to a formula or method prescribed by the board of directors; (ii) approve or propose to shareholders action required by law to be approved by shareholders; (iii) fill vacancies on the board of directors or any of its committees; (iv) amend the charter; (v) adopt, amend or repeal bylaws; (vi) approve a plan of merger not requiring shareholder approval; (vii) authorize or approve reacquisition of shares, except according to a formula or method prescribed by the board of directors; or (viii) authorize or approve the issuance or sale or contract for sale of shares, or determine the designation and relative rights, preferences and limitations of a class or series of shares, except that the board of directors may authorize a committee or senior executive officer of the Corporation to do so within limits specifically prescribed by the board of directors. The provisions of Sections 7, 8, 9, 10, 11 and 12 of this Article V applicable to the board of directors shall also apply to committees.

Section 3. **Compensation.** Directors shall not receive compensation for their service as directors, but shall be entitled to reimbursement for any reasonable expenses incurred in carrying out their duties. Directors may also serve the Corporation in any other capacity and receive compensation therefore.

Section 4. **Removal.** Shareholders may remove one or more directors with or without cause. A director may be removed only if the number of votes cast to remove him or her exceeds the number of votes cast not to remove him or her.

Section 5. **Resignation.** A director may resign at any time by delivering written notice to the president or secretary of the Corporation. A resignation is effective when the notice is delivered, unless the notice specifies a later effective date.

Section 6. **Vacancies.** The board of directors may fill any vacancy occurring on the board of directors. If the directors remaining in office constitute fewer than a

quorum, the board of directors may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office.

Section 7. **Quorum and Voting.** A quorum of the board of directors consists of a majority of the number of directors. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the board of directors, unless the charter requires the vote of a greater number of directors.

Section 8. **Regular Meetings.** Regular meetings of the board of directors may be held without notice at such places, within or without the State of Tennessee, on such dates and at such times as the board of directors may determine from time to time; provided, however, that if the purpose, or one of the purposes, of the meeting is to remove a director or directors pursuant to Section 4 of this Article V, at least one days' notice of that purpose must be given.

Section 9. **Special Meetings.** Special meetings of the board of directors may be called by the chairman of the board, the president or any two directors and shall be held at such places, within or without the State of Tennessee, on such dates and at such times as may be stated in the notice of meeting.

Section 10. **Notices.** Special meetings of the board of directors must be preceded by at least one days' notice of the date, time and place of the meeting. The notice need not describe the purpose of the meeting, unless the purpose, or one of the purposes, of the meeting is to remove a director or directors pursuant to Section 4 of this Article V. Notice of an adjourned meeting need not be given, if the time and place to which the meeting is adjourned are fixed at the meeting at which the adjournment is taken and if the period of any one adjournment does not exceed one month.

Section 11. **Meeting by Telephone.** Any or all directors may participate in a regular or special meeting by conference telephone or any other means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 12. **Action by Written Consent.** Any action required or permitted to be taken at a meeting of the board of directors may be taken without a meeting, if all directors consent to the taking of such action without a meeting by signing one or more written consents describing the action taken and indicating each director's vote or abstention on the action. The affirmative vote of the number of directors that would be necessary to authorize or take action at a meeting is the act of the board of directors without a meeting. The written consent or consents shall be included in the minutes or filed with the corporate records reflecting the action taken. Action taken by written consent is effective when the last director signs the consent, unless the consent specifies a different effective date.

Section 13. **Miscellaneous Powers.** The board of directors may propose and adopt rules and regulations on the use of the Corporation's property including, but not limited to roadways, structures, lakes, common areas, guests, and land use. Directors retain power to enforce all restrictive covenants applicable to the Corporation's property.

ARTICLE VI FINANCES

Section 1. **Annual Budget**. A budget shall be prepared by the board of directors and treasurer, to be approved by the shareholders. This budget shall specify annual maintenance fees, and shall itemize major expenditures.

Section 2. **Maintenance Fee**. The board of directors collect an annual maintenance fee for the use of Lakewood Club, Inc. property. The amount of this fee will be approved by the shareholders. Access to corporate property is subject to compliance with the corporation's usage rules and payment of the maintenance fee.

Section 3. **Spending and Property Disposition**. The authorization of yearly expenditures exceeding \$5,000 must be approved by a majority of the active shares. Disposition of Lakewood Club, Inc. property and/or mineral rights requires the approval of eighty percent (80%) of the active shares.

ARTICLE VII WAIVER OF NOTICE

A shareholder or director may waive any notice required to be given by the Act, the charter or these bylaws before or after the date and time stated in the notice. The waiver must be in writing, signed by the shareholder or director entitled to the notice and delivered to the Corporation and filed in the Corporation's minutes or corporate records, except that a shareholder's or director's attendance at or participation in a meeting may constitute a waiver of notice under the Act. Neither the business to be transacted at, nor the purpose of, any meeting of the shareholders or directors need be specified in any waiver of notice

ARTICLE VIII OFFICERS

Section 1. **Election and Term**. At the first meeting of the board of directors following the annual meeting of shareholders, or as soon thereafter as is conveniently possible, the board of directors shall elect a president, a secretary, a treasurer, and such other officers as the board of directors may determine. The board of directors may elect officers at such additional times as it deems advisable. Each officer of the Corporation shall serve until his or her successor is elected and takes office or until his or her earlier resignation or removal. Any number of offices may be held by the same person, except that the president may not serve as the secretary.

Section 2. **Compensation**. The compensation, if any, of the officers of the Corporation shall be determined by the board of directors. Officers shall be entitled to reimbursement for any reasonable expenses incurred in carrying out their duties.

Section 3. **Removal**. The board of directors may remove any officer at any time, with or without cause, but no such removal shall affect the contract rights, if any, of the person so removed.

Section 4. **Resignation**. An officer of the Corporation may resign at any time by delivering notice to the Corporation. A resignation is effective when the notice is delivered, unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Corporation accepts the future effective date, the board of directors may fill the pending vacancy before the effective date if it provides that the successor does not take office until the effective date. An officer's resignation does not affect the Corporation's contract rights, if any, with the officer.

Section 5. **Duties**. The duties and powers of the officers of the Corporation shall be as follows:

(a) **President** - The president shall (i) preside at all meetings of the shareholders and the board of directors, (ii) be primarily responsible for the general management of the business of the Corporation and for implementing the policies and directives of the board of directors, (iii) have authority to make contracts on behalf of the Corporation in the ordinary course of the Corporation's business and (iv) perform such other duties as from time to time may be assigned by the board of directors.

(b) **Treasurer** - The treasurer shall (i) have general supervision over the funds of the Corporation and the investment or deposit thereof, (ii) advise the officers and, if requested, the board of directors regarding the financial condition of the Corporation, (iii) include in the mailing of the annual shareholders meeting a list of shares of stock able to be purchased (iv) and perform such other duties as may be assigned by the president or the board of directors.

(c) **Secretary** - The secretary shall (i) attend the meetings of the shareholders, the board of directors and committees of the board of directors and prepare minutes of all such meetings in a book to be kept for that purpose, (ii) give, or cause to be given, such notice as may be required of all meetings of the shareholders, board of directors and committees of the board of directors, (iii) authenticate records of the Corporation and (iv) perform such other duties as may be assigned by the president or the board of directors.

ARTICLE IX DIRECTOR AND OFFICER INDEMNIFICATION

Section 1. **Director Indemnification**. To the maximum extent permitted by law, subject to the limitations contained in this Article IX, the Corporation shall indemnify an individual who is a party to a proceeding because such individual is or was a director against any liability incurred in the proceeding and, prior to the disposition thereof, advance the reasonable expenses incurred by such director in connection with the proceeding, except that the Corporation shall not be required to indemnify or advance expenses to any director for liability or expenses incurred in a proceeding initiated by or on behalf of such director or to which such director voluntarily becomes a party, other than a suit to enforce indemnification rights. A director's rights to advancement of expenses are conditioned upon the director's furnishing the Corporation: (a) a written affirmation, personally signed by or on behalf of the director, of the good faith belief that he or she is not liable for (i) a breach of his

or her duty of loyalty to the Corporation or its shareholders, (ii) any acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (iii) any unlawful distributions under the Act and (b) a written undertaking (in the form of an unlimited general obligation of the director, which need not be secured) personally signed by or on behalf of the director to repay any advances, if a judgment or other final adjudication adverse to the director establishes his or her liability contrary to his or her affirmation. A director's rights to indemnification and advancement of expenses as provided in this Article IX are intended to be greater than those which are otherwise provided for in the Act notwithstanding a failure to meet the standard of conduct required for permissive indemnification under the Act, are contractual in nature between the Corporation and the director; and are mandatory. No indemnification under this Article IX may be made if a judgment or other final adjudication adverse to the director establishes his or her liability for (i) a breach of the duty of loyalty to the Corporation or its shareholders, (ii) any acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (iii) any unlawful distributions under the Act. A settlement without the Corporation's prior written consent shall not be deemed a final disposition, and no indemnification for any amount paid in such a settlement may be made under this Article IX. A director's rights to indemnification and advancement of expenses under this bylaw shall not be exclusive of other rights to which a director may be entitled under an insurance policy, the Act, the charter, a resolution of shareholders or directors or an agreement providing for indemnification.

Section 2. **Officer Indemnification**. To the maximum extent permitted by law, subject to the limitations contained in this Article IX, the Corporation shall indemnify an individual who is a party to a proceeding because such individual is or was an officer of the Corporation against any liability incurred in the proceeding and, prior to the disposition thereof, advance the reasonable expenses incurred by such officer in connection with the proceeding, except that the Corporation shall not be required to indemnify or advance expenses to any officer, (i) if it is determined that the officer did not conduct himself or herself in good faith and in the reasonable belief that his or her conduct was not opposed to the Corporation's best interests and, in the case of a criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful, or (ii) in connection with a proceeding initiated by or on behalf of such officer or to which such officer voluntarily becomes a party, other than a suit to enforce indemnification rights. No indemnification shall be made by the Corporation for any amount paid in settlement without the Corporation's prior written consent. Conduct with respect to an employee benefit plan for a purpose reasonably believed to be in the interest of the participants in and beneficiaries of the plan is conduct that is not opposed to the Corporation's best interests. The termination of a proceeding by a judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent is not, of itself, determinative whether the conduct in question was opposed to the Corporation's best interests. The determination on behalf of the Corporation of whether an officer is entitled to indemnification or advancement of expenses under this Article IX shall be made by the board of directors or a committee thereof or by independent special legal counsel in accordance with the provisions of Section 48-18-506 of the Act relating to indemnification of directors. An officer's rights to advancement of expenses are also conditioned upon the officer's furnishing the Corporation: (a) a written affirmation, personally signed by or on behalf of the officer, of his good faith belief that he or she is or will be entitled to indemnification for

liability under the terms of this Article IX and (b) a written undertaking (in the form of an unlimited general obligation of the officer, which need not be secured) personally signed by or on behalf of the officer to repay any advances, if a judgment or other final adjudication adverse to the officer establishes his or her liability contrary to his or her affirmation. An officer's rights to indemnification and advancement of expenses as provided in this Article IX are intended to be greater than those which are otherwise provided for in the Act notwithstanding a failure to meet the standard of conduct required for permissive indemnification under the Act, are contractual in nature between the Corporation and the officer and are mandatory. An officer's rights to indemnification and advancement of expenses under this bylaw shall not be exclusive of other rights to which an officer may be entitled under an insurance policy, the Act, the charter, a resolution of shareholders or directors or an agreement providing for indemnification.

ARTICLE X EMERGENCY BYLAW

In the event that a quorum of directors cannot be readily assembled because of a catastrophic event, the board of directors may take action by the affirmative vote of a majority of those directors present at a meeting and may exercise any emergency power granted to a board of directors under the act not inconsistent with this bylaw. If less than three regularly elected directors are present, the director present having the greatest seniority as a director may appoint one or more persons (not to exceed the number of directors pursuant to Section 1 of Article V) from among the officers or other Lakewood Club property owners to serve as substitute directors. If no regularly elected director is present, the officer present having the greatest seniority as an officer shall serve as a substitute director, shall appoint up to four additional persons from among the officers or Lakewood Club property owners to serve as substitute directors. Special meetings of the board of directors may be called in an emergency by the director or, if no director is present at the Corporation's principal offices, by the officer present having the greatest seniority as an officer.

ARTICLE XI FISCAL YEAR

The fiscal year of the Corporation shall begin on July 1 and end on June 30 of each year.

ARTICLE XII AMENDMENT

Amendment or change of the charter or bylaws affecting disposition of Lakewood Club, Inc. property and/or mineral rights requires the approval of eighty percent (80%) of the active shares. Amendment or change of the charter or bylaws not affecting disposition of Lakewood Club, Inc. property and/or mineral rights requires approval of seventy percent (70%) of the active shares.

ARTICLE XIII DEFINITIONS

The term "Act" as used in these bylaws refers to the Tennessee Business Corporation Act, as amended from time to time. Terms defined in the Act shall have the same meanings when used in these bylaws.

Active Share: A share of stock that (a) is entitled to vote per Article IV and (b) is not inactive.

Inactive Share: A share of stock that has not been represented at a shareholders' meeting for three consecutive years. The secretary of the Corporation shall determine and declare whether a share is inactive. Once a share is declared inactive, it is not counted for purposes of determining whether a quorum is present or for purposes of determining whether there are sufficient votes for approval of shareholder action. Otherwise, inactive shares have the same rights as active shares, including the right to notice of shareholder meetings and the right to vote. An inactive share shall become an active share as soon as it is represented at a shareholders' meeting.

Lakewood Club, Inc.
Charter Amendment
Approved by Shareholders October 20, 2007

The purpose of Lakewood Club, Inc. should be to preserve, maintain, and/or enhance properties under its ownership in Fairview, Tennessee. The power of the corporation shall be to engage in any business which is lawful in the state of Tennessee in furtherance of the purposes of the corporation, including, but not limited to assessing any lawful fees for use or maintenance of Lakewood Club, Inc. property and the buying, selling, and leasing of property.

Disposition of Lakewood Club, Inc. property and/or mineral rights requires the approval of eighty percent (80%) of the active shares. Amendment or change of the charter or bylaws affecting disposition of Lakewood Club, Inc. property and/or mineral rights requires the approval of eighty percent (80%) of the active shares. Amendment or change of the charter or bylaws not affecting disposition of Lakewood Club, Inc. property and/or mineral rights requires the approval of seventy percent (70%) of the active shares.

Approved October 20, 2007