

**AMENDED AND RESTATED BYLAWS
OF
FAIRFIELD GLADE COMMUNITY CLUB**

ARTICLE I - DEFINITIONS

The terms used in these ByLaws shall have the meanings assigned to them in the Amended and Restated Declaration of Covenants and Restrictions for Fairfield Glade (the 1997 Declaration), dated the 5th day of November, 1997, of record at Book 1006, page 1986, et seq., Register's Office, Cumberland County, Tennessee, which 1997 Declaration, as supplemented or amended from time to time, is hereby incorporated herein by reference as if copied verbatim in these ByLaws. In the event of conflict between the definition of a term set out in these ByLaws and the definition of that term in the 1997 Declaration, the definition set out in the 1997 Declaration shall control.

ARTICLE II - MEMBERSHIP

The Club shall have the following classes of membership:

- (a) Class A Charter Membership
- (b) Regular Membership
- (c) Business Membership
- (d) Declarant Membership

The definition of each classification of membership shall be as set out in Article IV of the 1997 Declaration, as amended from time to time. Each classification of membership's entitlement to vote shall also be as set out in the 1997 Declaration.

ARTICLE III - MEETINGS OF MEMBERS

Section 3.01 - Place. All meetings of members shall be held at the offices or facilities of the Fairfield Glade Community Club at Fairfield Glade, or at such other place as may be designated by the Board of Directors.

Section 3.02 - Annual Meeting. The annual meeting of the membership shall be held on the third Friday in September of each year at 10:00 o'clock, A.M. If the date of the meeting shall fall on a legal holiday, the meeting shall be held on the same day of the following week that is not a legal holiday. At the annual meeting, the President, Chief Financial Officer, or their designee, shall report on the financial condition of the Corporation, the results of the election of Directors shall be announced, and the members shall consider and act upon such other matters as may be raised consistent with the notice requirements of Tennessee Code Annotated §48-57-105, and these Bylaws.

Section 3.03 - Special Meetings.

- (a) Special meetings of the Club may be called at any time by (i) the President or Secretary; (ii) a majority of the Board of Directors; or, (iii) upon written request of the holders of at least ten percent (10%) of all of the votes entitled to be cast on any issue if the holders of at least

10% of all votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date, and deliver to the Corporation's Secretary one or more written demands for the meeting describing the purpose or purposes for which it is to be held. Any special meeting called pursuant to this section must be held within sixty (60) days of the date the special meeting is called.

(b) If not otherwise fixed under Tennessee Code Annotated (T.C.A.) §48-57-103 or §48-57-107, the record date for determining the members entitled to demand a special meeting is the date the first member signs the demand.

(c) If a notice for a special meeting demanded by the holders of at least 10% of all of the votes entitled to be cast on any issue proposed to be considered at a proposed special meeting is not given pursuant to T.C.A. §48-57-105, within one (1) month after the effective date of the written demand or demands under T.C.A. §48-51-202, regardless of the requirements of T.C.A. §48-57-102(d), any person or persons signing the demand or demands may set the time and place of the meeting and give notice thereof, pursuant to T.C.A. §48-57-105.

(d) Only business within the purpose or purposes described in the meeting notice may be conducted at a special meeting of members.

Section 3.04 - Notice of Meetings.

(a) Written notice of all meetings of members shall be given, stating the place, date and time of the meeting, no fewer than ten (10) nor more than sixty (60) days before the date of the meeting.

(b) Notice shall be deemed to have been given when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Corporation. Such notice may be included as part of a newsletter or other publication regularly sent to members.

(c) Notice of an annual meeting shall include a description of any matter or matters which must be approved by members under T.C.A. §48-58-302, T.C.A.

§48-58-507, T.C.A. §§48-60-101 through 103, T.C.A. §§48-60-201 through 202, T.C.A.

§48-61-103, T.C.A. §48-62-102, or T.C.A. §48-64-102, and may include such other matters as may be deemed appropriate by the Board of Directors to inform the members of the matters which are expected to be raised at the meeting.

(d) Notice of a special meeting shall include a description of the matter or matters for which the meeting is called.

(e) Notices of meetings shall include notice of a matter a member intends to raise at the meeting, if: (i) request in writing to do so is made by a person or persons entitled to call a special meeting under the provisions of Section 3.03(a)(iii) herein;

and (ii) the request is received by the Secretary or President of the Corporation at least ten (10) days before notice of the meeting is given.

(f) A notice need not refer to the approval of minutes or to other routine matters customarily incident to the conduct of meetings of the members.

(g) A certificate of the Secretary or other person giving the notice that the notice required by this section has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

(h) A member's attendance at a meeting: (a) waives objection to lack of notice or defective notice of the meeting, unless the member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and, (b) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the member objects to considering the matter when it is presented.

Section 3.05 - Record Date; Determining Members Entitled to Notice and Vote.

The members shown on the records of the Corporation as being in good standing at the close of business on the tenth business day preceding the day on which notice is to be given shall be entitled to notice of a meeting and shall be entitled to vote at the meeting.

Section 3.06 - Action by Written Ballot.

(a) Except as provided in Subsection (e) of this section, any action which may be taken at any annual or special meeting of members may be taken without a meeting if the Corporation delivers a written ballot to every member entitled to vote on the matter. The right to seek action by written ballot is restricted to the Corporation only.

(b) A written ballot, with the exception of ballots used in the election of Directors, shall (i) set forth each proposed action; and, (ii) provide an opportunity to vote for or against each proposed action.

(c) Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(d) All solicitations for votes by written ballot shall: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than election of Directors; and, (iii) specify the time by which a ballot must be received by the Corporation in order to be counted.

(e) A written ballot, once received by the Corporation, may not be revoked.

Section 3.07 - Right to Vote. The right of each class of membership to vote shall be as defined in the 1997 Declaration.

Section 3.08 - Quorum.

(a) Unless the statutes of Tennessee, the Charter of this Corporation, or the 1997 Declaration provide for a higher or lower quorum, ten (10%) percent of the votes entitled to be cast on a matter must be represented at a meeting of members to constitute a quorum on that matter.

(b) An amendment to the Charter or these Bylaws that adds, changes, deletes, or creates a greater quorum or voting requirement shall meet the same quorum

requirement and be adopted by the same vote required to take action under the quorum and voting requirements then in effect or those proposed, whichever is greater.

(c) When a quorum is once present to organize a meeting, a meeting may be adjourned despite the absence of a quorum caused by the subsequent withdrawal of any of those present.

Section 3.09 - Voting Requirements.

(a) If a quorum exists, action on a matter by the membership is approved if the votes cast by the membership favoring the action exceed the votes cast opposing the action, unless the statutes of Tennessee, the Charter, or the 1997 Declaration require a greater number of affirmative votes.

(b) Directors shall be elected by a plurality of the votes cast by the members entitled to vote for Directors in the election of Directors.

Section 3.10 - Proxies.

(a) Every member entitled to vote at a membership meeting may appoint another person or persons to act for him by proxy. Each proxy must be in writing, and must be signed and dated by the member or his attorney-in-fact. Each proxy shall be revocable at the pleasure of the member executing it except as otherwise provided in the proxy.

(b) In the event two (2) or more persons are designated to act as proxies, a majority of such persons present at the meeting, or, if only one (1) should be present, then

that one (1) shall have and may exercise all the powers conferred upon all the persons so designated, unless a proxy provides otherwise.

Section 3.11 - Corporation's Acceptance of Votes.

(a) If the name signed on a vote or proxy appointment corresponds to the name of a member, the Corporation, if acting in good faith, is entitled to accept the vote or proxy appointment and give it effect as the act of the member.

(b) If the name signed on a vote or proxy appointment does not correspond to the record name of a member, the Corporation, if acting in good faith, is nevertheless entitled to accept the vote or proxy appointment and give it effect as the act of the member if: (i) the member is an entity and the name signed purports to be that of an officer or agent of the entity; (ii) two (2) or more persons hold the membership as co-owners and the name signed purports to be the name of at least one (1) of the co-owners and the person signing appears to be acting on behalf of all the co-owners.

(c) The Corporation is entitled to reject a vote or proxy appointment if the Secretary or other Officer or Agent authorized to tabulate votes, acting in good faith, has a reasonable basis for doubt about the validity of the signature or about the signatory's authority to sign for the member.

(d) The Corporation and its Officer or Agent who accepts or rejects a vote or proxy appointment in good faith and in accordance with the standards of this section are not liable in damages to the member for the consequences of the acceptance or rejection.

(e) Corporate action based on the acceptance or rejection of a vote or proxy appointment under this section is valid unless a court of competent jurisdiction determines otherwise.

(f) The grounds for acceptance of votes set out in subsection (b) of this section do not constitute the exclusive basis on which the Corporation may accept votes.

Section 3.12 - Adjourned Meetings. If an annual or special meeting of members is adjourned to a different date, time or place, notice need not be given of the new date, time, or place, if the new date, time, or place is announced at the meeting before

adjournment. If a new record date for the adjourned meeting is or must be fixed under T.C.A. §48-57-107, however, notice of the adjourned meeting must be given to the members of record on the new record date. At the adjourned meeting, any business may be transacted that might have been transacted on the original date of the meeting.

Section 3.13 - Conduct of Meetings. The President or his designee shall preside over all meetings of the Club. The President shall be entitled to vote on all matters coming before a membership meeting. The Secretary shall keep minutes of all meetings of the Club, and shall retain said minutes in a permanent Minute Book. The latest edition of Robert's Rules of Order shall govern the conduct of all meetings of the Club when not in conflict with these Bylaws or any special rules or regulations adopted by the Board.

ARTICLE IV - BOARD OF DIRECTORS

Section 4.01 - Governing Body. The business and affairs of the Club shall be governed by a Board of Directors. All corporate powers shall be exercised by or under the authority of, and the affairs of the Corporation managed under the direction of the Board of Directors.

Section 4.02 - Board Composition. During the Development Period, as defined in the 1997 Declaration, the Board shall consist of the Declarant Director, the Interval Owner Director, and five (5) At Large Directors. For a period of two (2) years following the expiration of the Development Period, the Board shall consist of the non-voting Ex-Officio Declarant Director, the Interval Owner Director, and six (6) At Large Directors. Thereafter, the Board shall consist of one (1) Interval Owner Director and six (6) At Large Directors.

Section 4.03 - Declarant Representation. During the Development Period, one (1) voting Director shall be elected by the entire voting membership from a slate of one or more nominees selected by the Declarant, as Declarant is defined in the 1997 Declaration. During the Development Period, the Declarant shall have the right, privilege, and option to nominate one (1) or more natural persons for the one Declarant Director position on the Board. This Director position shall be known as the Declarant Director position. Thereafter, for a period of two (2) years, one (1) non-voting Ex-Officio Director shall be elected by the membership from a slate of one or more nominees selected by the Declarant (the Ex-Officio Declarant Director), provided that such Ex-Officio Declarant Director shall have the right to receive notice of, attend, and participate in all meetings of the Board of Directors. The Declarant may at any time relinquish its right to have one Director elected by the membership as set forth in the 1997 Declaration and herein by filing in the office of the Register of Deeds of Cumberland County, Tennessee a written statement executed by Declarant relinquishing said right. Nothing in this section shall prohibit the Declarant from exercising its membership votes in the election of Directors to the extent of lots or living units owned by the Declarant and for which the Declarant pays assessments.

Section 4.04 - Interval Ownership Representation. One (1) Director shall be elected by the entire voting membership from a slate of one or more nominees consisting of interval owners in good standing selected by the Timeshare Executive Council. This Director position shall be known as the Interval Owner Director. The Interval Owner Director must be an owner of an interval of timeshare property at Fairfield Glade and must be a natural person. Section 4.05 - At Large Directors. All other members of the Board of Directors shall be members of the Club in good standing and shall be natural persons, elected by the entire voting membership of the Club under the procedures set out herein. These Director positions shall be known as the At Large Director positions. Initially, there shall be five (5) At Large Director positions. Upon termination of the Declarant's right to have one (1) voting Director elected by the membership as set forth in the 1997 Declaration and herein, there shall be six (6) voting At Large Directors, two (2) of whom shall be subject to election each year.

Section 4.06 - Nomination of Directors.

(a) At least ninety (90) days prior to the annual meeting, the President of the Club shall appoint an Election Committee consisting of not less than five (5) nor more than seven (7) members, which Committee shall be responsible for processing nominee applications and overseeing the conduct of the election of Directors.

(b) The Declarant Director shall be elected from a slate of one or more nominees selected by the Declarant and which shall be furnished to the Election Committee for inclusion on the ballot to be submitted to members with the Notice of Annual Meeting at least forty-five (45) days prior to the submission of the Notice of Annual Meeting to the membership.

(c) The Interval Owner Director shall be elected from a slate of one or more nominees selected by the Timeshare Executive Council in accordance with such rules and procedures as that organization or its successor organization may from time to time adopt, and which slate shall be furnished to the Election Committee for inclusion on the ballot to be submitted to members with the Notice of Annual Meeting at least forty-five (45) days prior to the submission of the Notice of Annual Meeting to the membership. The Board shall have the right from time to time to review the procedures adopted by the Timeshare Executive Council to insure fairness in the procedure used for the selection of the slate of one or more nominees for the Interval Ownership Director position.

(d) The Election Committee shall cause to be published or otherwise disseminated a Notice of Election for the At Large Director position(s) subject to election at the next annual meeting of the Club. The publication or dissemination of the Notice of Election shall be reasonably calculated to notify the membership of an upcoming election for the positions of At Large Director(s). It shall not be required to mail the Notice of Election to all members of the Club. The Notice of Election shall set out the date by which applications of prospective candidates for At Large Director positions must be submitted to the Election Committee.

(e) Any member in good standing desiring to seek one of the At Large Director positions, who has or will have owned real property at Fairfield Glade for at least three (3) years prior to the date of the next annual meeting of members, shall submit to the Election Committee at least forty-five (45) days prior to submission of the Notice of Annual Meeting to the membership an application on a form prescribed by the Board bearing the signature of the member seeking election to the Board of Directors of the Club. The application shall include a certification by the prospective candidate that insofar as he or she is aware, he or she is not involved in any direct financial dealings with or that may affect the Club, and an agreement to disclose any potential conflict of interest regarding any action under consideration by the Club.

(f) The Election Committee shall verify that the prospective candidate is (i) a member in good standing; (ii) has or will have owned real property at Fairfield Glade for the requisite period of time as provided in Section 4.06(e); and (iii) that the application submitted by the prospective candidate is in order, and if all matters are in order, shall certify the member to be included on the election ballot.

(g) With the exception of a member filling the position of Declarant Director, no member shall be eligible to serve on the Board for more than two (2) consecutive terms of three (3) years each, but shall be eligible for re-election one (1) year thereafter. Any Director who has served for more than one-half ($\frac{1}{2}$) of a term shall be deemed to have served the full term. This term limitation shall be prospective only and shall not affect any former Director or present Director until the term of the present Director expires or ends because of resignation or removal.

(h) No employee of the Club, whether designated as full time, part time, temporary, seasonal, or other category, shall be entitled to run for or hold the position of Declarant Director, Interval Owner Director, or At Large Director of the Club.

(i) No Club funds may be used to promote the election of any particular candidate for the Board.

Section 4.07 - Election of Directors.

(a) The Election Committee shall prepare a ballot containing the names of all qualified candidates for the Director positions subject to election. The Election Committee shall use reasonable efforts to disseminate information regarding candidates for Director positions subject to election through publication of candidate biographical information and platforms in publications of general circulation at Fairfield Glade and to Fairfield Glade property owners, such as, by way of example but not limitation, newspapers, newsletters to members, and by inclusion of such materials with the election ballot. The Election Committee shall have broad discretion in the dissemination of such material, but shall be obligated to treat all candidates fairly. The ballot and any materials to accompany the ballot shall be delivered to the Corporation's Secretary at least thirty (30) days prior to the date for sending Notice of the Annual Meeting to members. The election ballot shall be submitted to members, along with the Notice of Annual Meeting, with sufficient information to advise the member by what date the ballot should be returned to the Corporation's Secretary to be eligible to be counted.

(b) The Election Committee shall obtain custody of the ballots as they are assembled and shall count the votes prior to the annual meeting so that the results of the election can be announced at the annual meeting. There shall be no voting for Directors at the annual meeting. If one Director position is subject to election, and there is more than one (1) candidate for that Director position, the candidate receiving the most votes shall be deemed to be elected. If more than one Director position is subject to election, the number of persons equal to the number of Director positions subject to election receiving the most votes shall be deemed elected to those positions. If there is only one (1) candidate for a Director position, the candidate shall be deemed elected if he receives one (1) vote.

(c) No person nominated for or serving as a Director shall assist in counting votes in the election of Directors.

Section 4.08 - Existing Directors. The adoption of these Bylaws shall not affect the term of Directors then in office, but such Directors shall serve under these Bylaws for the remainder of their terms and are, thus, designated as Directors, unless they choose to resign. The current term of Director Alice Gundersen shall continue from the date of the adoption of these Bylaws until the annual meeting of members to be held in September, 1997, when her current term

shall expire. The current term of Director Thomas Lawson shall continue from the date of the adoption of these Bylaws until the annual meeting of members to be held in September, 1998, when his current term shall expire. The current term of Director Harlan W. "Lefty" Eckstrom shall continue from the date of the adoption of these Bylaws until the annual meeting of members to be held in September, 1999, when his current

term shall expire. The three year term of the Non-Developer Director elected by the membership under the previous Bylaws of the Club, whose election is announced at the annual meeting of members in September, 1997, shall continue until the annual meeting of members to be held in September, 2000. The three year term of the Developer Director elected by the membership under the previous Bylaws of the Club, whose election is announced at the annual meeting of members in September, 1997, shall continue until the annual meeting of members to be held in September, 2000, unless said Director resigns prior to that time. In the event the Developer Director whose election is announced at the annual meeting of members in September 1997, does not resign prior to the normal expiration of his term in September, 2000, he shall, unless designated by the Declarant to fill the Declarant Director position, be deemed to be holding an undesignated Director position and not one of the At Large Director positions as herein established. The current term of Bill Carter, filling the unexpired term of Walter W. Crowder who resigned in September, 1996, shall continue from the date of the adoption of these Bylaws until the annual meeting of members to be held in September, 1998, when his term shall expire, unless Director Carter resigns prior to that time. In the event Director Carter does not resign prior to that time, he shall, unless designated by the Declarant to fill the Declarant Director position, be deemed to be holding an undesignated Director position and not one of the At Large Director positions as herein established. The current term of Bob Albertson shall continue from the date of the adoption of these Bylaws until the annual meeting of members to be held in September, 1999, when his term shall expire, unless Director Albertson resigns prior to that time. In the event Director Albertson does not resign prior to that time, he shall, unless designated by the Declarant to fill the Declarant Director position, be deemed to be holding an undesignated Director position and not one of the At Large Director positions as herein established.

Section 4.09 - Term and Transition Provisions.

(a) Subject to the transition provisions of sub-paragraph (c), the term of Directors shall be three (3) years, provided, however, a Director shall continue to serve until his or her successor takes office. A newly elected Director shall take office immediately after the adjournment of the annual meeting at which his or her election is announced.

(b) The terms of At Large Directors shall be staggered so that two (2) shall be subject to election in one (1) year, two (2) shall be subject to election in the following year, and one (1) shall be subject to election the following year, provided, however, that upon expiration of the Development Period, when the Declarant is no longer entitled to nominate the slate of nominees for the voting Declarant Director position, there shall be six (6) At Large Director positions, two (2) of which shall be subject to election each year.

(c) The following transition provisions shall apply:

(i) After adoption of these Bylaws, the Declarant Director position shall be deemed to be filled by whichever Developer Director is so designated to fill that position by the Declarant and such designated Director shall hold that position until his or her current term expires when the Declarant Director position shall be subject to election under the provisions of these Bylaws.

(ii) Between the date of the adoption of these Bylaws and the first election of the Interval Owner Director, which shall be conducted in accordance with these Bylaws in advance of the annual meeting of members to be held in September, 1998, the results of which election shall be announced at the annual meeting of members to be held in September, 1998, the person to hold the Interval Owner Director position shall be designated by the Board from a slate of nominees submitted by the Timeshare Executive Council. The person so designated shall be an owner of an interval of timeshare property at Fairfield Glade and must be a natural person.

(iii) Director Alice Gundersen's current term of office shall continue from the date of the adoption of these Bylaws through the annual meeting of members to be held in September, 1997. Director Thomas Lawson's current term of office shall continue from the date of the adoption of these Bylaws through the annual meeting of members to be held in September, 1998. Director Harlan W. "Lefty" Eckstrom's current term of office shall continue from the date of the adoption of these Bylaws through the annual meeting of members to be held in September, 1999. The three year term of the Non-Developer Director elected by the membership, whose election is announced at the annual meeting of members in September, 1997, shall continue until the annual meeting of members to be held in September, 2000. Upon adoption of these Bylaws, Directors Lawson, Eckstrom, and the Non-Developer Director elected by the membership, whose election is announced at the annual meeting of members in September, 1997, shall be deemed to be filling three (3) of the five (5) At Large Director positions created under the 1997 Declaration and these Bylaws. The remaining two (2) At Large Directors shall be designated by the Board of Directors and shall serve until the

annual meeting of members to be held in September, 1998, at which time, their positions shall be subject to election.

(iv) At the annual meeting to be held in September, 1998, three (3) At Large Director positions shall be subject to election (the other 2 At Large Director positions being filled by Director Eckstrom whose term expires in September, 1999, and the Director elected under the previous Bylaws of the Club for a three year term whose election was announced at the annual meeting of members in September, 1997, whose term expires in September, 2000), one (1) Director position for a one (1) year term, one (1) Director position for a two (2) year term, and one (1) Director position for a three (3) year term. In conducting the election in September, 1998, the Election Committee shall specifically require prospective

candidates for At Large Director positions to declare whether they are seeking the one year At Large Director position, the two year At Large Director position, or the three year At Large Director position. When the term of Director Eckstrom and the At Large Director elected for the one (1) year term whose election was announced at the annual meeting of members in September, 1998, expire in September, 1999, those positions shall be filled by Directors elected for a three (3) year term, expiring in September, 2002. When the term of Director whose election was announced at the annual meeting of members in September, 1997, for a three (3) year term, and the At Large Director elected for a two (2) year term whose election was announced at the annual meeting of members in September, 1998, expire in September, 2000, those positions shall be filled by Directors elected for a three (3) year term, expiring in September, 2003. When the term of the Director whose election was announced at the annual meeting of members in September, 1998, for a three (3) year term expires in September, 2001, that position shall be filled by a Director elected for a three year term expiring in September, 2004.

(d) Upon expiration of the Development Period, when the Declarant is no longer entitled to nominate the slate of nominees for the voting Declarant Director position, there shall be six (6) At Large Director positions, two (2) of which shall be subject to election each year, for a term of three (3) years each.

Section 4.10 - Vacancy. Any vacancy in the Board of Directors caused by the death, removal, or resignation of the Director elected from a slate of one or more nominees selected by the Declarant shall be filled by the Board by a vote of the majority of the remaining Directors from a slate of one or more nominees selected by the Declarant, and any such person so selected shall serve the remainder of the vacated term. If the position of

Interval Owner Director is vacated, the Board of Directors shall fill that position with a person who is the owner of an interval of timeshare property at Fairfield Glade from a slate of nominees submitted by the Timeshare Executive Council and any such persons so selected shall serve the remainder of the vacated term. Any other vacancies in the Board of Directors shall be filled by a vote of the majority of the remaining Directors and any such person so selected shall serve the remainder of the vacated term.

Section 4.11 - Resignation of Directors.

(a) A director may resign at any time by delivering written notice to the Board of Directors, the President or Secretary.

(b) A resignation is effective when the notice is given unless the notice specifies a later effective date. If a resignation is made effective at a later date, the Board of

Directors may fill the pending vacancy before the effective date if the Board provides that the successor does not take office until the effective date.

Section 4.12 - Removal of Directors.

The Director holding the Declarant Director position may be removed only by the Declarant.

Section 4.13 - Meetings of Board.

(a) The Board of Directors shall meet promptly after the annual meeting of members, and at the same place as such annual meeting of members, provided a quorum is present, for the election of Officers for the following year and such other business as may

properly come before the meeting. No notice of such meeting shall be necessary.

(b) Other regular meetings of the Board of Directors shall be held at such time and place as the Board of Directors shall determine.

(c) Special meetings of the Board of Directors may be called by the President, the Secretary, or any three Directors.

(d) The Board may permit any or all Directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all Directors participating may simultaneously hear each other during the meeting, including telephonically or by telephone conference call. A Director participating in a meeting by this means is deemed to be present in person at the meeting.

(e) The latest edition of Robert's Rules of Order shall govern the conduct of all Board meetings when not in conflict with these Bylaws and any special rules or regulations adopted by the Board.

(f) The President shall be entitled to vote on all matters coming before the Board.

Section 4.14 - Action Without Meeting.

(a) Action required or permitted to be taken by the Board may be taken without a meeting. If all Directors consent to taking such action without a meeting, the affirmative vote of the number of Directors that would be necessary to authorize or take

such action at a meeting is the act of the Board. The action must be evidenced by one (1) or more written consents describing the action taken, signed by each Director, and included in the minutes filed with the Corporate records reflecting the action taken.

(b) Action taken under this section is effective when the last Director signs the consent, unless the consent specifies a different effective date.

(c) A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

Section 4.15 - Notice of Meetings.

(a) Except as otherwise provided in these Bylaws, notice of each regular or special meeting of the Board of Directors shall be given by the Secretary, or an Assistant Secretary, or in the absence or disability of the Secretary or any Assistant Secretary, by the person or persons calling the meeting. Such notice shall be given to each member of the Board, not less than five (5) days before the meeting by depositing the same in the United States mail, with first class postage thereon prepaid, directed to each member of the Board at the address designated by the Director for such purpose (or, if none is designated, to the

Director's last known address); or not less than one (1) day before the meeting by either delivering it to the address designated by the Director for that purpose (or, if none is designated, to the Director's last known address). Notice of the meeting need not be given to any Director who submits a signed waiver of notice, whether before, at or after the meeting. The notice of any meeting of the Board of Directors need not specify the purpose or purposes for which the meeting is called, except as otherwise provided in these Bylaws.

(b) 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 adjournment does not exceed thirty (30) days in any one adjournment.

Section 4.16 - Waiver of Notice.

(a) A Director may waive any notice required by statute, the Charter, or these Bylaws before or after the date and time stated in the notice. Except as provided in subsection (b), the waiver must be in writing, signed by the Director entitled to the notice, and filed with the minutes or the corporate records.

(b) A Director's attendance at or participation in a meeting waives any required notice of the meeting unless the Director at the beginning of the meeting objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 4.17 - Quorum. Except as may otherwise be provided by law, the Charter or these Bylaws, a quorum of the Board of Directors consists of a majority of the Directors in office immediately before a meeting begins. When a quorum is once present to organize a meeting, a meeting may be later adjourned despite the absence of a quorum caused by the subsequent withdrawal of any of those present.

Section 4.18 - Voting. If a quorum is present when a vote is taken, the affirmative vote of the majority of Directors present is the act of the Board, unless the statutes, the Charter or these Bylaws require the vote of a greater number of Directors.

Section 4.19 - Dissents. A Director who is present at a meeting of the Board of Directors when Corporate action is taken is deemed to have assented to the action taken unless: (i) he objects at the beginning of the meeting to holding it, or during the meeting, specifically objects to transacting objectionable items at the meeting; (ii) his dissent or abstention from the action taken is entered in the minutes of the meeting; or (iii) he delivers written notice of his dissent or abstention to the presiding Officer of the meeting before its adjournment or to the Corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a Director who votes in favor of the action taken.

Section 4.20- Compensation and Expenses of Directors. Directors shall not receive any compensation for their services as Directors, provided, however, that Directors may be allowed to be reimbursed their actual out-of-pocket reasonable travel, lodging, meals, and other meeting related expenses incurred in connection with the participation of any meeting of the Board of Directors or other meeting they are required to attend by virtue of being a Director of the Club. The Club shall follow ordinary and necessary verification and audit procedures to prevent abuse of these reimbursement privileges. The Club may also allow Director's use of Club facilities, amenities, and services as the Board deems appropriate. Subject to the provisions of Section 4.06(h), nothing herein contained shall preclude any Director from serving the Corporation in any other capacity and receiving compensation for such services.

Section 4.21 - Standards of Conduct. The general standards of conduct for Directors shall be as specified at Tennessee Code Annotated §48-58-301. The standards pertaining to director conflicts of interest shall be as specified in T.C.A. §48-58-302. The standards pertaining to loans to or guarantees for Directors and Officers shall be as specified in T.C.A. §48-58-303. The standards applicable to liability for unlawful distributions shall be as specified in T.C.A. §48-58-304.

ARTICLE V - Officers

Section 5.01 - Election. The Board of Directors shall annually elect a President, one or more Vice-Presidents, a Secretary, and a Treasurer. The Board of Directors may, from time to time, elect such additional Officers as it may determine appropriate, including without limitation, Assistant Secretaries and Assistant Treasurers. Such additional Officers shall have such authority and perform such duties as the Board of Directors may, from time to time, prescribe. Any two (2) of the aforementioned offices, except those of President and Secretary, may be filled by the same person, but no person shall purport to execute or attest to any document or any instrument on behalf of the Corporation in more than one capacity. Officers may be, but need not be, Directors, except the President and Secretary who shall be Directors. Any Officer who is not a Director shall not be considered a member of the Board of Directors and shall have no right to vote as a Director.

Section 5.02 - Term of Office. The Officers of the Corporation shall hold office for one (1) year, or until their successors are chosen and qualify in their stead, subject, however, to the removal of any Officer pursuant to these Bylaws.

Section 5.03 - Resignation and Removal.

(a) An Officer may resign at any time by delivering notice of resignation to the Corporation. A resignation is effective when the notice is given unless the notice specifies a later effective date. If a resignation is made effective at a later date, and the Board of Directors accepts the later date, the Board may fill the pending vacancy before the effective date if the Board provides that the successor does not take office until the effective date.

(b) The Board may remove any Officer at any time with or without cause. All Officers serve at the pleasure of the Board of Directors.

Section 5.04 - Compensation. The Board of Directors shall fix the compensation of Officers of the Corporation. The compensation of other agents and employees of the Corporation may be fixed by the Board of Directors or by an Officer or Officers to whom that function has been delegated by the Board.

Section 5.05 - Powers and Duties of Officers.

(a) All Officers and Agents of the Corporation, as between themselves and the Corporation, shall have such authority and perform such duties in the management of the Corporation as may be provided in these Bylaws, or as may be determined by resolution of the Board of Directors not inconsistent with these Bylaws.

(b) The specific powers and duties of the Officers of the Corporation shall be as follows:

1. President - The President shall be the principal Executive Officer of the Corporation, and subject to the control of the Board of Directors, shall in general, supervise and control all the business and affairs of the Corporation. The President shall chair all meetings of the Board of Directors and all meetings of members, whether regular or special. The President shall be entitled to vote on all matters coming before the Board or at meetings of members, whether regular or special. He may sign, with the Secretary or any other proper Officer of the Corporation authorized by the Board of Directors, certificates for membership in the Corporation, any deeds, notes, deeds of trust, bonds, contracts or other instruments or documents which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other Officer or Agent of the Corporation, or shall be required by law to be otherwise signed or executed; and, in general, shall perform all duties as may be prescribed by the Board of Directors from time to time.

2. Vice-Presidents - The Vice-Presidents shall act in the order of their seniority, unless otherwise determined by the Board of Directors, and in the absence or disability of the President, shall perform the duties and exercise the powers of the President. They shall perform such other duties and may have such other powers and titles as the President or Board of Directors may from time to time prescribe.

3. Secretary - The Secretary shall, (i) keep the minutes of members' meetings and of the Board of Directors' meetings; (ii) see that all notices are duly given in accordance with the provisions of these Bylaws and as may be required by law; (iii) be

custodian of the Corporate records; (iv) keep a register of the post office address of each member which shall be furnished to the Secretary by such member; (v) authenticate the records of the Corporation; and, (vi) in general, perform all duties incident to the office of the Secretary and such other duties as may, from time to time, be assigned to him by the President or the Board of Directors.

4. Treasurer - The Treasurer shall have the custody of the Corporate funds and securities and shall keep full and accurate account of the receipts and disbursements in the books and records belonging to the Corporation and shall deposit all monies and other valuable effects in the name of and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Corporation as may be ordered by the Board of Directors and shall render to the President and to the Board of Directors from time to time as they may require, an account of all of his transactions as Treasurer and of the financial condition of the Corporation.

5. Other Officers - The Board of Directors may appoint such other Officers and Agents as it may deem necessary or advisable, who shall exercise such powers and perform such duties as shall be determined by the Board of Directors from time to time.

Section 5.06 - Vacancies. Any vacancies occurring in the office of the President, Treasurer or Secretary shall be filled by the Board of Directors as soon as practicable. Vacancies in other offices may be filled at the discretion of the Board.

Section 5.07 - Delegation of Duties and Powers. In the case of the absence or disability of any Officers of the Corporation, or in the case of a vacancy in any office, or for any reason that the Board of Directors may deem sufficient, the Board of Directors, except as otherwise provided by law, by Charter, or by these Bylaws, may temporarily delegate the powers or duties of any Officer to any other Officer or to any Director.

Section 5.08 - Security. The Board of Directors may require any Officer, Agent, or Employee of the Corporation to give security for the faithful performance of his duties, in such amount and in such form as may be satisfactory to the Board.

Section 5.09 - Standards of Conduct. The standards of conduct for Officers of the Corporation shall be as specified in Tennessee Code Annotated §48-58-403, and the rules pertaining to Officer conflict of interest shall be as specified in T.C.A. §48-58-302.

ARTICLE VI - AMENDMENTS TO CHARTER AND BYLAWS

Section 6.01 - Amendment of Charter.

(a) Except as provided in Section 6.04 below, unless (i) Tennessee law, (ii) the Charter, (iii) these Bylaws, (iv) the members (acting pursuant to subsection (b) of this section), or, (v) the Board of Directors (acting pursuant to subsection (c) of this section), require a greater vote, an amendment to the Corporation's Charter to be adopted must be approved: (I) except as provided in Tennessee Code Annotated §48-60-102, by the members by two-thirds (2/3rds) of the votes cast; and, (II) in writing by any person or persons whose approval is required by a provision of the Charter authorized by Tennessee Code Annotated §48-60-301.

(b) The members may condition the amendment's adoption on receipt of a higher percentage of affirmative votes or on any other basis.

(c) If the Board initiates an amendment to the Charter or Board approval is required by the Charter or Bylaws to adopt a Charter amendment, the Board may condition the amendment's adoption on receipt of a higher percentage of affirmative votes or on any other basis.

(d) If the Board or the members seek to have the amendment approved by the members at a membership meeting, the Corporation shall give notice to its members of the proposed membership meeting in writing in accordance with these Bylaws. The notice must state that the purpose, or one of the purposes, of the meeting is to consider the proposed amendment and contain or be accompanied by a copy or summary of the amendment.

(e) If the Board or the members seek to have the amendment approved by the members by written ballot, the material soliciting the approval shall contain or be accompanied by a copy or summary of the amendment.

Section 6.02 - Amendment of Bylaws by Board of Directors. Subject to the provisions herein set out, the Board of Directors may amend or repeal the Bylaws of the Corporation by the affirmative vote of two-thirds (2/3rds) of the entire Board, unless (i) the Charter or the statutes reserve the power to amend specific provisions exclusively to the members; or, (ii) the members provide expressly that the Board may not amend or repeal a particular Bylaw, provided, however, that any proposed Bylaw amendment changing any election procedure must receive the affirmative vote of not less than six (6) Directors to be adopted.

Section 6.03 - Amendment of Bylaws by Members. The Corporation's members may amend or repeal the Bylaws even though the Bylaws may also be amended or repealed by the Board of Directors. An amendment to the Bylaws shall be approved by two-thirds (2/3rds) of the votes cast on the proposed Amendment.

Section 6.04 - Certain Amendments Prohibited. During the Development Period, and for two (2) years thereafter, no amendment to the Charter or Bylaws, whether initiated by the membership or Directors, may be adopted which has the effect of eliminating the Declarant Director position, without the express, prior written consent of the Declarant in accordance with the 1997 Declaration. No amendment to the Charter or Bylaws, whether initiated by the membership or Directors, may be adopted which has the effect of eliminating the Interval Owner Director position, without the express, prior written consent of the Timeshare Executive Council, or its successor. Without limiting the foregoing, no amendment to the Charter or Bylaws, whether initiated by the membership or Directors, shall conflict with, be inconsistent with, or otherwise directly or indirectly attempt to modify or supplement the provisions of the 1997 Declaration, except to the extent that such amendment shall have first been approved in the manner provided in Article XIV, Section 4 of the 1997 Declaration; and such amendment which is not first adopted in accordance with Article XIV, Section 4 of the 1997 Declaration shall be null and void ab initio without further action.

ARTICLE VII - MISCELLANEOUS

Section 7.01 - General Powers. The Club shall have all powers conferred upon non-profit corporations by common law and the statutes of the State of Tennessee in effect from time to time. Such powers shall include, without limitation, all powers necessary

or desirable to exercise the rights and privileges of the Club and to perform the duties and responsibilities of the Club as set forth in the 1997 Declaration, the Charter, these Bylaws, and as provided by law.

Section 7.02 - Inspection by Members. The rights of members to inspect and copy the records of the Corporation are as specified in Tennessee Code Annotated §§48-66-102 through 48-66-105.

Section 7.03 - Member Initiatives. By filing a statement of a proposal with the Secretary of the Corporation, at least sixty (60) days prior to any annual meeting, signed by members holding at least ten percent (10%) of all of the votes entitled to be cast on

any issue, members may initiate prior official consideration of any matter. The Board of Directors shall promptly after the filing of such a statement, take an official position with respect thereto. In any proxy solicitation made by or on behalf of a majority of the Board of Directors, any such proposal shall be stated or described and the recommendation of the Board with respect thereto shall be stated. Such matter shall then come before the membership at the annual meeting in the regular course of considering new business.

Section 7.04 - Indemnification of Directors, Officers, Employees or Agents - With respect to claims or liabilities arising out of service as a Director, Officer, Employee, or Agent of the Corporation, the Corporation shall indemnify and advance expenses to each past, present or future Director, Officer, Employee, or Agent (and his or her estate, heirs, and personal representative) to the fullest extent allowed by the laws of the State of Tennessee, both as are now in effect and as hereafter adopted or amended.

Section 7.05 - Principles of Construction.

(a) These Bylaws are adopted to conform to the laws of Tennessee and shall be construed in accordance therewith. In the event of any doubt or ambiguity, that construction shall be adopted which is consistent with the laws of Tennessee.

(b) Unless the context clearly indicates the contrary, words in the singular shall include the plural and vice versa; and words in the masculine gender shall include the feminine gender.

(c) The references to various sections of Tennessee Code Annotated shall refer to those sections as codified at the time of the adoption of these Bylaws or as those sections are later amended.

(d) In the event of any conflicts or inconsistencies between the provisions of Tennessee law, the 1997 Declaration, the Charter, these Bylaws, and the Rules and Regulations adopted by the Board of the Club, the provisions of Tennessee law, the 1997 Declaration, the Charter, these Bylaws, and the Rules and Regulations adopted by the Board of the Club, in that order, shall prevail.

Section 7.06 - Dissolution. In the event of dissolution of the Club, the assets of the Club shall be distributed to a like organization established for purposes similar to those of the Fairfield Glade Community Club. If a like organization cannot be identified or established, then after all of the debts of the Club have been paid, the assets of the Club shall be distributed pro rata to members on the basis of lots or living units owned.

Section 7.07 - Audit. The Board shall have an annual audit of the accounts of the Club prepared by a certified public accountant, the costs of which shall be a common expense of the members of the Club. A copy of the audit shall be available for inspection by members of the Club at the offices of the Club.

Section 7.08 - Fiscal Year. The fiscal year of the Club shall be determined by Resolution of the Board. In the absence of such Resolution, the fiscal year shall be the calendar year.

Section 7.09 - Committees. The Board may appoint such committees as it deems appropriate from time to time. All committees shall be appointed by Board Resolution which shall establish the composition of the committee and which shall establish the scope and purpose for which the committee is created. Committees may consist of Board members and non-Board members as the Board deems appropriate. All committees are ultimately answerable to the Board through the General Manager of the Club. Any committee may be terminated at the discretion of the Board.

Section 7.10 - Adoption of Rules and Regulations. The Board of Directors is authorized to adopt such rules and regulations for the operation of the Club and its facilities, as it may deem appropriate, insofar as those rules and regulations are not inconsistent with the 1997 Declaration, the Charter, or these Bylaws.

Section 7.11 - Notice. Any notice required by the 1997 Declaration or these Bylaws, other than notices of special or annual meetings of members or Directors, unless otherwise provided herein, shall be in writing, and shall be deemed to have been duly given if delivered personally or sent by First Class United States mail, postage prepaid:

(a) If to a member, at the address the member has designated in writing and filed with the Secretary, or if no such address has been designated, at the last known address of the member; or,

(b) If to the Association, to the Board, or the General Manager at the principal office of the Association or such other address as may be designated by notice in writing to the members pursuant to this section.

Notices shall be deemed effectively given when personally delivered or mailed in accordance with this Section.