

By-Laws

CHESTNUT GLEN HOMEOWNER'S ASSOCIATION

PREAMBLE

We, homeowners in the Chestnut Glen Subdivision, in the City of Lebanon, Tennessee, form this Association for the purpose of assuring the economic protection of our homes, to strive for maintaining and improving the appearance of our community, to welcome our new neighbors, and to form a social and unified bond among our members. We plan to exercise our rights as homeowners and citizens to enhance the quality of life in our community.

ARTICLE 1 Name and Location

The name of the Corporation is Chestnut Glen Homeowner's Association, Inc. (the "Association"). The principal office of the Corporation shall be located at (to be determined), Wilson County, Tennessee, but meetings of the Members and Directors shall be held at such places within Wilson County, Tennessee, as may be designated by the Board of Directors (the "Board").

ARTICLE 2 Definitions

Section 2.01. "Association" shall mean and refer to Chestnut Glen Homeowner's Association, Inc., a not for profit corporation organized and existing under the laws of the State of Tennessee, its successors and assigns.

Section 2.02. "Board" shall mean and refer to the Board of Directors of the Association.

Section 2.03. "By-Laws" shall mean and refer to the By-Laws of the Association and as may be amended from time to time.

Section 2.04. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association is described as follows:

All plots of land designated on the Plat as Open Space and/or Common Area and generally all of the Property other than Lots, dedicated roadways or reserved parcels as shown on the Plat.

Section 2.05. "Declaration" shall mean and refer to the Declaration of Protective Covenants, Conditions and Restrictions for Chestnut Glen applicable to the Properties and which is recorded in the Office of the Register for Wilson County, Tennessee.

Section 2.06. "Lot" shall mean and refer to any plot of Land to be used for single-family residential purposes and so designated on the Plat as the same may be amended or revised.

Section 2.07. "Member" shall mean and refer to any person or persons who shall be an Owner and as such a Member of the Association.

Section 2.08. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee title to any Lot which is a part of the Properties, including contract purchasers, but excluding those having such interest merely as security interest for the performance of an obligation.

Section 2.09. "Properties" shall mean and refer to any and all real property hereto described or which may be submitted to the Declaration by future development of additional sections of Chestnut Glen.

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QUESTIONS AND ANSWERS

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ARTICLE 3 Powers of the Corporation

This Corporation shall have the following powers:

- a. To promote the health, safety, and welfare of the residents within said property and any additional property as may hereafter be brought within the jurisdiction of this Corporation;
- b. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Articles of Incorporation, the Bylaws, and those certain Declaration of Protective Covenants, Conditions and Restrictions for Chestnut Glen, and Amendments to same (the "Declaration"), applicable to the above described property and presently or hereafter recorded in Wilson County, Tennessee, and as the same may be amended from time to time and herein provided, said Declarations being incorporated as if set forth at length;
- c. To fix, levy, collect, and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expense incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the above described property of the Association;
- d. To acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the Association;
- e. To borrow money, mortgage, pledge, grant security interests in, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- f. To dedicate, sell, or transfer all or any part of the Common Areas included in the above described real property subject to the Declarations to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members;
- g. To have and exercise any and all powers, rights, and privileges which a corporation organized under the Tennessee Nonprofit Corporation Act as a not-for-profit corporation may now or hereafter have or exercise; and
- h. To engage in any act or activity which is in furtherance of the above purposes.

ARTICLE 4 Earnings

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its Members, Directors, Officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in ARTICLE THREE above and except that net earnings shall inure to the benefit of Members, Directors, Officers, and other private persons by the acquisition, construction, and provision for management, maintenance, and care of Association property and by rebate of excess membership dues, fees, or assessments. Notwithstanding any other provision of these Bylaws, the Corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal Income Tax.

ARTICLE 5 Activities

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of or against any candidate for public office.

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ARTICLE 6 Membership and Voting Rights

Section 6.01. Membership. Every Person or entity who is an Owner of any Lot which is included in the Properties shall be a Member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot.

Section 6.02. Assessment. Each membership in the Association shall carry the burden of the assessment approved at the annual meeting of the Members. The annual assessment shall be a minimum of \$50.00 (fifty dollars) per household. New residents joining the Association during the year will pay the pro rata amount due for the balance of annual assessment.

- a. New residents who purchase the lot/residence of a current member of the Association will assume the same rights and privileges as the prior owner-member(s) of the Association.

Section 6.03. Voting Rights. This Corporation shall not have the authority to issue capital stock, and all voting powers normally vested in stockholders shall be vested in the membership of this Corporation. There shall be one class of voting membership. The vote for any one Lot owned by more than one person or entity shall be reached and exercised as they among themselves shall determine, but in no event shall the vote or votes with respect to any jointly owned Lot be cast separately.

ARTICLE 7 Meeting of Members

Section 7.01. Annual Meeting. An annual meeting of the Members shall be held. This meeting shall be held during the second (2nd) week of October unless notice to the contrary is furnished by the Directors at least ten (10) days prior to the meeting. The meeting shall be held at a place to be designated by the Directors, who shall give written notice thereof to each Member at least ten (10) days prior to the scheduled meeting time. At the annual meeting the Members shall elect Directors and conduct any other business authorized to be transacted by the Members.

- a. A general meeting of all members of the Association shall be held not less than four times yearly on a quarterly basis or as required by the executive board.

Section 7.02. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes.

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Section 7.03. Notice of Meeting. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting and, in case of a special meeting, the purpose of the meeting.

Section 7.04. Parliamentary Rules. Robert's Rules of Order (latest edition) shall govern the conduct of the meetings.

Section 7.05. Quorum. At any annual or special meeting the presence of Members or of proxies entitled to cast one-half (1/2) of all votes of the membership shall constitute a quorum. At the first such meeting called, the presence of Members or of proxies entitled to cast one-half (1/2) of all votes of the membership shall constitute

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a quorum. If a quorum is not present, another meeting may be called and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than ten (10) days following the preceding meeting.

Section 7.06. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary prior to the commencement of such meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

ARTICLE 8 Directors

Section 8.01. Number. The affairs of the Corporation shall be managed and conducted by a Board of Directors, consisting of not less than five (5) nor more than seven (7) members. The exact numbers to be fixed and determined by the Board of Directors, with full authority in the Board of Directors to vary said number at any time and from time to time.

Section 8.02. Term of Office. Directors shall serve two (2) years staggered terms and shall be elected at the annual meeting of the Members of the Association and until their successors are duly elected and qualified or until their earlier death, resignation, or removal.

Section 8.03. Removal. Any Director may be removed by concurrence of two-thirds (2/3rds) of the votes entitled to be cast by the Members of the Association at a special meeting of the Members called for that purpose. No Director shall be removed, however, unless he shall be given not less than five (5) days prior written notice of such special meeting and an opportunity to be heard. The vacancy thus created shall be filled at the same meeting by the Members of the Association in the same manner as was provided for the election of the removed Director.

Section 8.04. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director shall be reimbursed for his approved expenses incurred in the performance of his duties.

Section 8.05. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken by a meeting of the Directors.

ARTICLE 9 Nomination and Election of Directors

Section 9.01. Nomination. Nomination for election to the Board shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of at least one person who shall be a Member of the Association. The Nominating Committee shall be appointed by the Board prior to each annual meeting of the Members, to serve from close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled.

Section 9.02. Election. Election of the Board shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Bylaws. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

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ARTICLE 10 Meeting of Directors

Section 10.01. Regular Meetings. Regular meetings of the Board shall be held at least quarterly and at such place and hour as may be fixed from time to time by resolution of the Board. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

Section 10.02. Special Meetings. Special meetings of the Board may be called by the President, and must be called by the Secretary at the written request of any two (2) Directors. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone, or telegraph, which notice shall state the time, place and purpose of the meeting.

Section 10.03. Proxies. Any Director may provide written notification of their vote on any issue to the Secretary prior to any meeting of the Board and that vote will count as if the individual were present at the meeting.

Section 10.04. Waiver of Notice. Any Director may waive notice of a meeting before or at the meeting, and such waiver shall be deemed equivalent to be giving of notice.

Section 10.05. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE 11 Powers and Duties of the Board of Directors

Section 11.01. Powers. The Board shall have power to:

- a. Develop rules and regulations governing the use of the Common Areas and facilities and the personal conduct of the Members and their guests thereon and to establish penalties for the infraction thereof and present these to the membership for approval;
- b. Suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- c. Cause to be established or disband temporary committees as needed;
- d. Exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by the provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- e. Declare the office of a member of the Board to be ~~vacant~~ in the event such member shall be absent from three (3) consecutive regular meetings of the Board;
- f. Undertake legal action of any kind other than that specified in Section 11.01 (g) or Article IV Section 8 of the Declarations if approved by a majority of the total membership of the Corporation. Any proposed legal action must be discussed as a Special Meeting of the membership that conforms to Article 7, Section 7.02; and
- g. Undertake legal action to enforce the Restrictive Covenants applicable to any Phase of the Chestnut Glen Subdivision.

Section 11.02. Duties. It shall be the duty of the Board to:

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- a. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereto to the Members at the annual meeting of the Members or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the votes;
- b. Supervise all officers, agents, and employees of this Association and to see that their duties are properly performed;
- c. Prepare an annual budget based on prior years operating expenses for approval at the annual meeting of the Members.
- d. Based on the budget approved at the annual meeting of the Members, :
 1. Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period; and
 2. Send written notice of each assessment to every Member subject thereto at least thirty (30) days in advance of each annual assessment.
- e. Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid and, if a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- f. Procure and maintain adequate liability and hazard insurance on property owned by the Association;
- g. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.
- h. Cause the Common Areas to be maintained.

ARTICLE 12 Officers and Their Duties

Section 12.01. Enumeration of Officers. The officers of this Association shall at all times be members of the Board, and shall be a president, a vice-president, a secretary, and a treasurer, and such other officers as the Board may, from time to time, by resolution create.

Section 12.02. Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

Section 12.03. Term. The officers of this Association shall be elected annually by the Board, and each shall hold office for one (1) year, or until a successor is elected, unless he shall sooner resign or shall be removed or otherwise disqualified to serve.

Section 12.04. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 12.05. Resignation and Removal. Any officer may resign at any time by giving written notice to the Board, the President, and the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any officer may be removed by concurrence of a majority of the Board at a special meeting of the Board called for that purpose. No officer may be removed, however, unless he shall be given not less than five (5) days prior written notice of such special meeting and an opportunity to be heard.

Section 12.06. Vacancies. A vacancy in any office shall be filled by appointment of the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

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Section 12.07. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices, except in the case of special offices created pursuant to Section 12.04.

Section 12.08. Duties. The duties of the officers are as follows:

- a. **President.** The president shall preside at all meetings of the Board and the Association, shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments; and shall cosign all checks and promissory notes;
- b. **Vice President.** The vice-president shall act in the place and stead of the president in the event of his absence, inability, or refusal to act; and shall exercise and discharge such other duties as may be required of him by the Board;
- c. **Secretary.** The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; shall keep the corporate seal of the Association, if any, and affix it on all papers requiring said seal; shall serve notice of meetings of the Board and of the Members; shall keep appropriate current records showing Members of the Association, together with their addresses; and shall perform such other duties as required by the Board; and
- d. **Treasurer.** The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; shall cosign all checks and promissory notes of the Association; shall keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE 13 Fiscal Management

Section 13.01. Budget. The Board of Directors shall propose a Operating and Capital Expenditure Budget for each fiscal year which shall, at a minimum, include estimated common expenses, including a reasonable amount for contingencies and reserves less the unneeded fund balances on hand. Copies of the proposed budget and resulting member assessments shall be transmitted to each member on or before October 1st preceding the year for which the budget has been developed. The budget and assessment proposals shall be presented to the members at the Annual Meeting. If the budget is not approved by a majority of the total membership of the Corporation, the current budget and assessment will continue in effect until such time that a new budget and assessment are approved by the membership.

Section 13.02. Amendments to the Budget. If a need arises to amend the budget during the course of the fiscal year, the amended budget shall be furnished to each member at least ten (10) days prior to any meeting that will cause a vote on approval of the amended budget. Non-budgeted expenditures shall not be made without an amendment to the budget. Such amendments shall be approved by a majority of the members at a Special Meeting called for that purpose.

Section 13.03. Funds. The depository of the Association shall be such financial institution(s) as shall be designated from time to time by the Board and in which monies of the Association shall be deposited. Withdrawal of monies from such accounts shall only be by checks signed by such persons as are authorized by the Bylaws.

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ARTICLE 14 Books and Records

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE 15 Amendment

These Bylaws may be amended in the following manner:

Section 15.01. Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

Section 15.02. Resolution. A resolution adopting a proposed amendment shall be proposed by either the Board or by the Members of the Association. Directors and Members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the Secretary at, or prior to, the meeting. Except as elsewhere provided, such approvals must be by at least two-thirds (2/3rds) of the Board and by at least two-thirds (2/3rds) of the votes of the entire membership of the Association.

Section 15.03. Effective. A copy of each amendment shall be certified by the President and Secretary of the Association. The effective date shall be as stated in the amendment proposal.

Section 15.04. Conflict. In the case of any conflict between the Declaration and these By-laws, these By-Laws shall control.

ARTICLE 16 Fiscal Year

The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

I certify that this a complete and accurate copy of the By-Laws of the Chestnut Glen Homeowners Association, Inc. as approved at the first General Meeting of the Association on March 29th, 2007.

Gerald Eaker,

President

AMENDMENTS TO THE CGHOA BY-LAWS

ARTICLE 7 Meeting of Members

Section 7.01

- a. A general meeting of all members of the Association shall be held not less than two times yearly, every six months, or as required by the executive board.

ARTICLE 7 Meeting of Members

Section 7.05. Quorum. At any annual or special meeting the presence of Members or of proxies entitled to cast one-fourth (1/4) of all votes of the membership shall constitute a quorum. At the first such meeting called, the presence of Members or of proxies entitled to cast one-fourth (1/4) of all votes of the membership shall constitute a quorum. If a quorum is not present, another meeting may be called and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than ten (10) days following the preceding meeting.

ARTICLE 10 Meeting of Directors

Section 10.01. Regular Meetings. Regular meetings of the Board shall be held at least two times yearly, every six months, and at such place and hour as may be fixed from time to time by resolution of the Board. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

ARTICLE 13 Fiscal management

Section 13.01. Budget. The Board of directors shall propose an Operating and Capital Expenditure Budget for each fiscal year which shall, at a minimum, include estimated common expenses, including a reasonable amount for contingencies and reserves less the unneeded fund balances on hand. Copies of the proposed budget and resulting member assessments shall be transmitted to each member on or before October 1st preceding the year for which the budget has been developed. The budget and assessment proposals shall be presented to the members at the Annual Meeting. If the budget is not approved by one-fourth (1/4) of the total membership of the Corporation, the current budget and assessment will continue in effect until such time that a new budget and assessment are approved by the membership.

I certify that this is a complete and accurate copy of the Amendments to the By-Laws of the Chestnut Glen Homeowners Association, Inc. as approved by the Members as of March 10, 2014.

Carol Christell, President

Kim Storey, Secretary

