

WALNUT BEND PROPERTY OWNERS ASSOCIATION, INC.

BYLAWS Amended 12-14-2019

GENERAL PROVISIONS

Section 1. Applicability. These Bylaws are established pursuant to the Tennessee Nonprofit Corporation Act, Tennessee Code Annotated Section 48-51-101, et seq. (the“Act”) and are applicable to the Walnut Bend Property Owners Association (the “Association”); and are binding on all present and future owners, and occupants of any lots in Walnut Bend pursuant to the Amedended Declaration of Easements, Permits, Covenants, Conditions and Restriction for the Plat of Walnut Bend recorded in the Register’s Office for Hawkins County in Record Book 783, page 200 and subsequent amendments.

ARTICLE I

MEMBERS’ MEETINGS/VOTING

Section 1. Procedure. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board of Directors. Voting shall be as provided in these Bylaws. Meetings of the Association shall be conducted in accordance with Robert’s Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with any Articles of Incorporation, these Bylaws, the Declaration or the laws of the State of Tennessee.

Section 2. Meetings. The first meeting of the members of the Association shall be held no later than November 25, 2006. The date, time and place of the first meeting shall be set by the Board of Directors, and at least ten (10) days’ written notice thereof shall be given to each member. Thereafter, annual meetings of the members of the Associaiton shall be held in each succeeding year during the fourth quarter of the year at such time and place as shall be determined by the Board of Directors. At such meetings, there shall be elected by the ballot of the members a Board of Directors in accordance with the requirements of Article III of these Bylaws. The members may also tansact at annual meetings such other business of the Association as may properly come before them. The President shall preside at all meetings of the Association.

Section 3. Special Meetings. Special meetings of the members of the Association shall be held as directed by the Board of Directors, and at least ten (10) days’ written notice thereof shall be given to each member.

Section 4. Notice. It shall be the duty of the Secretary (or other Association officer designated by the President in the Secretary’s absence) to serve a notice of each annual, special or

other meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each member of record, at least ten (10) days, but not more than sixty (60) days, prior to such meeting. The mailing, postage prepaid, of a notice to each member or representative of each member at the address given by the member to the Secretary of the Association or delivering the notice to the member personally, shall be deemed notice serviced. Written notice is effective when received if personally delivered, or when notice is mailed first class postage prepaid, 5 days after its deposit in the United States mail. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice. If the meeting notice contains any item(s) requiring a vote of the members a proxy shall be mailed along with the meeting notice.

Section 5. Adjournment. If any meeting of the members cannot be held because a quorum (defined as more than 50% of the Lot Owners) is not in attendance, the members who are present may adjourn the meeting for not more than thirty (30) days.

Section 6. Attendance Via Conference Telephone or Similar Communications Equipment. A member may attend and participate in a meeting of members via a conference telephone or similar communications equipment by which all persons participating in the meeting may hear each other; provided that all participants are advised of the communications equipment and the names of the participants in the conference are divulged to all participants. Such participation by a member in a meeting shall constitute presence in person at the meeting.

Section 7. Voting. Each member (specifically in this instance not to include any lessee) shall be eligible to cast one vote for each Lot in the Plat of Walnut Bend owned. Votes may be cast in person or by proxy. Proxies must be filed with the secretary at or before the time of each meeting. A member may designate any other eligible property owner or officer of the association to act as proxy. The designation of any proxy shall be made in writing, signed by the member, and unless limited by its own terms, shall be revocable by written notice to the secretary. Proxy votes must be presented at the annual voters' meeting.

if more than one person or entity shall own a lot, and agree on their vote, then the majority of the owners of the lot shall be entitled to cast the vote, or if no majority position can be arrived at, the president shall declare the vote a nullity.

SECTION 8. SUSPENSION OF MEMBERSHIP AND VOTING RIGHTS. during any period in which an owner of any lot shall be in default of any payment of any assessment, annual, special or otherwise, then the member shall not be entitled to vote or use the common areas or facilities until such time as the default is cured or the suspension has ended.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Number. The affairs of the Association shall be governed by a Board of not less than three (3) or more than five (5) Directors, all of whom, except for the directors appointed by the Developer, must be members of (or directors or officers or partners of members of) the Association. Notwithstanding the foregoing, the first Board of Directors designated by the Developer may consist of any persons including non-members. Directors shall serve without compensation.

Section 2. Terms, Vacancies and Removal. Directors shall be elected at the annual meeting of the members of the Association. The terms for which all Directors serve will expire concurrently. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by vote of the members of the Association shall be filled by vote of the majority of remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association to act for the unexpired term of his predecessor.

At any regular or special meeting of the members of the Association duly called, any one or more of the Directors may be removed with or without cause by a majority of the members and a successor may then and there be elected by the members to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

Section 3. Powers. The Board of Directors shall have the powers and duties which are usually vested in the Board of Directors of a corporation.

Section 4. Initial Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days after its election at such place as shall be fixed by the Directors at the meetings at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 5. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least one (1) such meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or electronic mail, at least ten (10) days prior to the date named for such meeting.

Section 6. Special Meetings. Special meetings of the Board of Directors may be called by the President on not less than seven (7) days' notice to each Director, given personally or by mail, telephone or electronic mail, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of three Directors.

Section 7. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be deemed a waiver of notice by him of the time and place thereof unless his appearance is

for the purpose of protesting the holding of such meeting. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 8. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business. If at any meeting of the Board of Directors there be less than a quorum present, the Directors present at a meeting may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for purposes of determining a quorum, but no proxies shall be permitted.

Section 9. Bonding. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

Section 10. Procedure for Election of Directors. Any member may nominate any other member including themselves to service on the Board of Directors of the Association pursuant to timely notice in writing or by electronic mail to the President or Secretary of the Association. A member's notice of nomination must be received by the Association Secretary no later than 30 days prior to the designated meeting and shall contain the name, residence address, Walnut Bend lot number, electronic mail address (if any) and telephone number of such person and may contain additional biographical information if so desired. The Secretary shall include the information with the ballots when sent to the members.

Section 11. Vote Required to Elect Directors. Election of Directors at all meetings of the members at which Directors are to be elected shall be by official secret ballot sent out by the Secretary. Ballots returned up to the day and time prior to adjournment of the meeting of the members at which Directors are to be elected either in person or by mail shall be accepted.

The Board of Directors shall establish guidelines for methods of maintaining voter confidentiality and fairness to include, but not be limited to:

- A) Ensuring that proxies are received, recorded and security retained by the Secretary.
- B) Designating a minimum number of members to count the ballots.
- C) Guidelines regarding the order of candidates appearing on the ballots so that no name appears first or last on every ballot.

ARTICLE III

OFFICERS

Section 1. Designation. The officers of the Association shall be a President, Secretary and Treasurer, who shall all be members of the Board of Directors.

Section 2. Election. The officers of the Association shall be elected annually by the Board of Directors no later than 14 days after the annual meeting of the members of the association. All officers shall be members of the association, and no person shall hold more than one office.

Section 3. Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called in whole or in part for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. The President shall preside at meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of President of a corporation, including, but not limited to, the power to appoint committees from among the members of the Association from time to time may be deemed appropriate to assist in the conduct of the affairs of the Association.

Section 5. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; the Secretary shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct and shall, in general, perform all duties incident to the office of the Secretary.

Section 6. Treasurer. The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements, specifying the operating expenses clearly, in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories as may, from time to time, be designated by the Board of Directors. The Treasurer shall ensure that expenditures for the maintenance and repair of Common Lands and any other expenses incurred by or in behalf of the Association are properly recorded. The Treasurer shall prepare and distribute to each member at least once per year the Association financial statement. This subsection is not subject to amendment.

Section 7. Other Duties. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors. no officer shall receive any compensation from the association for acting as such. However, any officer shall be reimbursed for any reasonable and necessary expenses incurred on behalf of the association.

ARTICLE IV

SEAL

Section 1. Description. If so determined by the Board of Directors, the Association shall have a seal which shall have inscribed thereon the name of the Corporation, and the words (“Corporate Seal” and “Tennessee”).

ARTICLE V

FINANCE

Section 1. Handling. The finances of the Association shall be handled in accordance with the Bylaws.

Section 2. Fiscal Year. The fiscal year of the Association shall be an annual period commencing on January 1. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

Section 3. Depository. The funds of the Association shall be deposited in such bank(s) as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time.

ARTICLE VI

INDEMNIFICATION

Section 1. A volunteer director of the corporation shall not be personally liable to the Association or its members for monetary damages for a breach of fiduciary duty as a Director, except for liability:

- (a) For a breach of the director’s duty of loyalty to the corporation or its members;
- (b) For acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- (c) For any violation of Tennessee law;
- (d) For any transaction from which the director derived an improper personal benefit; and
- (e) For an act or omission that is grossly negligent.

Section 2. The Association assumes all liability for all acts or omissions of a nondirector volunteer occurring after the date at which the Declaration is recorded in the Office of the Hamblen County (Tennessee) Register of Deeds, provided that all of the following conditions are met:

- (a) The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority;
- (b) The volunteer was acting in good faith;
- (c) The volunteer's conduct did not amount to gross negligence nor willful and wanton misconduct;
- (d) The volunteer's conduct was not an intentional tort.

ARTICLE VII

AMENDMENTS

Section 1. Method. These Bylaws may be amended by the Association, at a duly constituted meeting for such purpose, by an affirmative vote of a simple majority of the members present in person or by proxy.

Section 2. Proposed. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third or more in number of the members of the Association whether meeting as members or by instrument in writing signed by them.

Section 3. Meeting. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of Article I of these Bylaws.

Section 4. Amendments Prior to Initial Meeting. Prior to the first meeting of members, these Bylaws may be amended only by the Board of Directors of the Association upon the motion of a Director, so long as such amendments shall not increase or decrease the benefits or obligations, or materially affect the rights, of any member of the Association.

Section 5. Effective Date. Any amendment to these Bylaws shall become effective upon adoption of the same in accordance with Section 1 or 4 of this Article VII.

Section 6. Distribution. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption, but failure to make such distribution shall not affect the validity of any amendment otherwise duly adopted.

ARTICLE VIII

COMPLIANCE

In the case whereby any of these Bylaws conflict with the provisions of applicable law, the Declaration or the Articles of Incorporation, the provisions of the applicable law, the Declaration and the Article of Incorporation shall be controlling in that order.