

AMENDED AND RESTATED BY-LAWS of CHELAQUE HOMEOWNERS' ASSOCIATION, INC.

The following Amended and Restated By-Laws were adopted by the Chelaque Homeowners' Association, Inc. ("Association") on the 12th day of March, 2018, and supersede all prior By-Laws which are hereby repealed.

INTRODUCTION

The name of the corporation is Chelaque Homeowners' Association, Inc. Meetings of Members and Directors may be held at such places within the State of Tennessee as may be designated by the Board of Directors.

ARTICLE I.

APPLICATION OF BY-LAWS

All present and future Owners, Mortgagees, Lessees and Occupants of lots and their guests, invitees, employees, and any other person who may use the facilities of Chelaque in any manner, are subject to these By-Laws, and all Rules and Regulations made pursuant thereto.

The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a lot shall constitute an agreement that these By-Laws (and all Rules and Regulations made pursuant hereto) are accepted, ratified, and will be complied with.

ARTICLE II.

DEFINITIONS

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

Section 2. "Properties" shall mean and refer to that certain real property situated in the Second Civil District of Hawkins County, Tennessee on Cherokee Lake and known as Chelaque, a development consisting of six hundred forty (640) acres, more or less.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

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

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to and lot which is a part of the Properties.

Section 6. "Declarant" shall mean and refer to Red Creek Ranch, Inc., d.b.a. Chelaque Estates, its successors and assigns.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of Hawkins County Register of Deeds.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 9. "Council of Owners" shall mean and refer to the membership as a whole.

ARTICLE III.

BOARD OF DIRECTORS

The affairs of the Council of Owners shall be conducted by a board of nine (9) Directors elected at the first annual meeting, the interim Board consisting of the Declarant and two (2) other persons.

- A. Election:** At each annual meeting, subject to the provisions of sub-paragraph hereof, the Owners shall elect a Board of Directors for the forthcoming year, provided, however, the first Board of Directors shall consist of three (3) members and may be elected at a special meeting duly called, said Board of Directors to serve until the first annual meeting held thereafter. At least sixty (60) days prior to any annual meeting, the nominating committee established by the Board shall recommend to the annual meeting a minimum of one nominee for each position on the Board of Directors to be filled at that particular annual meeting. Members of the Board of Directors shall be required to be lot owners.

Election to the Board of Directors shall be by written mail-in ballot. At such election, the Members may cast as many ballots as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected.

- B. Term:** Members of the Board of Directors shall serve for a term of three (3) years. At the expiration of the term of each initial Director, his successor shall serve for a three (3) year term and thereafter the term of one-third (1/3) of the Directors shall expire annually. The members of the Board of Directors shall serve until their respective terms expire and their successors are elected, or until their death, resignation, or removal.

- C. Resignation; Removal; Death of Director:** A Director may resign at any time by delivering written notice to the Board or the President of the Board. The resignation is effective when the notice is effective unless the notice specifies a later effective date. If the resignation is made effective at a 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.

Whenever there shall occur a vacancy on the Board of Directors due to death, resignation or removal, the remaining members of the Board of Directors shall appoint another Director to serve until the next annual meeting of the Owners at which time said vacancy shall be filled for the unexpired term.

The Members may remove one or more Directors elected by the Members with or without cause. A Director elected by the Members may be removed by the Members at a meeting called for the purpose of removing the Director or at an annual meeting. The meeting notice must state that purpose or one of the purposes of the meeting is the removal of the Director. The Board may remove a Director without cause who has been appointed by the Board by a vote of two-thirds (2/3rds) of the Directors then in office.

- D. Authority of the Board of Directors:** The Board of Directors, for the benefit of the Council of Owners, shall enforce the provisions of the By-Laws and Rules and Regulations governing the Property and shall acquire and shall pay for, out of the Common Expense Fund hereinafter provided for, the following:
1. Utility and telephone service for the Common Area;
 2. Maintenance of and insurance for the Common Area and Common Area improvements;
 3. Liability insurance which shall not be less than One Million Dollars (\$1,000,000) for any person injured, for any one accident, and shall not be less than One Hundred Thousand Dollars (\$100,000) for property damage for each occurrence (such limits and coverage to be reviewed at least annually by the Board of Directors and increased at its discretion). Said policy or policies shall be issued on a comprehensive liability basis;
 4. Workers' Compensation Insurance to the extent necessary to comply with any applicable laws;
 5. The services of a Manager to manage its affairs to the extent deemed advisable by the Board of Directors, as well as such other personnel as the Board shall determine shall be necessary or proper for the operation of the Common Area, whether such personnel are employed directly by the Board of Directors or are furnished by the Manager;
 6. Legal and accounting services necessary or proper in the conduct of the business of the Board of Directors and the operation of the Common Area;

7. A fidelity bond naming the manager, and such other persons as may be designated by the Board of Directors as principals and the Owners as obligee, in an amount determined by the Board;
8. Any other materials, supplies, labor, services, maintenance, repairs, insurance, taxes or assessments which the Board of Directors is required to secure or pay for pursuant to the terms of these By-Laws or which, in its opinion, shall be necessary or proper for the operations of the Common Area.

ARTICLE IV.

MEETINGS OF DIRECTORS

Section 1. **Regular Meetings:** Regular Meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. **Special Meetings:** Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days notice to each Director.

Section 3. **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.

Section 4. **Action by Consent:** 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 at a meeting of the Directors.

Section 5. **Parliamentary Rules:** Robert's Rules of Order (latest edition) shall govern the conduct of all meetings.

Section 6. **Compensation:** No Director shall receive compensation for any services rendered to the Association. However, any Director may be reimbursed for pre-approved expenses incurred in the performance of his duties.

ARTICLE V.

MANAGEMENT POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. **Powers:** The Board of Directors shall have power to:

- A. adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon;
- B. suspend the voting rights and right to use of the recreational facilities of a Member during a 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. No such notice or suspension shall take effect until at least fifteen (15) days prior thereto to written notice of expulsion, suspension or termination and the reasons therefore are given to such Member or Members and an opportunity for such Member or Members to be heard orally or in writing not less than five (5) days before the effective day of the expulsion, suspension or termination before such person or persons to decide the proposed expulsion, suspension or termination. Said written notice will be given to the last address furnished the Association by such Member or Members and shall thus constitute sufficient notice pursuant thereto;
- C. exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Membership by other provisions by these By-Laws, the Charter of Incorporation, or the Declaration;
- D. declare the office of a member of the Board of Directors to be vacant in the event such members shall be absent from three (3) consecutive regular meetings of the Board of Directors.
- E. employ a manager, an independent contractor, or other such employee as they deem necessary, and prescribe their duties.
- F. perform all such other matters as are reasonably required to properly operate and conduct the business of Chelaque Homeowners' Association, Inc.

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

- A. cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4th) of the Members who are entitled to vote;
- B. supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- C. as more fully provided in the Declaration, to:
 - 1. fix the amount of the annual assessment against each lot in advance of each annual assessment period;
 - 2. send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment due date; and
 - 3. at its option, foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the owner personally obligated to pay same.
- D. issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- E. procure and maintain adequate liability insurance (see Article III, Section D, 3) and hazard insurance on Common Area improvements;
- F. cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- G. cause the Common Area to be maintained.

ARTICLE VI.

OFFICERS AND THEIR DUTIES

Section 1. **Enumeration of Officers:** The officers of the Association shall be a President and Vice-President who shall at all times be members of the Board of Directors, a Secretary, a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. **Election of Officers:** The election of officers shall take place at the meeting of the Board of Directors following each annual meeting of the Members.

Section 3. **Term:** The officers of this Association shall hold office for one (1) year unless such officer shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. **Special Appointment:** 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 5. **Resignation and Removal:** Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. **Vacancies:** A vacancy in any office may be filled by appointment of the Board. The officers appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. **Multiple Offices:** The offices of the 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 4 of this article.

Section 8. **Duties:** The duties of the officers are as follows:

- A. **President:** The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; and shall co-sign all checks over the amount specified by Policy drawn on the accounts of the Association.
- B. **Vice-President:** The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- C. **Secretary:** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; and shall perform such other duties as required by the Board.
- 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 of Directors; shall sign all checks drawn on the accounts of the Association; keep proper books of accounts; prepare an annual budget; and keep appropriate current records showing the Members of the Association together with their addresses. A statement of income, expenditures and balance sheet will be presented to the Membership at its regular annual meeting.

ARTICLE VII.

BOOKS AND RECORDS

Association books and records shall be provided as set forth in Article VII of the Declaration and according to the requirements of Tennessee law.

ARTICLE VIII.

MEETING OF MEMBERS

Section 1. **Annual Meetings:** The first annual meeting of the Members shall be held within one year from the date of the first sale of a lot, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. **Special Meetings:** Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of at least ten percent (10%) of all the votes entitled to be cast on any issue.

Section 3. **Notice of Meetings:** 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 at least forty-five (45) days before such meeting to each Member entitled to vote at same. The notice shall be addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association. Such notice shall specify the place, date and hour of the meeting and a description of any matter or matters which must be considered for approval by the Members as provided or pursuant to TCA 48-57-105(c)(2) or otherwise.

Section 4. **Quorum:** The presence at the meeting of ten (10) percent of the Members entitled to vote shall constitute a quorum for any action except as otherwise provided in the Charter of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

ARTICLE IX.

RULES AND REGULATIONS

The Board of Directors shall have the right to adopt and amend rules and regulations, governing the details of the operation, use, and maintenance of the Common Areas. Copies of the Rules and Regulations shall be furnished to each Owner.

ARTICLE X.

SEVERABILITY

The provisions hereof shall be deemed independent and severable, and the validity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

ARTICLE XI.

GENDER

The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural, wherever the context requires.

ARTICLE XII.

CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference and do not define, limit, or describe the scope of these By-Laws or the intent or any provision hereof.

ARTICLE XIII.

USE OF COMMON ELEMENTS AND FACILITIES

An Owner shall not place or store or cause to be placed or stored on the Common Areas any vehicles, furnishings, furniture, packages or objects of any kind except with the written consent of the Board of Directors or the Manager.

ARTICLE XIV.

ASSESSMENTS

Assessments shall be due and payable as set forth in the Declaration.

ARTICLE XV.

AMENDMENTS

Section 1. These By-Laws may be amended at a regular or special meeting by a majority of the voting power of the Members or by two-thirds (2/3) of the actual votes cast, whichever is less, except any amendment relating to dues required for Membership and which establishes or changes a specific amount for dues shall be approved by a majority of the Members and voting. Further, same may be amended by a majority vote of a quorum meeting of the Board of Directors unless the Members in amending or repealing a particular by-law provide expressly that the Board of Directors may not amend or repeal that by-law.

Section 2. In the case of any conflict between the Charter of Incorporation, these By-Laws, and the Declaration, the Declaration shall be of first priority, the Charter of Incorporation of second priority, and these By-Laws of last priority.

ARTICLE XVI.

FEDERAL, STATE AND LOCAL LAW/REGULATIONS

The Association, Owners, Members and other persons or entities on the premises of Chelaque Estates shall observe and comply with all applicable laws, statutes, codes, ordinances, orders, judgments, decrees, injunctions, regulations and other governmental authorities relating to or applicable to Chelaque Estates. The Association shall in no way be deemed responsible for any act or omission by any Owner, Member, or other person or entity in violation of this Article and shall indemnify and hold harmless the Association from violations of this Article.

ARTICLE XVII.

MISCELLANEOUS

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

The Board of Directors of the Association adopted these Amended and Restated By-Laws by a vote of seven (7) in favor and zero (0) opposed at a duly called meeting with quorum present on the 12th day of March, 2018.

IT IS SO CERTIFIED,

Cher Lindenmuth, Secretary

ATTEST:

Tracy Brueggeman, President