

PREPARED BY:
LAWRENCE F. COUNTS
ATTORNEY-AT-LAW
801 Sunset Drive, Suite E-1
Johnson City, TN 37604

BY-LAWS

for the

CHAROLAIS HILLS SUBDIVISION HOMEOWNER'S ASSOCIATION, INC.,
PHASE I AND PHASE II

ARTICLE I

Members (Lot Owners)

Section 1. Eligibility. The members of the Charolais Hills Subdivision Homeowner's Association, Inc., a Tennessee nonprofit corporation (the "Association"), shall consist of the respective Lot Owners of the Charolais Hills Subdivision (the "Property"), in accordance with the respective percentages of ownership interest in the Common Elements of the Property owned by the respective Lot Owners. These and other terms are used in these Bylaws as they are defined in the Restrictive Covenants for Charolais Hills Subdivision, which Restrictions are recorded in the Register's Office for Washington County, Tennessee in Roll 1068, Image 2222 and Roll 1093, Image 2724. The words "member" or "members" as used in these Bylaws mean and shall refer to "Lot Owner" or "Lot Owners," as the case may be, as defined in the Restrictions. If a Lot Owner is a land title holding trust under the terms of which all powers of management, operation and control of the Lot remain vested in the trust beneficiary, then the member shall be said beneficiary of such trust.

Section 2. Succession. The membership of each Lot Owner shall terminate when such Owner ceases to be a Lot Owner, and upon the sale, transfer or other disposition of such Owner's ownership interest in the Property, such Owner's membership in the Association shall automatically be transferred to the new Lot Owner succeeding to such ownership interest.

Section 3. Annual Meetings. The annual meeting of Lot Owners shall be held at the time and place specified in the notice of such meeting, but such place shall be within five (5) miles of the Property. The annual meeting of Lot Owners shall be held on the sixtieth (60th) day following the end of the Association's fiscal year of each and every year, if not a legal holiday, and if a legal holiday, then on the next succeeding business day not a legal holiday. At the annual meeting, the Lot Owners shall elect Directors, receive reports on the activities and financial condition of the Corporation, and transact such other business as may properly come before the meeting.

Section 4. Special Meetings. The Association shall hold a special meeting of its Lot Owners upon the call of the Board of Directors or the President, or upon the written demand(s) to the Secretary by Lot Owners holding at least ten (10%) percent of all votes entitled to be cast on any issue to be considered at the proposed special meeting. Any call or demand for a special meeting shall describe the purpose(s) for which the special meeting is to be held. Only business within the purpose(s) described in the meeting notice for the special meeting may be conducted at such meeting.

ROLL/IMG: 1093/2730-2743
22005151

14 PGS:AL-BY-LAWS	
MITZI BATCH: 286036	03/16/2022 - 11:12 AM
VALUE	
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	0.00
ARCHIVE FEE	70.00
DP FEE	0.00
REGISTER'S FEE	2.00
TOTAL AMOUNT	0.00
	72.00
STATE OF TENNESSEE, WASHINGTON COUNTY	
TERESA H. BOWMAN	
REGISTER OF DEEDS	

Section 5. Notice of Meetings. The Association shall notify its Lot Owners of the date, time and place of each annual and special meeting of Lot Owners no fewer than ten (10), nor more than forty-five (45), days before the meeting date. The notice of a meeting shall also contain such other information which may be required by these Bylaws.

Section 6. Waiver of Notice. A Lot Owner's attendance at a meeting:

- (a) Waives objection to lack of notice or defective notice of the meeting unless the Lot Owner at the beginning of the meeting (or promptly upon arrival) 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(s) described in the meeting notice, unless the Lot Owner objects to considering the matter when it is presented.

Section 7. Voting. The aggregate number of votes of all Lot Owners shall be equal to the total of all Lots which are subject to the Restrictive Covenants and as shown on the recorded plats of record for Charolais Hills Subdivision, and shall be divided among the respective Lot Owners with one (1) vote allocated to each Lot. If any Lot Owner consists of more than one (1) person, the voting rights of such Lot Owner shall not be divided but shall be exercised as if the Lot Owner consisted of only one (1) person in accordance with the proxy or other designation made by the persons constituting such Lot Owner. A "majority of the Lot Owners" means the owners of more than fifty percent (50%) of the voting rights of the Lot Owners.

The Developer may exercise the voting rights with respect to Lots owned by Developer; however, the Developer shall transfer control of the Association to the other Lot Owners no later than the earlier of:

- (a) within four (4) months after one hundred (100%) percent of the Lots in the project have been conveyed to other Lot Owners; or
- (b) seven (7) years after the first Lot is sold; or
- (c) as such time as the developers shall deem appropriate.

If control must be transferred because of the occurrence of (b) just above, the Developer's number of votes for Lots owned shall be appropriately reduced so that control of the Association is effectively transferred.

Notwithstanding the foregoing, no Lot Owner who is in default in the payment of assessments hereunder shall be entitled to exercise the right to vote until the Owner has cured such default. A Lot Owner shall be deemed to be in default if such Owner has not paid his or her assessments to the Board, or their agent, within ten (10) days after the date such assessments are due. A Lot Owner may protest the amount of the assessment, but it still must be paid during the period pending the protest to the Board.

Section 8. Quorum. Unless otherwise required by law, a majority of the votes entitled to be cast by Lot Owners must be represented at any meeting of the Lot Owners to constitute a quorum on that matter. If, however, such quorum is not represented at any such meeting, the Lot Owners present at the meeting in person or represented by proxy shall have the power to adjourn from time to time without notice other than announcement at the meeting, until the requisite quorum is present or

represented, when any business may be transacted which might have been transacted at the meeting as provided in the original notice.

Section 9. Voting Requirements. Except as otherwise provided in these Bylaws or the Subdivision Restrictions, action on any matter voted upon at a meeting of the Lot Owners is approved if a majority of the Lot Owners vote in favor of the action. However, Directors shall be elected by a plurality of the votes cast by the Lot Owners entitled to vote in the election at a meeting of the Lot Owners at which a quorum is present

Section 10. Action by Written Consent. Action that is required or permitted to be taken at a meeting of the Lot Owners may be taken without such a meeting if all Lot Owners entitled to vote on the action consent to taking such action without a meeting. If all of such Lot Owners so consent, the affirmative vote of the number of votes that would be necessary to authorize or take such action at a meeting shall be the act of the Lot Owners, except as otherwise provided in these Bylaws. Such consent (or counterpart(s) thereof) shall describe the action taken, be in writing, be signed by each Lot Owner entitled to vote on the action, indicate each signing Lot Owner's vote or abstention on the action, and be delivered to the Secretary of the Association and included in the minutes or Association records.

Section 11. Action by Written Ballot. Any action that may be taken at any annual or special meeting of Lot Owners may be taken without a meeting if the Association delivers a written ballot to every Lot Owner entitled to vote on the matter. The written ballot shall set forth each proposed action and shall provide an opportunity to vote for or against each proposed action. Approval by written ballot 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. All solicitations for votes by written ballot shall:

- (a) Indicate the number of responses needed to meet the quorum requirements;
- (b) State the percentage of approvals necessary to approve each matter other than election of Directors; and
- (c) Specify the time by which the ballot must be received by the Association in order to be counted.

ARTICLE II

Board of Directors

Section 1. Number, Election and Term of Office. The Board of Directors of the Association (referred to in the Horizontal Property Act of the State of Tennessee as the "board of administration," and sometimes referred to herein as the "Board") shall consist of five (5) persons (hereinafter referred to as "Directors"). Directors shall be elected at the annual meeting of Association's Lot Owners by the vote of Lot Owners as hereinafter provided, except that the Developer shall appoint the interim Board of Directors ("Interim Board") until the first meeting. At the first meeting, the Lot Owners shall, among other business, elect four (4) members of the first Board of Directors ("First Board"). Those candidates for election as Director receiving the greatest number of votes cast either in person, or by proxy, at the meeting shall be elected. Directors, except for members of the First Board, Interim Board, shall hold office for the term of two (2) years and until his or her successor

shall be elected and qualified. Two (2) members of the First Board shall hold office until the second annual meeting of the Association's Lot Owners, one (1) member of the First Board shall hold office until the third annual meeting of the Association's Lot Owners, and one (1) member of the First Board shall hold office until the fourth annual meeting of Association's Lot Owners.

Section 2. Qualification. Except for those persons making up the Interim Board, each Director shall be a Lot Owner or the spouse of a Lot Owner (or, if a Lot Owner is a trustee of a trust, a Director may be a beneficiary of such trust, and if a Lot Owner or such a beneficiary is a corporation or partnership, a Director may be an officer, partner or employee of such Lot Owner or beneficiary). If a Director shall cease to meet such qualifications during his term, such Director shall cease to be a Director and his or her place on the Board shall be deemed vacant.

Section 3. Regular Meetings. Except as otherwise provided herein, regular meetings of the Board of Directors may be held without notice at such time and place as the Board of Directors shall determine from time to time, but no less frequently than once a year.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by the President or by any two (2) Directors.

Section 5. Notice of Meetings. Except as otherwise provided herein, regular meetings of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting. Except as otherwise provided herein, special meetings of the Board of Directors must be preceded by at least two (2) days' notice to each Director of the date, time and place, but not the purpose, of such special meeting. Notice of any 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 one (1) month in any one (1) adjournment.

Section 6. Waiver of Notice. If a Director attends or participates in a meeting, he or she waives any required notice to him or her of the meeting unless the Director at the beginning of the meeting (or promptly upon arrival) 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 7. Quorum and Voting. A quorum of the Board of Directors consists of a majority (but no fewer than two (2)) of the Directors then in office before a meeting begins. If a quorum is present when a vote is taken, the affirmative vote of a majority of the Directors present is the act of the Board of Directors, except as otherwise provided in these Bylaws.

Section 8. Vacancy. If a vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of Directors or a vacancy resulting from a removal of a Director with or without cause:

- (a) The Lot Owners may fill the vacancy;
- (b) The Board of Directors may fill the vacancy; or
- (c) If the Directors remaining in office constitute fewer than a quorum of the Board, they may fill the vacancy by the affirmative vote of a majority of all Directors remaining in office.

Any Director elected to fill a vacancy shall hold office for a term equal to the unexpired term of the Director succeeded.

Section 9. Removal of Directors. The Lot Owners may remove any one (1) or more Directors, with or without cause, at any special meeting that is specifically called for that purpose.

Section 10. Action Without Meeting. Action that is required or permitted to be taken at a meeting of the Board of Directors may be taken without such a meeting if all Directors consent to taking such action without a meeting. If all Directors so consent, the affirmative vote of the number of Directors that would be necessary to authorize or take such action at a meeting shall be the act of the Board, except as otherwise provided in these Bylaws. Such consent(s) shall describe the action taken, be in writing, be signed by each Director entitled to vote, indicate each signing Director's vote or abstention on the action, and be delivered to the Secretary of the Association and included in the minutes filed with the Association's records.

Section 11. Indemnification. With respect to claims or liabilities arising out of service as a Director of the Association, the Association shall indemnify and advance expenses to each present and future Director (and his or her estate, heirs, and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.

Section 12. Immunity. To the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended, each present and future Director (and his or her estate, heirs, and personal representatives) shall be immune from suit arising from the conduct of the affairs of the Association.

Section 13. Compensation. Directors shall receive no compensation for their services as Directors, unless expressly provided for in resolutions duly adopted by the Lot Owners.

Section 14. Powers and Duties. The Board shall have the following powers and duties:

- (a) to elect and remove the officers of the Association as hereinafter provided;
- (b) to administer the affairs of the Association and the Property;
- (c) to engage the services of an agent (hereinafter sometimes called the "Managing Agent") to maintain, repair, replace, administer and operate the Property or any part thereof for all of the Lot Owners, upon such terms and for such compensation and with such authority as the Board may approve; [provided, however, that the First Board, appointed as provided herein, shall ratify and approve the Management Agreement between the Developer, on behalf of the Association, and a management corporation, to act as Managing Agent for the Property for a term as approved by said First Board, but not to exceed one (1) year, [and in accordance with Section 29(h) of the Master Deed];] provided further, that the Board shall not have the authority to adopt any form of management of the Property which excludes professional management by an independent agent;
- (d) to formulate policies for the administration, management and operation of the Property and the Common Elements thereof;
- (e) to adopt rules and regulations, with written notice thereof to all Lot Owners, governing the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time to time;

(f) to provide for the maintenance, repair, and replacement of the Common Elements and payments therefore, and to approve payment vouchers or to delegate such approval to the officers or the Managing Agent;

(g) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements, and to delegate any such powers to the Managing Agent;

(h) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;

(i) to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable, but only as allowed by law;

(j) to estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Lot Owners their respective shares of such estimated expenses, as hereinafter provided;

(k) to resolve or mediate disputes, conflicts or problems between Lot Owners;

(l) when necessary, to interpret the rules and regulations of the Association and the Master Deed;

Section 15. Non-Delegation. Nothing in this Article or elsewhere in these Bylaws shall be considered to grant to the Board, the Association or to the officers of the Association any powers or duties which, by law, have been delegated to the Lot Owners.

ARTICLE III

Officers

Section 1. Designation. At each regular meeting, the Directors present at said meeting shall elect the following officers of the Association by a majority vote, provided a quorum exists:

(a) a President, who shall be a Director and who shall preside over the meetings of the Board and of the Lot Owners, and who shall be the chief executive officer of the Association;

(b) a Secretary, who shall keep the minutes of all meetings of the Board and of the Lot Owners, and who shall, in general, perform all the duties incident to the office of Secretary, and who may be a representative of the Managing Agent;

(c) a Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported; and

(d) such additional officers as the Board shall see fit to elect.

Section 2. Powers. The respective officers shall have the general powers usually vested in such officers; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

Section 3. Term of Office. Each officer shall hold office for the term of one (1) year and until a successor shall have been appointed or elected and qualified.

Section 4. Vacancies. Vacancies in any office shall be filled by the Board by a majority vote of the remaining Directors at a special meeting of said Board. Any Director so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer succeeded.

Section 5. Compensation. The officers shall receive no compensation for their services as officers, unless expressly provided for in a resolution duly adopted by the Lot Owners.

Section 6. Removal. The Board of Directors may remove any officer at any time with or without cause.

Section 7. Indemnification. With respect to claims or liabilities arising out of service as an officer of the Association, the Association shall indemnify and advance expenses to each present and future officer (and his or her estate, heirs and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.

ARTICLE IV

Assessments

Section 1. Annual Budget. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated common expenses and cash requirements for the year, including but not limited to salaries, wages, payroll taxes, legal and accounting fees, working capital fund, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, and all other common expenses. To the extent that the assessments and other cash income collected from the Lot Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account. The annual budget shall also take into account any estimated net available cash income for the year from the lease, operation or use of the Common Elements. The annual budget shall provide for a reserve for contingencies for the year and a reserve for replacements, in reasonable amounts as determined by the Board.

Section 2. Assessments. The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each Lot Owner, not later than thirty (30) days prior to the beginning of such year. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Lot Owner shall pay, as such Owner's respective monthly assessment for the common expenses, one-twelfth (1/12) of such Owner's proportionate share of the common expenses for such year as shown by the annual budget. Such proportionate share for each Lot Owner shall be in accordance with such Owner's respective ownership interest in the Common Elements as set forth in the Restrictive Covenants and Subdivision Plats. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Lot Owner shall continue to pay each month the amount of such Owner's respective monthly assessment as last determined. Each Lot Owner shall pay such Owner's monthly assessment on or before the first day of each month to the Managing Agent or as may be otherwise directed by the Board. No Lot Owner shall be relieved of the obligation to pay such Owner's assessment by abandoning or not using such Owner's Lot, the Common Elements, or the Limited Common Elements. All completed Lots of the project shall be allocated their appropriate full assessments no later than sixty (60) days after the first Lot is conveyed, with the Developer responsible for all assessments on completed Lots it owns.

Section 3. Partial Year or Month. For the first fiscal year and thereafter until the First Board is elected, the annual budget shall be approved by the Interim Board. If such first fiscal year, or any succeeding fiscal year, shall be less than a full year, then the monthly assessments for each Lot Owner shall be proportionate to the number of months and days in such period covered by such budget. Each Lot Owner shall pay such Owner's assessment for the following month or fraction of a month, which assessment shall be in proportion to the Owner's respective ownership interest in the Common Elements and the number of months and days remaining of the period covered by the current annual budget, and which assessment shall be computed by the Board.

Section 4. Annual Report. Within ninety (90) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Lot Owner, and to any other party required by the Restrictive Covenants, a statement for such year so ended, showing the receipts and expenditures and such other information as the Board may deem desirable.

Section 5. Supplemental Budget. In the event that during the course of any year, it shall appear to the Board that the monthly assessments, determined in accordance with the estimated common expenses and limited common expenses for the remainder of such year will be inadequate, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Lot Owner, and thereupon a supplemental assessment shall be made to each Lot Owner for such Owner's proportionate share of such supplemental budget.

Section 6. Expenditures. Except for the Management Agreement described in Article II, Section 14(c) hereof and expenditures and contracts specifically authorized by the Restrictive Covenants and Bylaws, the Board shall not approve any expenditure in excess of Two Thousand and no/100 (\$2000.00) Dollars unless required for emergency repair, protection or operation of the Common Elements or Limited Common Elements, nor enter any contract for more than three (3) years without the prior approval of two-thirds (2/3) of the votes of the Lot Owners.

Section 7. Lien. It shall be the duty of every Lot Owner to pay such Owner's proportionate share of the common expenses and limited common expenses, as provided in the Restrictive Covenants and Subdivision Plats, and as assessed in the manner herein provided.

If any Lot Owner shall fail or refuse to make any such payment of the common expenses or limited common expenses when due, the amount thereof, together with interest thereon at the rate of eight percent (8.0%) per annum after said common expenses become due and payable, shall constitute a lien, as provided in the Act, enforceable by the Board, on the interest of such Lot Owner in the Property, provided, however, that such lien shall be subordinate to the lien of a recorded deed of trust on the interest of such Lot Owner, except for the amount of the proportionate share of common expenses and limited common expenses which are due and payable from and after the date on which such deed of trust beneficiary either takes possession of the Lot, accepts a conveyance of any interest therein (other than as security), or files suit to foreclose on its deed of trust. [The provisions of this paragraph of this Section 7 shall not be amended, changed, modified or rescinded in any way without the prior written consent of all such lien holders of record.]

The Association or its successors and assigns, and the Board or its agents, shall have the right to enforce the lien as provided in the Restrictive Covenants, and there shall be added to the amount due the costs of any suit maintained to enforce the lien and other fees and expenses, together with legal interest and reasonable attorneys' fees. Furthermore, if any Lot Owner shall fail or refuse to pay

when due such Owner's proportionate share of the common expenses or limited common expenses and such Lot Owner withholds possession of such Owner's Lot after demand by the Board or the Association in writing setting forth the amount claimed, the Board or the Association shall have the right to possession of such Lot. The Board or the Association shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Restrictive Covenants or these Bylaws, or as are otherwise available at law or in equity, for the collection of all unpaid assessments.

Section 8. Records and Statement of Account. The Board shall cause to be kept detailed and accurate records in a book in chronological order of the receipts and expenditures affecting the Common Elements and Limited Common Elements, specifying and itemizing the common expenses and limited common expenses incurred. Payment vouchers may be approved in such manner as the Board may determine. Said book and the vouchers shall be available for examination by all Lot Owners at convenient hours on working days which shall be set and announced for general knowledge.

The Board shall, upon receipt of ten (10) days' written notice to it or the Association and upon payment of a reasonable fee, furnish to any Lot Owner a statement of account setting forth the amount of any unpaid assessments or other charges due and owing from such Lot Owner.

Section 9. Discharge of Liens. The Board may cause the Association to discharge any mechanic's lien or other encumbrance that in the opinion of the Board may constitute a lien against the Property or the Common Elements, rather than a lien against only a particular Lot ownership. When fewer than all the Lot Owners are responsible for the existence of any such lien, the Lot Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses, including attorneys' fees, incurred by reason of such lien.

Section 10. Holding of Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Lot Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Lot Owners.

Section 11. Association Records. The Association shall keep as permanent records minutes of all meetings of its Lot Owners and Board of Directors, a record of all actions taken by the Lot Owners and the Board of Directors without a meeting and all appropriate accounting records.

Section 12. Records at Principal Office. The Association shall keep at all times a copy of the following records at its principal office:

- (a) Its Charter or Restated Charter and all amendments thereto;
- (b) These Bylaws and all amendments thereto;
- (c) Resolutions adopted by the Board of Directors relating to the characteristics, qualifications, rights, limitations and obligations of Lot Owners or any class or category of Lot Owners;
- (d) The minutes of all meetings of Lot Owners and the records of all actions taken by Lot Owners without a meeting for the past three (3) years;
- (e) All written communications to Lot Owners generally within the past three (3) years, including the past three (3) years' annual financial statements;

- (f) A list of the names and business or home addresses of its current Directors and officers;
- (g) The most recent annual report delivered to the Tennessee Secretary of State; and
- (h) Its Restrictive Covenants and all amendments thereto.

Section 13. Annual Financial Statements. The Association shall prepare annual financial statements that include a balance sheet as of the end of the fiscal year, an income statement for that year, and such other information necessary to comply with the requirements of the applicable provisions of the Tennessee Nonprofit Corporation Act.

ARTICLE V

Use and Occupancy Restrictions

Section 1. General. No unlawful, noxious or offensive activities shall be carried on in any Lot or elsewhere on the Property, nor shall anything be done therein or thereon that shall constitute a nuisance or that shall in the judgment of the Board cause unreasonable noise or disturbance to others.

Each Lot Owner shall maintain such Owner's Lot in good condition and in good order and repair, at such Owner's expense, and shall not do or allow anything to be done in such Owners Lot that may increase the cost or cause the cancellation of insurance on other Lots or on the Common Elements. No Lot Owner shall display, hang, store or use any clothing, sheets, blankets, laundry, or other articles outside such Owner's Lot, or which may be visible from the outside of such Owner's Lot (other than draperies, curtains, or shades of a customary nature and appearance, subject to the rules and regulations of the Board) or paint or decorate or adorn the outside of such Owner's Lot, or install outside such Owner's Lot any canopy or awning, or outside radio or television antenna, or Citizens Band radio transmitters, or other equipment, fixtures or items of any kind, without the prior written permission of the Board or the written permission of the Managing Agent, acting in accord with the Board's discretion. The foregoing restrictions as to use and occupancy shall not be construed to prohibit a Lot Owner from placing and maintaining outdoor furniture and decorative foliage of a customary nature and appearance on a patio that is a Limited Common Element appurtenant to such Owners Lot. No Owner of a Lot shall display, hang, store or use any sign outside such Owner's Lot, in a hallway or elsewhere, or that may be visible from the outside of such Owner's Lot without the prior written permission of the Board or the written permission of the Managing Agent, acting in accord with the Board's discretion.

No structure of a temporary character, trailer, motor home, boat, tent, shack, garage, barn, or other out-buildings shall be permitted on the Property at any time, temporarily or permanently, except with the prior written consent of the Board; provided, however, that temporary structures may be erected for use in connection with the repair or rebuilding of the buildings or any portion thereof.

Section 2. Animals. No animals shall be raised, bred, or kept in any Lot, except for dogs, household cats and small birds owned as household pets by a Lot Owner, provided that said pet is not kept for any commercial purpose, and provided that said pet shall be kept in strict accordance with the administrative rules and regulations relating to household pets from time to time adopted or approved by the Board, and provided that said pet shall not in the judgment of the Board constitute a nuisance to others.

All dogs owned by Lot Owners and kept in a Lot shall be on leash while outside the Lot. All such dogs shall be exercised by the Owner at places on the Property that do not interfere with the use

and enjoyment of the same by other Owners. An Owner shall be responsible for all damage to Common Elements caused by said Owner's dog.

Section 3. Trash. Trash, garbage, and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner as prescribed from time to time in rules and regulations of the Board.

Section 4. Use by Developer. During the period of sale by the Developer of any Lots, the Developer, and the Developer's agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled to access, ingress to and egress from said Buildings and Property as may be required for purposes of said sale of Lots. While the Developer owns any of the Lots and until each Lot sold by it is occupied by the purchasers, the Developer and its employees may use and show one or more of such unsold or unoccupied Lots as a model Lot or Lots and may use one or more of such unsold or unoccupied Lots as a sales office, and may maintain customary signs in connection therewith.

Section 5. Storage. Articles of personal property belonging to any Lot Owner, such as baby carriages, bicycles, wagons, toys, furniture, clothing and other articles, shall not be stored or kept in common areas. Storage of boats, trailers, campers, and motor homes on the Property shall not be permitted.

Section 6. Wiring. No Lot Owner shall overload the electrical wiring in a Building, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others, or connect any machines, appliances, accessories or equipment to the heating or plumbing system, without the prior written consent of the Board or the prior written consent of the Managing Agent, given in accord with the Board's direction.

ARTICLE VI

Contractual Powers

No contract or other transaction between the Association and one or more of its Directors or between the Association and any corporation, firm or association in which one or more of the Directors of the Association are directors, or are financially interested, is void or voidable because such Director or Directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

(a) the fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Director or Directors; or

(b) the contract or transaction is just and reasonable as to the corporation at the time it is authorized or approved.

Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies a contract or transaction.

ARTICLE VII

Amendments

These Bylaws may be amended or modified from time to time by action or approval of two-thirds (2/3) of the Lot Owners casting one (1) vote for each Lot owned, as provided in Article I, Section 7 of these Bylaws. Such amendment(s) shall not be operative until they are recorded in the office of the Register of Deeds for Washington County, Tennessee. These Bylaws may not be amended by the Board of Directors.

ARTICLE VIII

Deeds of Trust

Section 1. Notice to Board. A Lot Owner who mortgages his Lot shall notify the Board of the name and address of the deed of trust beneficiary and shall file a copy of the note and deed of trust with the Board. The Board shall maintain such information in a book entitled "Deeds of Trust on Lots."

Section 2. Notice of Unpaid Common Charges. The Board, whenever so requested in writing by a deed of trust beneficiary of a Lot, shall promptly report any then unpaid assessments, fees or common charges due from, or any default by, the Owner of the mortgaged Lot.

Section 3. Notice of Default. The Board, when giving notice to a Lot Owner of a default in paying common charges or other default, shall send a copy of such notice to each deed of trust beneficiary [of record] covering such Lot whose name and address has theretofore been furnished to the Board [and which has requested in writing to be sent a copy of such notice(s)].

Section 4. Examination of Books. Each Lot Owner, and others as specified in the Restrictive Covenants, shall be permitted to examine the books and records of the Association, current copies of the Restrictive Covenants and Bylaws, and rules and regulations of the Association during normal business hours and upon request.

Section 5. Interest of Valid First Lien Deed of Trust. The interest of a valid first lien deed of trust shall be superior to the interest of the Board in the event of a default, and nothing in this instrument shall be construed to the contrary. If the first lien deed of trust has incorporated the terms of these Bylaws, the Restrictive Covenants and the contract in its deed of trust, then said first lien deed of trust may at its option declare a default in its deed of trust by reason of any default hereunder, and may proceed to enforce its rights according to the terms of the deed of trust, notwithstanding any enforcement instituted by the Board.

ARTICLE IX

Definition of Terms

The terms used in these Bylaws, to the extent they are defined herein, shall have the same definition as set forth in the Restrictive Covenants known as "Charolais Hills Subdivision", as such may be amended from time to time, which Restrictive Covenants is recorded in the office of the Register for Deeds of Washington County, Tennessee.

The term "member," as used in these Bylaws, generally means "Lot Owner" as defined in the Restrictive Covenants, "Deed of trust," as used herein, includes a mortgagee; and "deed of trust beneficiary" includes a mortgagee and a holder of a deed of trust.

ARTICLE X

Miscellaneous Provisions

Section 1. No Seal. The Association shall have no seal.

Section 2. Notices. Whenever notice is required to be given to Lot Owners, Directors or officers, unless otherwise provided by law, the Restrictive Covenants, the Charter or these Bylaws, such notice may be given in person or by telephone, telegraph, mail or private carrier. If such notice is given by mail, it shall be sent postage prepaid by first class United States mail or by registered or certified United States mail, return receipt requested, and addressed to the respective address which appears for each such person on the books of the Corporation. Written notice sent by mail to Lot Owners shall be deemed to have been given when it is mailed. Any other written notice shall be deemed to have been given at the earliest of the following:

- (a) When received;
- (b) Five (5) days after its deposit in the United States mail if sent first class, postage prepaid; or
- (c) On the date on the return receipt, if sent by registered or certified United States mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.

Section 3. Waiver of Notice. Whenever any notice is required to be given under the provisions of any statute, or of the Restrictive Covenants, the Charter or these Bylaws, a waiver thereof in writing signed by the person entitled to such notice, whether before or after the date stated thereon, and delivered to the Secretary of the Association and included in the minutes or corporate records, shall be deemed equivalent thereto.

Section 4. Negotiable Instruments. All checks, drafts, notes or other obligations of the Association shall be signed by such of the officers of the Association or by such other person(s), as may be authorized by the Board of Directors.

Section 5. Deposits. The monies of the Association may be deposited in the name of the Association in such bank(s) or financial institution(s) as the Board of Directors shall designate from time to time and shall be drawn out by check signed by the officer(s) or person(s) designated by resolution adopted by the Board of Directors.

Section 6. Committee Members. With respect to claims or liabilities arising out of service as a member of a committee duly appointed by the Board of Directors of the Association, the Association shall indemnify and advance expenses to each such present and future committee member (and his or her estate, heirs and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.

Section 7. Developer. With respect to claims or liabilities arising out of service as an agent of the Association, the Association shall indemnify and advance expenses to the Developer (its officers, employees and successors) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect or as hereafter adopted or amended.

ARTICLE XI

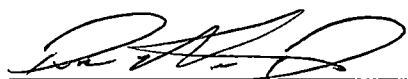
Conflicts

These Bylaws are set forth to comply with the requirements of Chapter 27 of Title 66, Tennessee Code Annotated, as it may be amended from time to time, and to allow the Bylaws to control in specific situations where such law allows. In case any of the by-laws conflict with the provisions of said statute or of the Restrictive Covenants, the provisions of said statute or of the Restrictive Covenants, as the case may be, shall control.

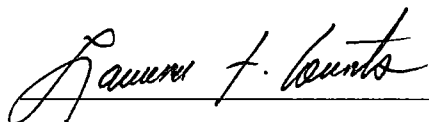
The undersigned hereby certifies that the foregoing Bylaws were duly adopted as the Bylaws of Charolais Hills Subdivision Homeowner's Association, Inc.

DATED the 15th day of March, 2022.

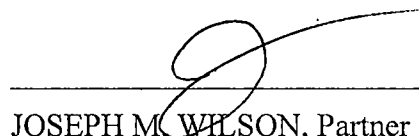
By: Charolais Hills, GP



ROBERT JASON DAY, Partner



LAWRENCE F. COUNTS, Partner



JOSEPH M. WILSON, Partner

STATE OF TENNESSEE
COUNTY OF WASHINGTON

Personally appeared before me, the undersigned authority, a Notary Public, Robert Jason Day, Lawrence F. Counts, and Joseph M. Wilson, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged themselves to be Partners of Charolais Hills, GP, a Tennessee General Partnership, the within named bargainor, a partnership, and that they as such partners, executed the foregoing instrument for the purposes therein contained, by signing the name of the partnership by themselves as partners.

WITNESS my hand, at office, this the 15th day of March, 2022.



NOTARY PUBLIC

My Commission Expires:

02/01/2023

