

BY-LAWS OF
CONCORD HILLS HOMEOWNERS ASSOCIATION

ARTICLE I-- TITLE AND OBJECT

- Section 1. The name of this organization is Concord Hills Homeowners Association, Inc., a non-profit corporation organized and existing under the laws of the state of Tennessee, herein known as the "Association."
- Section 2. The purposes of this Association are:
- a) To promote the general improvement and positive maintenance of the community encompassed by Concord Hills Subdivision. This purpose relates to, but is not limited to, such things as landscaping, beautification and those kinds of activities that have to do with the safety, health, appearance, welfare and beautification of the entire community.
 - b) To promote self-help and community action and to provide for the social welfare and education of the members hereof and, insofar as permitted by law, to do any other thing that in the opinion of the Association Board will promote the common good and general welfare of the people of Concord Hills Subdivision. This purpose relates to, but is not limited to, such things as the protection of residents, the protection of property values primarily through the enforcement of the Covenants and Restrictions, and the providing for an avenue or avenues for collective action and negotiation with various developers, public agents, committees, commissions and other community leaders, so that the best interests of the residents of this community may be served.
 - c) To own, acquire, build, operate and maintain recreation parks, playgrounds, swimming pools, tennis courts, commons, streets, footways and passageways, including buildings, structures and personal properties incident thereto, including any and all types of recreational facilities in the Concord Hills Subdivision or on any other land hereinafter acquired by this corporation.

ARTICLE II-- MEMBERSHIP

- Section 1. Membership in this Association shall be limited to:
- (1) Resident owners of real property in Concord Hills Subdivision and other permanent adult residents of said property who are part of the resident owner's household and (2) Non-resident owners of rental properties, empty lots or other properties in Concord Hills Subdivision.
- Each property owner who is a member is limited to a single vote for each property owned in any matter that comes before the Association. All persons included in the regular household of a member shall be entitled to the privileges of membership, and all such persons shall also be subject to the duties and obligations of membership.

Section 2. No property owner shall be a member of the Association unless he or she meets the requirements of Section 1 of this Article II and has paid to the Association the annual dues for membership. Memberships are automatically transferable with a change of home ownership, subject to payment of the applicable dues.

ARTICLE III-- DUES AND ACCOUNTS

Section 1. Property owners with closing dates prior to October 10, 2010--The Association Board assessed annual homeowner dues in the amount of \$120 for 2017. The Association Board may amend the amount of these dues but any increase shall not exceed an annual increase of 5% of the dues amount set for the previous year.

Additionally, property owners may choose to pay a combined dues rate for recreation area (membership to CHRC). The Association Board may choose to offer discounts on dues for on-time payment or other reasons.

Section 2. Property owners with closing dates between October 10, 2010 and October 9, 2016-- The Association Board assessed annual homeowner dues in the amount of \$120 for 2017. The Association Board may amend the amount of these dues but any increase shall not exceed an annual increase of 5% of the dues amount set for the previous year. Payment of the dues is mandatory .

Additionally, property owners may choose to pay a combined dues rate for recreation area, (membership to CHRC). The Association Board may choose to offer discounts on dues for on-time payment or other reasons.

Section 3. Property owners closing after October 9, 2016—The Association Board will assess annual combined homeowner dues, which includes the use of the recreation area, in the amount of \$450 starting in FY2017. Payment of the dues is mandatory. Dues are prorated for new property owners only based on date of purchase and the calendar year.

For the purposes of this Section 3, changing property ownership for normal estate planning purposes (e.g., transferring to or from a trust controlled by the residents) shall not be considered a “closing” that causes a change in dues status. Also closures on empty lots will have mandatory dues per Section 2, but will not incur the dues from this Section 3 until the fiscal year when home construction is begun. If there are other unusual circumstances encountered, the matter shall be referred to the Association Board who shall determine if this Section 3 applies.

Section 4. The Association Board shall set the combined dues covered in Sections 1-3 above each year and can adjust the combined dues up or down as needed without limits provided they are no greater than \$515 per year. Any increases above this amount cannot exceed 5% per year.

Renters will be treated as external people for amenity usage.

The Association Board may establish other memberships (e.g., tennis only, external pool/tennis usage, etc.) and set their fees, and set special fees for guests, reserving the pool or pool pavilion, etc. at its discretion.

- Section 5. The Association Board will determine and add to the annual homeowner dues in Unit 10 an estimated amount for the operation and maintenance of street lights, which payment is mandatory per Section 27 of the Covenants and Restrictions.
- Section 6. As clarification to the requirements of Amendment 2 to the Covenants and Restrictions dated October 10, 2010, if any of the mandatory dues are not paid by the due date set and communicated by the Association Board, the Association Board may assess an annual penalty of up to \$100 or 50% of the overdue amount, whichever is greater, that may be in addition to interest. This applies to the basic CHHA dues in Section 2 above and the dues in Sections 3 and 5, all of which are mandatory.
- Section 7. All dues and accounts shall become payable yearly on a date specified by the Association Board on the calendar year. For dues not paid by the specified due date, each non-paying owner will be notified advising them of the delinquency and any potential consequences. Non-payers will be suspended from the Association until such debt is paid.

ARTICLE IV-- GOVERNING BODY

- Section 1. The governing body of the Association shall consist of one member from each of the eleven original units making up the Concord Hills Subdivision, with the exception that the size of unit 7 necessitates a representative from each of two divisions designated as 7 and 7a. Solely for the purposes of the CHHA governance, Unit 7 is defined as 11028 and 11029 Flotilla eastward to include Schooner Lane: while Unit 7a is defined as 11032 and 11033 Flotilla westward to include Cutlass Road. This governing body shall be known as the Association Board, consisting of a President, Vice President, Secretary, Treasurer and the remaining eight members shall be referred to as Unit Representatives. If the Secretary-Treasurer is combined into one office, there shall be nine Unit Representatives so that the total membership of the Association Board shall remain at twelve members. A quorum of eight members of the Association Board must be present, in person or by proxy, to transact business, and a majority vote shall be required to pass any resolution.
- Section 2. The Association Board is vested with all powers not otherwise reserved by these By-Laws to maintain, operate, manage and control Association properties, its employees, and agents, and to adopt and enforce rules for the management and government of the Association.
- Section 3. The Association Board shall be vested with the power to fill any vacancies arising in the Association Board or any other office or Committees, and, in carrying out the general purpose of the Association, to interpret the By-Laws, which interpretation shall be final.
- Section 4. Subject to conditions, limitations and restrictions contained in the By-Laws, the Association Board shall be vested with the power to make all contracts necessary for day-to-day activities and to do such other acts as its discretion may dictate for the welfare of the

Association. It may also delegate its administrative duties to committees or other persons or groups of persons as it deems necessary.

- Section 5. The Association Board shall not be vested with the power to make any firm, non-terminable commitments in contracts extending beyond, or not to be performed within, a period of one year; not to sell, encumber, convey, contract, purchase, or otherwise incur any indebtedness for extraordinary purposes (e.g., buying, selling or mortgaging Association real estate), except by an affirmative vote by a two-thirds majority of the membership. This limitation, however, shall not apply to expenditures necessary to preserve the Association properties in the event of an emergency. The Association Board is empowered to lease real estate owned by the Association to an individual or individuals, partnership, corporation or other legal entity for the purpose of allowing such real estate to be developed and used as a swimming pool or other recreational facility. Any such lease shall be upon terms acceptable to the Association Board in its sole discretion. The Association Board shall be empowered to encumber, mortgage and lien any property owned by the Association provided that the sole and only purpose of any encumbrances shall be to allow the Association to borrow funds for the maintenance of the Concord Hills Recreational Area to include the swimming pool/tennis court complex.
- Section 6. Regular meetings of the Association Board shall be held at the discretion of the President and be held at least once per calendar quarter, the President to fix the time and place for the meeting.
- Section 7. Special meetings of the Association Board may be called by the President or Secretary. The Secretary shall give each member notice at least 24 hours in advance of the holding of any special meeting.
- Section 8. The Association Board shall be vested with the power to extend the privileges of the Association facilities to non-members on such terms as the Association Board deems advisable and may permit non-members to participate at such times and on such terms as the Association Board deems wise.

ARTICLE V-- FISCAL YEAR

- Section 1. The fiscal year of the Association shall begin October 1 and end September 30 of each calendar year. The fiscal year (FY) designation will be the ending calendar year of the fiscal year. For example, the fiscal year from October 2010 to September 2011 is designated FY2011.

ARTICLE VI-- ELECTION AND TERM OF OFFICERS AND ASSOCIATION MEETINGS

- Section 1. Unit Representatives shall be elected at the annual meeting of the members of the Association, which shall be held in October or November of each calendar year at such hour and place as may be designated by the Association Board. Members shall be given at least a ten-day notice of the annual meeting. The notice may, at the discretion of the Association Board, be by any combination of mail, flyer, electronic communications, signs or any other means that will reasonably reach the membership.

- Section 2. The election of Unit Representatives shall be by ballot or hand vote and a majority of those present and voting, in person or by proxy, shall be required to elect. The Unit Representative term of office is two (2) fiscal years unless the elected representative resigns or is replaced in accordance with the provisions of Article XIII. Nominations for Unit Representatives will be made by a committee appointed by the Association Board. Additional nominations can be made by members from the floor. The resultant slate of nominees shall be so constructed that each of the units of the subdivision has representation on the Association Board by a resident of that unit. If there are more than two candidates for office, and none achieve a majority vote, the top two vote getters shall engage in a run-off election. These nominations should also maintain the twelve-unit representation on the Association Board. When vacancies occur, the Association Board may appoint a non-unit resident to be a Unit Representative, only after 30% of members in that unit are contacted and have declined to serve.
- Section 3. Officers of the Association Board shall hold office for the fiscal year of their election and are selected from and by the Unit Representatives. Officers will hold their office for one fiscal year. An officer cannot hold the same office for more than three consecutive fiscal years. Unit Representatives cannot hold their office for more than two consecutive full two-year terms. Unit Representatives for units 1, 3, 5, 7, 7a and 9 will be elected at the annual meeting for odd numbered fiscal years. Unit Representatives for units 2, 4, 5a, 6, 8, and 10 will be elected at the annual meeting for even numbered fiscal years. For clarification, the annual meeting of an odd numbered fiscal year is held in October or November of an even numbered calendar year. The staggered election of Unit Representatives will facilitate continuity of Association Board membership from one year to the next.
- Section 4. The Association Board may, upon its own motion, and shall, upon the written request of ten members, call a special meeting of the Association by giving a ten-day notice to the members. The notice of every special meeting shall state the facts or object or objects for which it is called, and no other business shall come before the meeting.
- Section 5. Twenty percent of the Association membership shall constitute a quorum, whether present in person or by proxy, at all Association-wide meetings.

ARTICLE VII-- PROXIES

- Section 1. A member may be represented at any meeting by proxy. Such proxy must be in writing, signed and dated, or submitted electronically per Section 4 below. Proxies shall be filed with the Secretary of the Association prior to the opening of the meeting at which the proxy is intended to be used. Proxies may be used to establish a quorum. There shall be two types of proxies, General and Limited. All proxies must include Section 2 and Section 3 language of this Article as part of any proxy. Only one of the two options must be chosen. Proxy forms will be available prior to all Association-wide meetings.
- Section 2. A General Proxy is a proxy given from one member to another that allows the holder of the proxy the right to vote as the holder desires on all issues and motions at Association-wide meetings.

Section 3. A Limited Proxy is a proxy given from one member to another, which directs the holder of the proxy to vote only on specific issues as designated by the proxy issuer at Association-wide meetings.

Section 4. Only Association Board members can receive, in writing or by e-mail, either type of proxy from other Association Board members for voting at Association Board meetings.

The Association Board may receive proxies in writing or may define and receive electronically submitted proxies from any member for voting at Association-wide meetings.

ARTICLE VIII-- ELIGIBILITY TO VOTE AND TO HOLD OFFICE

Section 1. Only those property owners who are Association members per Article II shall be eligible to vote and to hold office in the Association.

ARTICLE IX-- DUTIES OF THE OFFICERS

Section 1. The President shall preside at all meetings of the Association and of the Association Board and shall exercise general supervision and control over all affairs of the Association and Association Board. Except as allowed by Association Board procedure for minor or routine contracts, the President, or in his/her absence, the Vice President or Treasurer shall sign all written contracts of the Association and Association Board and shall perform such other duties as the By-Laws assign.

Section 2. The Vice President, in the absence of the President, shall perform all of the President's duties.

Section 3. The Secretary shall keep the minutes of all the meetings of the Association and of the Association Board and shall have charge of these records. The Secretary shall present these minutes for approval at the next meeting. After signed approvals by the President and Secretary or by Association Board approved motion, the minutes will be of record. The Secretary shall give notice of all meetings of the Association to the members thereof, as above provided, and give notice of all meetings of the Association Board to all of the members thereof, as above provided, and shall conduct the general correspondence thereof.

Section 4. The Treasurer shall be responsible for overseeing the collection of dues, payment of expenses, management of bank accounts and other financial matters. The Treasurer shall render a periodic financial report to the Association Board at such times as may be requested by the Association Board. The Treasurer shall present a budget prepared by the Association Board for the following fiscal year at the Association's annual meeting.

Section 5. The Association Board shall use the following financial controls:
a) The Association Board shall put in place segregation of duties measures to ensure that key financial functions are overseen or performed by at least two separate people.

- b) The Association Board shall conduct a periodic audit of the financial condition of the Association after the end of a fiscal year and shall review the results at an Association Board meeting and report them to the Association.
- c) The Treasurer and other people handling the finances shall be bonded or equivalent in the amount of the annual budget.
- d) The Association Board shall have a 5 to 10 year plan for anticipated major maintenance or improvement projects. This plan shall be used as input in setting dues to build plan funding in order to avoid special assessments or loans, if possible.

Section 6. Checks may be signed by the Secretary, Treasurer or President. Special arrangements may be made by the Association Board to facilitate prompt payment of routine expenses. Electronic forms of payment may be used at the discretion of the Association Board.

Section 7. The Officers, Unit Representatives and committee members shall serve without compensation.

Section 8. This Association shall hold harmless and indemnify any Officer or any member who is serving or has served at the request of the Association to the fullest extent permissible under such authority as granted in the Tennessee Non-Profit Corporation Act. No current or former Officer, Unit Representative or committee member shall be personally liable in that capacity for a claim based upon an act or omission of the person performed in the discharge of the person's duties, except for a breach of the duty of loyalty to the Association, for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit.

ARTICLE X-- COMMITTEES

Section 1. The President shall appoint, subject to the ratification and approval of the Association Board, such Committees from time to time and with such powers as the Association Board may deem advisable. Committee members are not required to be Association Board members.

ARTICLE XI-- STANDING COMMITTEES

Section 1. Standing committees are considered a vital part of the Concord Hills Homeowners Association. Their purpose is to perform functions and duties essential to the operation of the Association. The Chairmen of the standing committees must be Association Board members.

Section 2. A Covenants and Restrictions Review Committee (CRRC) shall be formed to review applications by property owners for property changes that are governed by the Covenants and Restrictions and advise their conformity to the Association Board. It shall also consider potential violations raised by residents.

Section 3. A Safety & Security Committee shall be formed to advise the Association Board on the safety & security status and operations.

Section 4. A Welcoming Committee shall be formed to present to the new residents information such as the Covenants and Restrictions, access to the HOA website, amenities, and neighborhood activities.

Section 5 A Recreation Committee shall be formed to oversee the management and operation of the Concord Hills Recreation Area. The Association Board will specify budgets and responsibilities for this committee. The Recreation Committee Chairman need not be a member of the Association Board; however, in such event, the Association Board will establish a communication plan with the Recreation Committee (e.g., chairman attends some/all Association Board meetings, or have an Association Board liaison with the Recreation Committee).

ARTICLE XII-- ORDER OF BUSINESS

Section 1. At all meetings of the Association, except special meetings, the order of business shall be as follows:

- a) Determination of whether a quorum is present.
- b) Review and approve minutes of last annual meeting and of all special meetings held subsequent thereto.
- c) Report of the Association Board Officers
- d) Report of Committees
- e) Unfinished Business
- f) New Business
- g) Elections
- h) Adjournment

This order of business may be changed at any meeting by a two-thirds vote of the members present.

Section 2. The order of business at Association Board meetings shall be as follows:

- a) Determination of whether a quorum is present.
- b) Review and approve the minutes of the last regular meeting and of special meetings held subsequent thereto.
- c) Reports of Officers
- d) Reports of Committees
- e) Unfinished business
- f) New business
- g) Adjournment

This order of business may be changed at any meeting by a two-thirds vote of the Association Board members present.

ARTICLE XIII-- RESIGNATIONS AND EXPULSIONS

Section 1. All resignations from the Association Board must be presented to the Secretary or the President.

- Section 2. For misconduct or neglect of duty, any Officer or Unit Representative may be expelled from office by a majority vote of a quorum of the members at any meeting of the membership called for that purpose. Notice of such meeting shall state the purpose for which it is called.
- Section 3. Any Association member may be expelled for cause on a vote of two-thirds majority of the members present and voting at any meeting of the Association, provided that notice has been given, as herein required, or by the Association Board, as elsewhere herein provided.
- Section 4. If the conduct of any guest, member or not, upon Association property is of such a nature as to be disorderly, unbecoming, offensive or such as to bring the Association into disrepute, that guest shall be asked to leave the premises by the Association Board or its designated representative, and that guest may be denied future access to the Association property by the Association Board.
- Section 5. A Unit Representative or Officer can be removed from the Association Board before the end of his/her term if a two thirds majority of the Association Board votes that the representative is not representing the unit adequately or is not performing the duties that are necessitated by Association Board action. The representative in question is not allowed to vote on the matter. This action can only be taken at an Association Board meeting, regularly scheduled or special, with a quorum present. The representative in question will be counted as present for quorum determination regardless of said representative's attendance at the meeting.
- Section 6. Members of the Association Board who shall absent themselves from three consecutive regular meetings, unless they shall have previously obtained permission to do so from the Association Board or shall present at the next regular meeting an excuse for their absence satisfactory to the Association Board, shall be deemed to have resigned their office.

ARTICLE XIV-- AMENDMENTS

- Section 1. These Corporation (Association) By-Laws may be amended at any meeting of the Corporation (Association) by a two-thirds majority vote of the Association members present in person or by proxy and such amendments are effective on that date.

Adopted: November 29, 1977
 Amended: October 27, 2002
 Amended October 18, 2009
 Amended November 7, 2010
 Amended October 23, 2011
 Amended October 07, 2012
 Amended October 09, 2016
 Amended October 22, 2017
 Last Amended October 27, 2019