

**HOLLY BEND PRESERVE HOMEOWNERS' ASSOCIATION, INC.**  
**BYLAWS**

Effective September 16, 2021

**ARTICLE I. OFFICES**

**Section 1.1** The principal office of the Corporation shall be located at 1000 Holly Bend Drive, Byrdstown, Pickett County, Tennessee. The Corporation may have such other offices, either within or without the State of Tennessee, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

**Section 1.2** The registered office of the Corporation required to be maintained in the State of Tennessee by the Tennessee Nonprofit Corporation Act (the "Act") may, but need not, be identical with the principal office in the State of Tennessee; and the address of the registered office may be changed from time to time by the Board of Directors.

**ARTICLE II. PURPOSE, MISSION, GOALS AND USE OF FUNDS**

**Section 2.1 Purpose.** The purposes of the Corporation are those set forth in its charter of incorporation, as from time to time amended or restated (the "Charter"). Namely, the Corporation is organized exclusively for religious, charitable, and educational purposes within the meaning of I.R.C. § 501(c)(3) of the Internal Revenue Code of 1986, as amended.

**Section 2.2 Mission and Goals.** The Corporation shall develop a mission statement and goals to express its purposes, direction, and objectives, which shall be approved by the Board of Directors, and reviewed from time to time as circumstances dictate. It shall disseminate its statement of mission and goals in such manner as the Board of Directors shall determine.

**Section 2.3 Use of Funds.** The Corporation is not formed for financial or pecuniary gain; and no part of the assets, income, or profits of the Corporation is distributable to, or inures to the benefit of its Directors or officers or any other private person, except as provided in these Bylaws as reimbursement for expenses or reasonable compensation for services rendered to the Corporation, and except to make payments and distributions in furtherance of the purposes of the Corporation, as set forth in the Charter and Sections 2.1 and 2.2 above. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation; and no part of the activities of the Corporation shall be the participation in, or intervention in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

**ARTICLE III. MEMBERS**

**Section 3.1 Members.** The Corporation shall have members. Members shall be every person who is the record Owner, one or more persons or entities who hold record title to any lot in Holly Bend Preserve. Membership shall be appurtenant to and not separated from such Ownership, and any transfer of a lot in Holly Bend Preserve, shall operate automatically to transfer to the new record Owner thereof the membership in the Corporation. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the membership.

No Owner, whether one or more person, shall have more than one membership per lot owned. In the event the Owner of a lot is more than one person or entity, the rights and privileges of membership, including the right to vote, may be exercised by one or more of the Owners acting in concert, but in no event shall more than one vote be cast for each lot.

**Section 3.2 Assessments.**

(a) *Annual Assessments.* The Board of Directors shall have the power and authority to levy Annual Assessments against all lots. Annual Assessments shall be used to provide funds for purposes as the Board of Directors shall determine, including, without limitation, the improvement and maintenance of any and all easements, payments of taxes, payment of insurance premiums providing liability insurance protecting Owners and Directors, payment of utility bills incurred in respect of the any landscape easements (including water for sprinkler systems and electricity for decorative lighting), payment of reasonable costs to provide attractive seasonal landscaping of the landscape easements, and the cost of labor, equipment,



materials, management and supervision thereof. The Board shall have the right, but not the obligation, to use the Annual Assessments to provide supplemental landscaping and maintenance within lots, and garbage and trash collection and disposal, if needed, to supplement that provided by public authority. The Board shall fix the amount of Annual Assessment each year by preparing an annual budget for the services to be provided by the Association in the coming year and allocating said amount equally among the lots.

(b) *Working Capital Assessment.* Upon the closing of any sale of any lot there will be paid from the proceeds of sale to the Association a sum in the amount of the then current Annual Assessment to provide for working capital for the Association. For purposes of clarity, this assessment will be due upon the sale of a lot and on each successive sale of such lot thereafter. If not paid from the proceeds of sale at closing, the obligation for payment of this assessment shall be the responsibility of the new Owner.

(c) *Special Assessments.* In addition to the Annual Assessments, authorized herein, the Board of Directors may level a Special Assessment applicable to a particular year; provided that any such Special Assessment must have received the affirmative votes of not less than fifty (50%) of the total votes within the Association at a meeting of all Members held after not less than five (5) days' prior written notice of the date, time and purpose for said meeting, at which a quorum shall be present. Special Assessments shall be due and payable on the date which is fixed by the resolution authorizing such Special Assessment.

**Section 3.3 Annual Meeting of Members.** An annual meeting of the members of the Corporation shall be held on such date and at such place as may be determined by the Board of Directors. The business to be transacted at such meeting shall be the report of the president on the activities and financial condition of the Corporation, the election of directors, other matters specified in the notice of the meeting and such other business as shall be properly brought before the meeting.

**Section 3.4 Special Meetings.** A special meeting of members shall be held on call of the Board of Directors or if the holders of at least ten percent (10%) of all the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date and deliver to the Corporation's Secretary one (1) or more written demands for the meeting describing the purpose or purposes for which such special meeting is to be held. Only business within the purpose or purposes described in the meeting notice may be conducted at a special shareholders' meeting.

**Section 3.5 Place of Meetings.** The Board of Directors may designate any place, either within or without the State of Tennessee, as the place of meeting for any annual meeting or for any special meeting. If no place is fixed by the Board of Directors, the meeting shall be held at the principal office of the Corporation.

**Section 3.6 Notice of Meetings; Waiver.**

(a) *Notice.* Notice of the date, time and place of each annual and special meetings of members and, in the case of a special meeting, a description of the purpose or purposes for which the meeting is called, shall be given no fewer than ten (10) days nor more than two (2) months before the date of the meeting. Such notice shall comply with the requirements of these Bylaws.

(b) *Waiver.* A member may waive any notice required by law, the Charter or these Bylaws before or after the date and time stated in such notice. Except as provided in the next sentence, the waiver must be in writing, signed by the member entitled to the notice, and delivered to the Corporation for inclusion in the minutes or filing with the corporate records. A member's attendance at a meeting: (1) waives objection to lack of notice or defective notice of the meeting, unless the member at the beginning of the meeting (or promptly upon arrival) objects to holding the meeting or transacting business at the meeting; and (2) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the member objects to considering the matter when it is presented.

**Section 3.7 Record Date.** The Board of Directors shall fix as the record date for the determination of members entitled to notice of a members' meeting of members, to demand a special meeting, to vote or to take any other action, a date not more than seventy (70) days before the meeting or action requiring a determination of members. If the Board of Directors fails to fix a record date for any meeting of members, members of record on the close of business on the business day next preceding the day on which notice is given shall be entitled to notice and members of record on the date of the meeting who are otherwise eligible to vote shall be entitled to vote. A record date fixed for a members' meeting is effective for any adjournment of such meeting unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned to a date more than four (4) months after the date fixed for the original meeting.



**Section 3.8 Voting.** Unless otherwise provided by the Act or the Charter, each member that has paid his or her Assessments current is entitled to vote on each matter voted on by members at a meeting of members. If a quorum exists, approval of action on a matter (other than the election of directors) by a members entitled to vote thereon is received if the votes cast within the members entitled to vote favoring the action exceed the votes cast opposing the action, unless the Charter or the Act requires a greater number of affirmative votes. Unless otherwise provided in the Charter, directors are elected by a plurality of the votes cast by the members entitled to vote in the election at a meeting at which a quorum is present.

**Section 3.9 Quorum; Adjournment.** Once a member entitled to vote is represented for any purpose at a meeting, the member is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for that adjourned meeting. Ten percent (10%) of members entitled to vote shall constitute a quorum.

**Section 3.10 Proxies.** A member may vote in person or by proxy. A member may appoint a proxy to vote or otherwise act for the member by signing an appointment either personally or by the member's attorney-in-fact. An appointment of a proxy is effective when received by the Secretary or other officer or agent authorized to tabulate votes. An appointment is valid for eleven (11) months unless another period is expressly provided in the appointment form. An appointment of a proxy is revocable by the member unless the appointment form conspicuously states that it is irrevocable, and the appointment is coupled with an interest. An irrevocable appointment becomes revocable when the interest with which it is coupled is extinguished.

**Section 3.11 Acceptance of Member Documents.** If the name signed on a member document (a vote, consent, waiver or proxy appointment) corresponds to the name of a member, the Corporation, if acting in good faith, is entitled to accept such member document and give it effect as the act of the member. If the name signed on such member document does not correspond to the name of a member, the Corporation, if acting in good faith, is nevertheless entitled to accept such member document and to give it effect as the act of the member if:

- (i) the member is an entity and the name signed purports to be that of an officer or agent of the entity;
- (ii) the name signed purports to be that of a fiduciary representing the member and, if the Corporation requests, evidence of fiduciary status acceptable to the Corporation has been presented with respect to such member document;
- (iii) the name signed purports to be that of a receiver or director in bankruptcy of the member and, if the Corporation requests, evidence of this status acceptable to the Corporation has been presented with respect to the member document;
- (iv) the name signed purports to be that of a pledgee, beneficial owner or attorney-in-fact of member and, if the Corporation requests, evidence acceptable to the Corporation of the signatory's authority to sign for the member has been presented with respect to such member document; or
- (v) two or more persons hold membership as cotenants or fiduciaries and the name signed purports to be the name of at least one of the co-owners and the person signing appears to be acting on behalf of all the co-owners.

The Corporation is entitled to reject a member document if the Secretary or other officer or agent authorized to tabulate votes, acting in good faith, has a reasonable basis for doubt about the validity of the signature on such member document or about the signatory's authority to sign for the member.

**Section 3.12 Action Without Meeting.** Action required or permitted by the Act to be taken at a meeting of members may be taken without a meeting. If all members entitled to vote on the action consent in writing to taking such action without a meeting, the affirmative vote of the number of votes of members that would be necessary to authorize or take such action at a meeting is the act of the members. The action must be evidenced by one or more written consents describing the action taken, at least one of which is signed by each member entitled to vote on the action in one or more counterparts, indicating such signing member's vote of abstention on the action and delivered to the Corporation for inclusion in the minutes or for filing with the corporate records.

**Section 3.13 Presiding Officer and Secretary.** Meetings of the members shall be presided over by the President or if the President is not present, by the Vice President. The Secretary or, in the Secretary's absence, an Assistant Secretary shall act as secretary of every meeting, but if neither the Secretary nor an Assistant Secretary is present, a majority of the members



entitled to vote at such meeting shall choose any person present to act as secretary of the meeting.

#### **ARTICLE IV. BOARD OF DIRECTORS**

**Section 4.1 General Powers.** The business and affairs of the Corporation shall be supervised by its Board of Directors, which shall exercise in the name of and on behalf of the Corporation all of the rights and privileges legally exercisable by the Corporation as a corporate entity, except as may otherwise be provided by law, the Charter, or these Bylaws. The Board of Directors, as the governing body of the Corporation, shall have the authority to receive, administer and distribute property on behalf of the Corporation in accordance with the provisions set forth in Article II of these Bylaws.

**Section 4.2 Number, Tenure, and Qualifications.** The number of Directors of the Corporation shall be not less than three (3) and not more than twenty-one (21). Provided, however, the number of Directors may be increased or decreased from time to time by the Board of Directors by amendment of this Bylaw, but no decrease shall have the effect of shortening the term of an incumbent director or reducing the number of Directors below three (3).

At its annual meeting or at any other appropriate time, the Members shall elect individuals to serve on the Board of Directors. The term of office of any new director shall commence upon the date of election and shall end one (1) year from said date of election.

Each director shall take office at the beginning of his or her term and shall hold office until his or her term shall have expired or until his or her earlier resignation, removal from office, or death. Directors shall be natural persons who have attained the age of twenty-one (21) years but need not be residents of the State of Tennessee.

**Section 4.3 Advisory Members.** The Board of Directors may elect advisory members from time to time, who shall sit on the Board but have no vote. Advisory members shall serve at the pleasure of the Board.

**Section 4.4 Limited Personal Liability of Directors.** No person who is or was a director of the Corporation, nor such person's heirs, executors or administrators, shall be personally liable to the Corporation for monetary damages for breach of fiduciary duty as a director; provided, however, that this provision shall not eliminate or limit the liability of any such person: (a) for any breach of a director's duty of loyalty to the Corporation, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (c) under T.C.A. § 48-58-304 of the Act, as amended from time to time. No repeal or modification of the provisions of this Section 4.4, either directly or by the adoption of a provision inconsistent with the provisions of this Section, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

**Section 4.5 Annual Meeting.** The annual meeting of the Board of Directors shall be held at such other time and date following the close of the Corporation's fiscal year as shall be determined by the Board of Directors. The purpose of the annual meeting shall be to elect officers and transact such other business as may properly be brought before the meeting. If the election of officers shall not be held on the day herein designated for any annual meeting of the Board of Directors, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Board as soon thereafter as may be convenient.

**Section 4.6 Special Meeting.** Special meetings of the Board of Directors may be called by the President of the Board of Directors, or at the request of any director with the agreement of two-thirds (2/3) of the Board. The President shall fix the place, either within or without the State of Tennessee, as the place for holding any special meeting.

**Section 4.7 Notices.** Notice of each annual meeting shall be given at least two (2) weeks prior thereto, and notice of any special meeting shall be given at least five (5) business days prior thereto. The notices provided for in this Section shall be by electronic mail (email) or written notice delivered personally or mailed or mailed or sent by Federal Express or United Parcel Service to each director at his or her business or home address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. If notice be given by electronic mail (email), Federal Express or United Parcel Service, such notice shall be deemed to be delivered when said communication is delivered. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the sole and express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. The business to be transacted at, or the purpose of, any special meeting of the Board of Directors must be specified in the notice of such meeting.

**Section 4.8 Quorum and Participation in a Meeting.** A majority of the total number of Directors in office shall constitute a



quorum for the transaction of business at any meeting of the Board of Directors. The members of the Board of Directors may participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear one another; and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. Promptly after each respective meeting of the Board of Directors, each director shall be furnished a copy of the minutes of such meeting. *Robert's Rules of Order* shall govern the interpretation of parliamentary matters at a meeting of the Board.

**Section 4.9 Manner of Acting at a Meeting.** Each director shall be entitled to one (1) vote upon any matter properly submitted for a vote to the Board of Directors. The act of a majority of the Directors present and who vote at a meeting at which a quorum is present shall be the act of the Board of Directors, except as may otherwise be specifically provided by law, by the Charter, or by these Bylaws. Members of the Board of Directors absent from any meeting shall not be permitted to vote at such meeting by written proxies.

**Section 4.10 Action Without a Meeting.** Any action required or permitted to be taken at a meeting by the Board of Directors may be taken without a meeting if all voting members of the Board, as the case may be, consent in writing to taking such action without a meeting. If all members entitled to vote on the action shall consent in writing to taking such action without a meeting, the affirmative vote of the numbers of votes that would be necessary to authorize or take such action at a meeting shall be the act of the members. The action must be evidenced by one or more written consents describing the action taken, signed in one or more counterparts by each member entitled to vote on the action, indicating each signing member's vote or abstention on the action taken. All such written consents and action shall be filed with the minutes of the proceedings of the Board. A consent signed under this Section shall have the same force and effect as a meeting vote of the Board and may be described as such in any document.

**Section 4.11 Vacancies.** Any vacancy occurring in the Board of Directors at any time for any reason may be filled by the affirmative vote of a majority of the remaining Directors, so long as the requirements of Section 4.2 are met. An individual designated to fill a director position shall serve for the unexpired term of his or her predecessor in office, or, if there is no predecessor, until the next election of Directors. If a vacancy results in there being fewer Directors than required by the Bylaws or Charter, and if such vacancy is not filled within ninety (90) days of the event which caused the vacancy, any director may apply to a court having equity jurisdiction in the county in which the Corporation has its principal office to have such court appoint a sufficient number of Directors so that the Corporation will have the number of Directors required by its Bylaws or Charter, whichever number is greater. Any Directorship to be filled by reason of an increase in the number of Directors may be filled by election by the Board of Directors in conformity with Section 4.2 for a term of office continuing only until the next election of Directors.

**Section 4.12 Reimbursement of Expenses.** Except as provided in these Bylaws, each director and officer may be paid his or her reasonable expenses, if any, of attendance at each meeting of the Board of Directors, after submitting substantiation of such expenses to the Corporation. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

**Section 4.13 Presumption of Assent.** A director of the Corporation who is present at a meeting of the Board of Directors at which action on any Corporation matter is taken shall be presumed to have assented to the action taken, unless his or her abstention or dissent shall be entered in the minutes of the meeting, or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof, or forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

**Section 4.14 Removal.** Any or all of the Directors may be removed for cause or without cause as follows: (i) "for cause," by vote of two-thirds of the total number of the Directors of the Corporation; or (ii) "without cause," by vote of four-fifths of the total number of the Directors of the Corporation. For purposes of this provision, "cause" shall mean final conviction of a felony, declaration of unsound mind by court order, adjudication of bankruptcy, nonacceptance of office, conduct prejudicial to the interest of the Corporation, or absence from three (3) or more consecutive meetings of the Board. Removal of a director shall also constitute removal as an officer of the Corporation.

**Section 4.15 Resignation.** A director may resign his or her membership at any time by tendering his or her resignation in writing to the President of the Board of Directors, or, in the case of the resignation of the President, to the Secretary. A resignation shall become effective upon the date specified in such notice or, if no date is specified, upon receipt of the resignation by the Corporation at its principal place of business.



## ARTICLE V. OFFICERS

**Section 5.1 Number.** There shall be a President, Vice-President, Secretary and Treasurer of the Board of Directors, each of whom shall be elected or appointed in accordance with the provisions of this Article. The Board may also elect such other officers and assistant officers as the Board may deem necessary or appropriate. Except for the offices of President and Secretary, any two or more offices may be held by the same person.

**Section 5.2 Election and Term of Office.** The President, Vice-President, Secretary and Treasurer of the Board of Directors shall be elected annually by the Board from among its membership. The President, Vice-President, Secretary and Treasurer shall hold office for a term of one (1) year or until his or her earlier death, resignation or removal from office in the manner hereinafter provided.

**Section 5.3 President.** The President shall, when present, preside at all meetings of the Board of Directors. The President shall be the principal executive officer of the Corporation and shall in general perform all of the duties, and have all of the authority, specified in such Position Description as the Board of Directors may adopt from time to time. The President may sign, with the Secretary or any other proper officer thereunto authorized by the Board of Directors, deeds, mortgages, bonds, contracts, and other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed. The President shall encourage the Directors of the Corporation, as well as other volunteers, to use their energies and abilities to advance the purposes of the Corporation.

**Section 5.4 Vice-President.** In the absence of the President or in the event of his or her death, inability, or refusal to act, the Vice-President shall perform the duties of the President (pending election, if necessary, of a successor pursuant to Section 5.9 below), and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President. Any Vice-President shall perform such other duties as may from time to time be assigned to him or her by the President or by the Board of Directors.

**Section 5.5 Secretary.** The Secretary shall keep the minutes of the proceedings of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal, if any, of the Corporation and see that the seal is affixed to all documents, the execution of which is duly authorized on behalf of the Corporation under its seal; keep a register of the post office address of each member of the Board of Directors, which address shall be furnished to the Secretary by each director; and in general perform all duties incident to the office of secretary and such other duties as may from time to time be assigned to him or her by the President or by the Board of Directors.

**Section 5.6 Treasurer.** The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Corporation; oversee the receipt of moneys due or payable to the Corporation from any source whatsoever, and assure the deposit all such monies in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these Bylaws; oversee the disbursement of funds of the Corporation in accordance with the directives of the Board of Directors, assuring proper vouchers for such disbursements; and render to the Board of Directors, at its annual meeting and at such other times as may be requested by the Board of Directors, an account of all the transactions of the Treasurer and of the financial condition of the Corporation. The Treasurer shall assure compliance with: (i) financial standards applicable to nonprofit organizations, and (ii) applicable federal requirements incident to the Corporation's tax-exempt status. The Treasurer shall in general perform all of the duties incident to the office of treasurer and such other duties as may from time to time be assigned to him or her by the President or the Board of Directors.

**Section 5.7 Removal.** Any Board member removed from office pursuant to Section 4.15 shall be automatically removed as an officer. The Board of Directors may remove any officer, with or without cause, when, in its judgment, the best interests of the Corporation will be served thereby.

**Section 5.8 Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification, or otherwise of the director holding such office, may be filled by the Board of Directors.

**Section 5.9 Resignation.** An officer may resign his or her office at any time by tendering his or her resignation in writing to President or, in the case of the resignation of the President, to the Secretary. A resignation shall become effective upon the date specified in such notice, or, if no date is specified, upon receipt of the resignation by the Corporation at its principal place of business.



**Section 5.10 Salaries and Expenses.** The President of the Corporation may be compensated for his or her services rendered to the Corporation in such amount, and according to such terms and conditions, as shall from time to time be determined by the Board of Directors. Reasonable expenses incurred by all of the officers in the course of coordinating the affairs of the Corporation shall be reimbursed by the Corporation upon proper substantiation.

**Section 5.11 Voting Securities of Corporation.** Unless otherwise ordered by the Board of Directors, the President shall have full power and authority on behalf of the Corporation to attend and to act and vote at any meetings of partnerships, corporations, or other organizations, in which the Corporation may hold securities, and at such meetings shall possess and may exercise any and all rights and powers incident to the ownership of such securities which the Corporation may possess and might have exercised if it had been present. The Board of Directors may from time to time by resolution confer like powers upon any other person or persons.

## ARTICLE VI. STANDARDS OF CONDUCT

**Section 6.1 Standards of Conduct.** A director or an officer of the Corporation shall discharge his or her duties as a director or as an officer:

- (a) In good faith;
- (b) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
- (c) In a manner he or she reasonably believes to be in the best interest of the Corporation.

**Section 6.2 Reliance on Third Parties.** In discharging his or her duties, a director or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

- (a) One or more officers or employees of the Corporation who the director or officer reasonably believes to be reliable and competent in the matters presented; or
- (b) Legal counsel, public accountants or other persons as to matters the director or officer reasonably believes are within the person's professional or expert competence.

**Section 6.3 Bad Faith.** A director or officer is not acting in good faith if he or she has knowledge concerning the matter in question that makes reliance otherwise permitted by these Bylaws unwarranted.

**Section 6.4 No Liability.** A director or officer is not liable for any action taken, or any failure to take action, as a director or officer, if he or she performs the duties of his or her office in compliance with the provisions of this Article, or if he or she is immune from suit under the provisions of T.C.A. § 48-58-601 of the Act.

**Section 6.5 No Fiduciary.** No director or officer shall be deemed to be a fiduciary with respect to the Corporation or with respect to any property held or administered by the Corporation, including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property.

## ARTICLE VII. CONTRACTS, LOANS, CHECKS, AND DEPOSITS

**Section 7.1 Contracts and Employment of Agents.** The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract, or execute and deliver any instrument, in the name of and on behalf of the Corporation; and such authority may be general or confined to specific instances. The Board is specifically authorized to enter into such agreements as, in its discretion, it may deem necessary or desirable, with qualified individuals, institutions or agencies to act as custodians or investment managers of the Corporation's funds; to write annuity contracts, trust agreements and other financial plans; and to perform such other financial tasks related to the management of the assets of the Corporation as the Board may from time to time deem necessary or appropriate. Furthermore, the Board of Directors shall be specifically authorized, in its sole discretion, to employ and to pay the compensation or such agents, accountants, custodians, experts, and other counsel, legal, investment or otherwise, as the Board shall deem advisable, and to delegate discretionary powers to, and rely upon information furnished by, such individuals or entities.



**Section 7.2 Loans.** No loans shall be contracted on behalf of the Corporation, and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

**Section 7.3 Checks, Drafts, etc.** All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, of the Corporation, and in such manner, as shall from time to time be determined by resolution of the Board of Directors.

**Section 7.4 Deposits.** All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks trust companies, or other depositories as the Board of Directors may select.

## **ARTICLE VIII. INDEMNIFICATION AND ADVANCEMENT OF EXPENSES**

**Section 8.1 Mandatory Indemnification of Directors and Officers.** To the maximum extent permitted by the provisions of T.C.A. §§ 48-58-501 et seq. of the Act, as amended from time to time (provided, however, that if an amendment to the Act in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this Section which occur subsequent to the effective date of such amendment), the Corporation shall indemnify and advance expenses to any person who is or was a director or officer of the Corporation, or to such person's heirs, executors and administrators, for the defense of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal (any such action, suit or proceeding being hereinafter referred to as the "Proceeding"), to which such person was, is, or is threatened to be made, a named defendant or respondent, which indemnification and advancement of expenses shall include counsel fees actually incurred as a result of the Proceeding or any appeal thereof, reasonable expenses actually incurred with respect to the Proceeding, all fines (including any excess tax assessed with respect to an employee benefit plan), judgments, penalties and amounts paid in settlement thereof, subject to the following conditions:

(a) The Proceeding was instituted by reason of the fact that such person is or was a director or officer of the Corporation; and

(b) The director or officer conducted himself or herself in good faith, and he or she reasonably believed: (i) in the case of conduct in his or her official capacity with the Corporation, that his or her conduct was in its best interest; (ii) in all other cases, that his or her conduct was at least not opposed to the best interests of the Corporation; and (iii) in the case of any criminal proceeding, that he or she had no reasonable cause to believe his or her conduct was unlawful. The conduct of a director or officer with respect to an employee benefit plan for a purpose he or she reasonably believed to be in the interest of the participants in, and beneficiaries of, the plan shall be conduct that satisfies the requirements that such person's conduct was at least not opposed to the best interests of the Corporation. The termination of a proceeding by judgment, order, settlement, conviction, or upon a pleas of nolo contendere or its equivalent is not, of itself, determinative that the director or officer did not meet the standard of conduct herein described.

**Section 8.2 Permissive Indemnification of Employees and Agents.** The Corporation may, to the maximum extent permitted by the provisions of T.C.A. §§ 48-58-501 et seq. of the Act, as amended from time to time (provided, however, that if an amendment to the Act in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this Section which occur subsequent to the effective date of such amendment), indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Corporation, or to such person's heirs, executors and administrators, to the same extent as set forth in Section 8.1 above, provided that the Proceeding was instituted by reason of the fact that such person is or was an employee or agent of the Corporation and met the standards of conduct set forth in Subsection 8.1(b) above. The Corporation may also indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Corporation to the extent, consistent with public policy, as may be provided by the Charter, by these Bylaws, by contract, or by general or specific action of the Board of Directors.

**Section 8.3 Non-Exclusive Application.** The rights to indemnification and advancement of expenses set forth in Sections 8.1 and 8.2 above are contractual between the Corporation and the person being indemnified, and his or her heirs, executors and administrators, and are not exclusive of other similar rights of indemnification or advancement of expenses to which such person may be entitled, whether by contract, by law, by the Charter, by a resolution of the Board of Directors, by these



Bylaws, by the purchase and maintenance by the Corporation of insurance on behalf of a director, officer, employee or agent of the Corporation, or by an agreement with the Corporation providing for such indemnification, all of which means of indemnification and advancement of expenses are hereby specifically authorized. The rights of indemnification and advancement of expenses set forth in this Article shall also apply, as appropriate, to any person who was an officer, director, employee or agent (or to such person's heirs, executors and administrators) of any association, corporation, partnership or trust which was a predecessor to this Corporation, and to any officer, director, employee or agent of the Corporation, and to any officer, director, employee or agent of the Corporation (or such person's heirs, executors and administrators) who served in any capacity for another association, corporation, partnership or trust at the request of this Corporation.

**Section 8.4 Non-Limiting Application.** The provisions of this Article shall not limit the power of the Corporation to pay or reimburse expenses incurred by a director, officer, employee or agent of the Corporation in connection with such person's appearing as a witness in a Proceeding at a time when he or she has not been made a named defendant or respondent to the Proceeding.

**Section 8.5 Prohibited Indemnification.** Notwithstanding any other provision of this Article, the Corporation shall not indemnify or advance expenses to or on behalf of any director, officer, employee or agent of the Corporation, or such person's heirs, executors or administrators:

- (a) If a judgment or other final adjudication adverse to such person establishes his or her liability for any breach of the duty of loyalty to the Corporation, for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or under T.C.A. § 48-58-304 of the Act; or
- (b) In connection with a Proceeding by or in the right of the Corporation in which such person was adjudged liable to the Corporation; or
- (c) In connection with any other Proceeding charging improper personal benefit to such person, whether or not involving action in his or her official capacity, in which he or she was adjudged liable on the basis that personal benefit was improperly received by him or her.

**Section 8.6 Repeal or Modification Not Retroactive.** No repeal or modification of the provisions of this Article, either directly or by the adoption of a provision inconsistent with the provisions of this Article, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

## ARTICLE IX. CONFLICTS OF INTEREST

**Section 9.1 General.** A conflict of interest transaction is a transaction with the Corporation in which a director or officer of the Corporation has a direct or indirect interest. A director or officer of the Corporation has an indirect interest in a transaction if, but not only if, a party to the transaction in another entity in which the director or officer has a material interest, or of which the director or officer is a general partner, director, officer or director. A conflict of interest transaction is not voidable or the basis for imposing liability on the director or officer if the transaction was fair at the time it was entered into, or if the transaction is approved as provided in Section 9.2

**Section 9.2 Manner of Approval.** A transaction in which a director or officer of the Corporation has a conflict of interest may be approved if:

- (a) The material facts of the transaction and the interest of the director or officer were disclosed or known to the Board of Directors, and the Board of Directors authorized, approved or ratified the transaction; or
- (b) Approval is obtained from the Attorney General of the State of Tennessee, or from a court of record having equity jurisdiction in an action in which the Attorney General is joined as a party.

**Section 9.3 Quorum Requirements.** For purposes of Section 9.2, a conflict of interest transaction is authorized, approved or ratified if it receives the affirmative vote of a majority of the Directors on the Board of Directors, who have no direct or indirect interest in the transaction; but a transaction may not be authorized, approved or ratified under this Article by a single director. A quorum is present for the purpose of taking action under this Article if a majority of the Directors on the Board who have no direct or indirect interest in the transaction vote to authorize, approve or ratify the transaction. The presence of, or vote cast by, a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under subsection 9.2(a) if the transaction is otherwise approved as provided in Section 9.2.



**ARTICLE X. FISCAL YEAR**

The fiscal year of the Corporation shall begin on January 1<sup>st</sup> and end on December 31<sup>st</sup>.

**ARTICLE XI. WAIVER OF NOTICE**

Whenever any notice is required to be given to any director or officer under the provisions of these Bylaws, the Charter, or the Act, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

**ARTICLE XII. DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS**

The lots within Holly Bend Preserve are restricted by the Declaration of Protective Covenants, Conditions and Restrictions registered in Book 121, Page 322, Book 139, Page 530, and Book 159, Page 885, Register of Deeds, Pickett County, Tennessee.

**ARTICLE XIII. RESTRICTIONS ON USE**

Lots shall be used only for private, single-family residential purposes consistent with the Declaration of Protective Covenants, Conditions and Restrictions, and not otherwise. No guest house, pool house, garage, or other detached structure shall be used as a permanent dwelling by persons not related to the Owner by blood or marriage or employed by the Owner for the care of such Owner's family or residence located on the Lot. No overnight rentals, including, but not limited to, AirBnBs and VRBOs, shall be used on the Lot.

**ARTICLE XIV. AMENDMENTS**

These Bylaws and the Charter may be altered, amended, or repealed, and a new Charter or Bylaws adopted, upon the affirmative vote of three-fourths (75%) of the Board of Directors present at any annual or special meeting, except to the extent that such alteration, amendment or repeal is inconsistent with these Bylaws.

**ARTICLE XIV. EXEMPT STATUS**

The Corporation has been organized and will be operated exclusively for exempt purposes within the meaning of I.R.C. § 501(c)(3) and, as such, will be exempt from taxation under I.R.C. § 501(a). Any provision of these Bylaws or of the Charter which would in any manner adversely affect the Corporation's tax-exempt status shall be void and shall be deleted or modified as necessary to comply with all applicable federal and state requirements for the maintenance of the Corporation's tax-exempt status.

This 16<sup>th</sup> day of September, 2021.

HOLLY BEND PRESERVE HOMEOWNERS'  
ASSOCIATION, INC.

By: Stevan W. Grabb  
Title: Director - PRESIDENT



