

Amended and Restated

WELLESLEY HOMEOWNER'S ASSOCIATION BY-LAWS

Adopted September 27, 2007, and Amended by Membership at Annual Meetings Conducted on **January 18, 2018**, **January 16, 2020**, and **January 20, 2022** (with minor punctuation and formatting corrections)

OFFICES

Section 1.01 The principal office of the Corporation shall be located at _____

[.]

The Corporation may from time to time re-designate its offices, whether within or without of the State of Tennessee, and may re-designate the name and address of its registered agent within the State of Tennessee, as required by the Tennessee Code Annotated.

ADMINISTRATION, PURPOSE, MISSION AND USE OF FUNDS

Section 1.02 The Restrictive Covenants for Wellesley Subdivision of record in Book 6969, Page 975, in the Register's Office of Hamilton County, Tennessee, as amended, and the Corporate Charter, along with the following provisions, and the Rules and Regulations adopted by the Board of Directors of the Corporation shall govern the administration of the development known as Wellesley Subdivision[.]

Section 1.03 The purposes of the Corporation are those set out in its Charter of Incorporation, as filed with the Tennessee Secretary of State, and any amendments thereof.

Section 1.04 The Corporation may develop a mission statement to express it[s] purposes, goals, direction and philosophy.

Section 1.05 Use of Funds.

The Corporation is not formed for financial or pecuniary gain; and no part of the assets, income or profit of the Corporation is distributable to, or inures to its directors, or officers or any other person, except as provided herein for reasonable authorized expenses of, and reasonable compensation for services rendered to the corporation. No funds shall be expended for the carrying on of propaganda, or for otherwise attempting to influence legislation or the election of any government official, whether federal, state or municipal, to public office.

DUES AND ASSESSMENTS

Section 2.01 All assessments of the members shall be set and collected as set forth in the Restrictive Covenants of Wellesley Subdivision, as aforesaid. Dues for the membership and the date of payment thereof, shall be determined by the Board of Directors of the Corporation at the end of each fiscal year, and shall be presented in the form of an

annual budget, with reference to necessary or desirable reserve funds, to be approved at the Corporation's annual meeting by majority vote of the membership, a quorum being present. Statements covering dues, assessments or other indebtedness owed by the members shall be due and payable when received.

MEMBERS

Section 3.01 The (i) fee simple owners of a lot in Wellesley Subdivision, as recorded in the Register's Office of Hamilton County, Tennessee, (ii) upon which there has been constructed a residential building, (iii) with respect to which an initiation fee and all assessments, fees, and other sums due to the Corporation have been paid in full shall collectively be deemed to have one membership unit in the Corporation, as set out in the Restrictive Covenants of Wellesley Subdivision, as aforesaid. Such fee simple owners of such a lot shall constitute a "member" of the Corporation entitled to vote with respect to any matter presented to the membership pursuant to these by-laws or the subdivision's restrictive covenants, as amended. Any language in these by-laws that may be interpreted as conferring membership rights on lot owners other than those satisfying the three criteria listed above is amended and superseded by this Section 3.01. As lot ownership changes, the membership shall concomitantly change. Memberships are not otherwise transferrable. (amended 1/16/2020)

Section 3.02 Annual Meeting of Members.

An annual meeting of the members of the Corporation shall be held on such date (usually the third Thursday after the end of the Corporation's fiscal year) and at such place as may be determined by the Board of Directors. The business to be conducted at such meeting shall be the reports of the President and Chief Financial Officer on the activities and financial condition of the corporation, the election of directors, any other matters specified in the notice of the meeting, and such other business as shall be properly brought before the meeting.

Section 3.03 Special Meetings

Special meeting may be held on call of the Board. of Directors if the holders of sixty (60) percent of all the votes entitled to be cast on any issue proposed to be considered at such special meeting sign, date and deliver to the corporation secretary, a written demand for the meeting describing the purpose of the meeting. Only business within that purpose may be transacted at a special membership meeting.

Section 3.04 Notice of Meetings

Notice of the date, time and place of each annual and special meeting of members, and in the case of a special meeting, a description of the meeting's purpose, shall be given no fewer than ten (10) days nor more than sixty (60) days before the date of the meeting. Such notice shall comply with the articles of these by-laws.

[Section] 3.05 Notice of waiver

A member may waive any notice required by law, by the Charter, or by these by-laws before or after the time stated in such notice if the waiver is in writing, signed by all the members entitled to vote a particular unit of membership (lot), and delivered to the Corporation and included for filing in the Corporation books and records.

Section 3.06 Record Date

The Board of Directors shall fix as the record date for the determination of the list of members a date not more than seventy (70) days before the meeting or action requiring a determination of the members.

Section 3.07 Member's List

After the record date for a meeting has been fixed, the Corporation shall prepare a list of names both alphabetical and arranged per lot number in the subdivision of those entitled to notice of a member[']s meeting and to vote therein. The list shall be available for inspection by any member, beginning two (2) days after notice of the meeting is given.

Section 3.08 Voting

There shall be one vote for each numbered lot in the subdivision on each matter voted on by members. If a quorum exists, approval of action on a matter (including election of directors) is received if the votes cast favoring the action exceed the votes cast in opposition [to] the action, unless Section Seven (7) herein, or the Charter, or the Tennessee Corporation act requires a greater number of affirmative votes.

Section 3.09 Proxies

A member may vote in person or by Proxy. A proxy agent shall be appointed by a signed written document, which shall be effective when received by the corporation's secretary or other officer authorized to tabulate votes. Prior to the final call for votes on a matter such appointments are valid for period of eleven (11) months unless another period is expressly provided in the appointment form. An appointment form is revocable, unless the form conspicuously states that it is irrevocable and the appointment is coupled with an interest. An irrevocable form becomes revocable when the interest with which it is coupled becomes extinguished. The Corporation is entitled to reject a member document if the secretary or other officer or agent of the corporation 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 such documents[.]

Section 3.10 Fractional Votes

If the fee simple owners of lot are unable to agree upon the casting of a vote, they may individually cast a fractional vote based upon their pro-rata ownership. The owners of a beneficial interest such as a mortgage may not vote and only the Trustees of a revocable or irrevocable trust may vote. All trustees will collectively have only one vote per lot.

Section 3.11 Meetings

Any meeting shall be conducted under Roberts Rules of Order.

Section 3.12 Online Meetings.

Notwithstanding any other provision of these bylaws, the Board of Directors may permit members of the Corporation to participate electronically in annual or special meetings. Any member appearing electronically shall be considered to be in attendance at the meeting for all purposes, including for purposes satisfying quorum requirements and for purposes of voting, as if the person were physically present at the meeting. (amended 1/20/2022)

BOARD OF DIRECTORS

[Section] 4.01 The Board

The affairs of the Corporation shall be managed by a Board of Directors, whose members, designated as directors, shall act as the directors of the Corporation. There shall be five (5) directors of the Corporation who shall be elected by the members at the Annual Meeting. The members of the Corporation may increase or decrease the number of directors of the Corporation but the number of Corporation directors shall not be less than five (5). The initial elected directors shall be elected for staggered terms such that one (1) director shall serve for a three (3) year term, and two (2) directors for a two (2) year term, and two (2) directors serve a one (1) year term. Thereafter, directors shall be elected for a two (2) year term. Each director shall hold office until his or her successor is elected. Directors shall be natural persons who have attained the aged of twenty-one (21) years, and shall be a resident within Wellesley Subdivision. Directors shall also meet any requirements of the Restrictive Covenants of Wellesley Subdivision as aforesaid. **The Board may remove any Director and appoint a replacement to serve until the next annual meeting of the members of the Corporation, by a vote of a majority of the remaining Directors.** (amended 1/16/2020)

[Section] 4.02 Limited Personal Liability of Directors

No person who is or was a director of the Corporation, nor such person's heirs, executors, administrators, or legal representatives (collectively referred to as a "director"), shall be personally liable to the Corporation (or its Members) for monetary damages for b[r]each of fiduciary duty as a director. However, this provision shall not eliminate or limit the l[i]ability of a director: (a) for any beach of a director's duty of loyalty to the Corporation, (b) for acts or omissions not in good faith or which involve intentional 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. No repeal or modification of the provisions of this Article, either directly or by the adoption of provisions [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.

[Section] 4.03 Indemnification and Advancement of Expenses

To the fullest extent permitted by the Tennessee Nonprofit Corporation Act, as in effect on the date hereof and as hereafter amended from time to time, a director of the corporation shall not be liable to the corporation (or its members) for monetary damages for breach of a fiduciary duty as a director. If the Tennessee Business Corporation Act or any successor statute is amended after adoption of this provision to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of a corporation shall be eliminated or limited to the fullest extent permitted by the Tennessee Business Corporation Act, as so amended from time to time, or such successor statute. Any repeal or modification of this paragraph by the shareholders of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification or with respect to events occurring prior to such time.

Section 4.04 Regular Meetings of Board

The Board shall arrange a regular quarterly meeting at the mutual convenience of the Directors to review the corporation's business and to take action as is necessary or desirable. It is desirable that written minutes thereof shall be kept and filed with the corporation secretary.

Section 4.05 Special Meetings of Board

A special meeting of the board may be called by a director upon ten (10) days written notice of the time and place of such meeting. The presence of three (3) directors is necessary for a quorum to conduct business. Proxies are not allowed. Any meeting may be held upon written and signed waiver of notice, which shall be appended to the minutes of the meeting. Any such meeting may be held by telephone. Actions may also be taken upon written signed consent of the Board of Directors, if the Board is unanimous in the approval of such action. The minutes of all such meetings of the corporation must be filed with the Corporation's secretary, formally placed in the corporation's books and records and retained as such.

[Section] 4.06 Service of Process

Any legal matters served upon the corporation shall be to the attention of its agent duly registered with the Tennessee Secretary of State, except as provided by law. Any such matter shall be brought to the immediate attention of the Board of Directors and all members shall be duly informed thereof in the due course of time.

OFFICERS

Section 5.1 Directly after the Corporation's annual meeting, the Board of Directors shall appoint individuals for the offices of President, Secretary and Treasurer. These offices may be filled by directors, but a director being considered for an office must excuse himself from the selection process for the position. These officers shall serve through the next annual meeting or until they have been properly replaced by the Board of Directors. Meetings of the members shall be presided over by the President as chairman of the meeting, or if not present, by the treasurer, or by another individual selected by the group, a quorum being present, upon a majority vote. The secretary shall keep the

minutes of all meeting and shall be responsible for notice of meetings and for the filing of the Corporation's books and records in a[n] orderly fashion. The treasurer shall be responsible for all things financial pertaining to the Corporation, particularly the collection and retainage of funds and any financial planning. The treasurer shall also be responsible for the filing of any federal or state tax or business reports or filings, as reviewed by the directors. The business and affairs of the Corporation shall be supervised by its board of directors who shall exercise in the name of the Corporation all of the rights and privileges legally exercisable by the Corporation, except as otherwise provided by law, the charter or these by-laws. The Board of Directors may authorize certain powers to be exercised by the corporation's officers by written resolutions retained in the corporation's records. The officers shall serve at the pleasure of the entire Board of Directors. An officer may resign his or her office at any time by tendering a resignation in writing to the board of directors, and a resignation shall become effective upon the date specified therein, or if without date, upon receipt by the Corporation at its principal office. The books and records of the Corporation shall be made freely available for inspection by the members, as required by law.

Section 5.2 Compensation

It is anticipated that all board members and officers shall serve without financial remuneration beyond reimbursement for expenses undertaken as authorized by the board on behalf of the corporation. However[,] the Board of Directors is authorized to expend up to \$1,000.00 per year (\$250.00 maximum per single event up to a total of \$1,000.00 per year) involving matters not expressly covered in the annual budget approved by the members. The board is specifically authorized to enter into such agreements in its discretion as it may deem necessary or desirable, with qualified individuals, institutions, or agencies to act as custodians or managers of the corporation's funds, or to perform such other financial tasks as are related to the management of the corporation[']s affairs. It shall be the obligation of the Board of Directors to assure that the annual budget of the corporation is correctly followed in the payment of necessary utilities, the procuring of proper business and liability insurance and any bonding for corporation officers or agents, and in assuring the proper maintenance and landscaping of the Homeowner's Association assets, and payment of any taxes owing as to corporate assets or activities.

FISCAL YEAR

Section 6.01 The Fiscal Year of the Corporation shall begin on January 1st and end on December 31st.

MATTERS REQUIRING SUPER MAJORITY VOTE

[Section] 7.01 The presence in person or by proxy at any meeting of the Corporation of the holders of fifty percent (50%) of the votes entitled to be cast in the subdivision shall constitute a quorum sufficient to conduct business. However[,] it shall be necessary for the owners of three-fourths (3/4) of all of the lots in the subdivision to vote in favor of a proposal legally presented in a meeting in order to approve any of the following:

1. An Amendment to the Corporation's Charter
2. Any increase or decrease in the number of Board Members.

(amended 1/18/2018 and 1/16/2020)

I hereby certify that the foregoing is a true and accurate representation of the Corporation's by-laws, as adopted on September 27, 2007, as amended by the membership at the annual meetings conducted on January 18, 2018, and January 16, 2020, with minor punctuation and formatting corrections.

/s/ Stephen R. Beckham
Secretary