

# **BYLAWS**

## **Gray Eagle Springs Homeowners' Association, Inc.**

### **ARTICLE I NAME/MEMBERSHIP**

**Section 1.** The name of this organization shall be GRAY EAGLE SPRINGS HOMEOWNERS' ASSOCIATION, INC., hereafter called the "ASSOCIATION," as defined in the Declaration of Covenants and Restrictions for Gray Eagle Springs Subdivision, hereafter called "DECLARATIONS," executed April 5, 2006 and filed with the State of Tennessee on April 7, 2006 (Instrument #200604070084182).

**Section 2.** Membership in the ASSOCIATION is established as defined by the DECLARATIONS. Membership of the ASSOCIATION, "IN GOOD STANDING," and validity of the associated vote at any meeting, annual or special, is established by validation that all annual dues and any special assessments levied by the ASSOCIATION are current.

**Section 3.** The principal office of the ASSOCIATION is designated in and by the submission of the required annual report (TN State Form SS-4444) to the Secretary of State, Office of Business Services.

### **ARTICLE II OBJECTIVES**

**Section 1.** To serve as a forum to keep residents of GRAY EAGLE SPRINGS SUBDIVISION informed of community activity, which directly or indirectly affects the subdivision (e.g. Rezoning activities, new construction and other areas of mutual interest.)

**Section 2.** To seek mutual cooperation among residents to remedy circumstances considered "eyesores" or "nuisances" which degrade the attractiveness of the subdivision or activities which residents may engage in that may be degrading to the appearance of the neighborhood or create a nuisance to other nearby residents.

**Section 3.** To establish details regarding the timing of certain recurring activities necessary to maintain the ASSOCIATION (ie: billing and collection of annual dues, payment of bills, routine and special communications, etc.)

**Section 4.** The ASSOCIATION will not lend its name or that of its board of Directors in support of or in opposition to the candidacy of any person for political office.

### **ARTICLE III BOARD OF DIRECTORS**

**Section 1.** As defined by the DECLARATIONS, the Board of Directors, hereinafter referred to as the "BOARD," shall consist of five (5) officers established through an annual election by the ASSOCIATION membership. All corporate powers shall be exercised by or under the authority of, and the affairs of the corporation managed under the direction of, the BOARD (TN Title 48, Chapter 58, Part 101(b)).

**Section 2.** Eligibility for nomination/election to a BOARD position is established by membership, in good standing, of the ASSOCIATION. No more than one eligible candidate may be nominated/elected from a single residence.

**Section 3.** No more than one eligible candidate from any single residence may serve on the BOARD at the same time.

**Section 4.** The officers of the BOARD shall consist of the following minimum positions:

- a. President
- b. Vice-President
- c. Treasurer
- d. Secretary

**Section 5.** The position of Secretary may be combined with either the Treasurer or Vice-President position at the discretion of the BOARD but may, in no case, be combined with the position of President.

**Section 6.** In order to establish BOARD continuity, the term of office for each officer shall be for two (2) years (or until a successor shall have been elected), excepting the initial BOARD establishment, with alternating position nominations/elections occurring annually. Nominations/elections occurring for a given year (even or odd) shall install the President, Secretary and Treasurer. Nominations/elections occurring for the alternate year (odd or even) shall install the Vice-President and any general board member(s). In the event the Secretary position is combined with either the Treasurer or the Vice-President, an additional General board member will also be installed during nominations/elections in the year that the President is installed to maintain a five (5) member BOARD.

**Section 7.** An ASSOCIATION member(s) of an individual household may not serve in the same office for more than two (2) successive terms or on the BOARD for more than three (3) successive terms. Service in the combined positions of Treasurer and/or Secretary for a given term are considered a single office/term. (Example: Mr. Service is elected president for a two year term, Mrs. Service then serves for two years as Secretary followed by a two year term by Mr. Service, as Treasurer. In this case, the Service household may not hold office during the subsequent two-year period to reset the term limitations.)

**Section 8.** For initial BOARD establishment, the positions of Vice-President and fifth (general) board member will carry a term of three (3) years in order to establish the alternating year nomination/election process.

**Section 9.** The foregoing shall not prohibit the continuation of the term of office, of an officer, for whom a replacement has not been nominated/elected.

**Section 10.** At least three members of the BOARD are required to establish a quorum and shall be present in order to conduct any ASSOCIATION business. A simple majority vote of the quorum is adequate to approve any proposal placed before the BOARD.

**Section 11.** Each BOARD member is authorized one (1) vote on any matter placed before the BOARD requiring such a vote.

**Section 12.** Any or all members of the BOARD may be removed with or without cause by a majority vote of the ASSOCIATION membership present (including proxy votes) at the annual or a special meeting in which a quorum, as defined by the DECLARATIONS, is present.

**Section 13.** Vacancies occurring on the BOARD for any reason other than expiration of a term of office may be filled by a majority vote of the BOARD members remaining in office, provided, however that any vacancies existing in the BOARD by reason of removal shall be filled immediately by majority vote of the ASSOCIATION membership at the next Annual Meeting or at a Special Meeting called for this purpose under these bylaws.

## **ARTICLE IV DUTIES OF OFFICERS**

**Section 1.** The President of the ASSOCIATION shall preside over all meetings and serve as the official representative of the ASSOCIATION. The President shall be an authorized signatory on all accounts established by and for the ASSOCIATION.

**Section 2.** The Vice President shall perform the duties of the President in the event of his or her absence. The Vice-President shall be an authorized signatory on all accounts established by and for the ASSOCIATION. The Vice President shall serve as committee chair for any committees established by the ASSOCIATION such as the Gray Eagle Springs Advisory Committee.

**Section 3.** The Secretary shall record the minutes of all regular business meetings, present minutes of the previous meeting and prepare and execute all communications to the ASSOCIATION membership.

**Section 4.** The Treasurer shall be responsible for the following:

**a.** Establishment and maintenance of a checking account for all of the funds of the ASSOCIATION with a federally insured local bank or savings and loan association. The account shall be in the name of the ASSOCIATION and signatories shall be the President, Vice-President and Treasurer. All checks issued by the BOARD shall require the signature of two signatories. As outgoing authorized account signatories are replaced, the treasurer will ensure that the correct signatures are on record with the account(s) at the bank or savings and loan association. Withdrawals from the account shall be made only after the BOARD has authorized the expenditure.

**b.** Maintaining custody of all ASSOCIATION funds and keeping an accurate record of all receipts and expenditures and shall disburse funds in accordance with the approved budget or upon authorization of the ASSOCIATION at a normal business meeting.

**c.** The Treasurer shall be responsible for collection of ASSOCIATION dues and maintain a list of homeowners who fall in arrears.

**d.** Preparation and submittal of an updated income and expense report for each BOARD meeting as well as a comprehensive annual report of income and expenses for presentation to the ASSOCIATION membership at the annual meeting.

**e.** The Treasurer shall be an authorized signatory on all financial accounts established by and for the ASSOCIATION.

**Section 5.** The BOARD shall ensure that, at a minimum, an annual audit of all financial accounts and established obligations is conducted by at least three (3) members of the ASSOCIATION not currently serving on the board or residing in the domicile of any board member.

**Section 6.** The BOARD is authorized discretionary spending of not more than three hundred fifty dollars (\$350.00) in a given calendar month for the purpose of satisfying the ASSOCIATION obligations (electricity for lights, water for irrigation, maintenance of common areas, etc.).

**Section 7.** The BOARD shall carefully examine the details of any submitted request for remedy by a member of the ASSOCIATION within 30 days and provide the member with regular (quarterly) status updates on the request. The BOARD may appoint an arbitration committee to examine particularly volatile issues.

## **ARTICLE V RECORDS**

**Section 1.** The BOARD shall maintain records in written form or in another form capable of conversion into written form within a reasonable time (TN Title 48, Chapter 66, Part 101).

**Section 2.** The BOARD shall maintain the following permanent records:

- a. Minutes of all meetings of the ASSOCIATION, BOARD and any established committees.
- b. A record of all actions taken on behalf of the ASSOCIATION by members, officers or committees.

**Section 3.** The BOARD shall maintain appropriate accounting records.

**Section 4.** The BOARD shall maintain a record of the ASSOCIATION membership in a form that permits preparation of a list of the names and addresses of all members, in alphabetical order, showing the number of votes each member is entitled to cast.

**Section 5.** The BOARD shall maintain a copy of the following records at its principle office as designated on its most recent annual report delivered to the secretary of state:

- a. Its charter and all amendments currently in effect.
- b. Its bylaws and all amendments currently in effect.
- c. Resolutions adopted by the BOARD relating to the characteristics, qualifications, rights, limitation and obligations of the ASSOCIATION or its members.
- d. The minutes of all meetings of the ASSOCIATION, BOARD or any committees and records of all actions approved by the membership for the past three (3) years.
- e. All written communications to the ASSOCIATION membership including financial statements.
- f. The most recent annual report delivered to the secretary of state.

**Section 6.** Members of the ASSOCIATION are entitled to inspect and copy, at a reasonable time and location specified by the BOARD, any of the records of the ASSOCIATION described in Sections 2 through 5 above by providing the BOARD a written demand at least five (5) business days before the date on which the member wishes to inspect and copy (TN Title 48, Chapter 66, Part 102).

## **ARTICLE VI MEETINGS**

**Section 1.** The annual meeting of the ASSOCIATION membership occurs in February, for the conduct of the annual nomination/election process. The BOARD will establish the specific date, time and location.

**Section 2.** Special meetings may be called at the discretion of the BOARD in order to present proposals to the ASSOCIATION membership, which require a quorum vote.

**Section 3.** Meeting notification shall be made, at their request, to each residence/lot owner, not less than one (1) week prior to any regularly scheduled business or BOARD meeting and, as defined by the DECLARATIONS, not less than thirty (30) days prior to any special or annual meeting of the membership. The Secretary is responsible for all meeting notifications as delineated in Article IV, Section 3 and Article VIII, Section 4.

**Section 4.** Any member who wishes to submit an agenda item for consideration by either the BOARD or the ASSOCIATION must do so in writing, as described in Article VIII, at least fifteen (15) days prior to a scheduled meeting. At the discretion of the BOARD, any agenda request correspondence received after this deadline will be considered during the next regular BOARD meeting.

**Section 5.** The BOARD will meet regularly to conduct the business of the ASSOCIATION, at a minimum, on a quarterly basis.

**Section 6.** All BOARD and special meetings are open to attendance/observation by any member of the ASSOCIATION however, only agenda items submitted as defined in Section 4 above will be open for discussion. Meeting notifications will follow the requirements defined in Section 3 above.

## **ARTICLE VII ELECTIONS**

**Section 1.** The BOARD will solicit nominations for the annual election of officers at least sixty (60) days prior to the annual meeting of the ASSOCIATION. The BOARD, at its discretion, may establish a nominating committee to accept and validate election nominations. Any member, in good standing, of the ASSOCIATION, may nominate eligible candidates for BOARD positions.

**Section 2.** Any member of the ASSOCIATION, defined by Article III of the DECLARATIONS is eligible for nomination to any position on the BOARD.

**Section 3.** The BOARD will publish and distribute, to the ASSOCIATION membership, a ballot of eligible nominees for board positions at least thirty (30) days prior to the annual meeting along with a proxy vote designation form.

**Section 4.** An individual eligible candidate may be nominated and balloted for multiple available positions however, except when positions are combined as allowed by Article III, Section 5, an individual may not simultaneously serve in more than one position. Reasonable time shall be provided to conduct turnover of a position, as the incumbent, while assuming a newly elected position.

**Section 5.** The BOARD will prepare one (1) ballot per residence/property for use at the annual meeting of the ASSOCIATION membership. This ballot will detail the status of each residence/property regarding any and all dues (regular and special assessments) and will be used to establish the validity of the associated vote in the election as detailed in ARTICLE I, Section 2.

**Section 6.** Any ASSOCIATION member unable to attend the annual meeting may complete a proxy form designating another ASSOCIATION member to cast their vote at the meeting. Alternatively, any member may request advance (early) delivery of the ballot and deliver it completed, to the BOARD secretary, anytime prior to the opening of the annual meeting for inclusion in the election.

**Section 7.** In the election of officers, a simple majority of the available votes and proxies on hand at the annual meeting will define the winner of a position. In the event a single candidate is elected into two positions simultaneously, the individual will be contacted to select the position preferred. The next majority vote candidate will be installed in the non-selected position.

**Section 8.** The BOARD will publish the results of elections within ten (10) days of an election however, the actual number of votes cast for a particular nominee will not be published. The total number of votes cast will be maintained in the election record. Newly elected officers will communicate with incumbents and conduct the necessary reviews and turnover of duties to assume the associated position by April 1 of each year.

## **ARTICLE VIII COMMUNICATION**

**Section 1.** The BOARD will establish and maintain a post office box at the U.S. Postal Service Office located at 9039 Cross Park DR, Knoxville, TN 37923 for the purpose of conducting communications.

**Section 2.** Required official communications with the BOARD, the ASSOCIATION or any committees, such as architectural plan or improvement submissions, that are associated with time constraints as described by the DECLARATIONS, will only be accepted via U.S. Mail delivered to the Association Post Office Box. Official U.S. Mail postmark will establish the date of submission for such items.

**Section 3.** The BOARD will establish procedures to ensure that the ASSOCIATION Post Office Box is checked regularly. At a minimum, the box will be checked weekly to allow adequate time to act upon submissions.

**Section 4.** In the interest of economy, the use of the Internet and electronic mail is acceptable and encouraged for BOARD communication to the ASSOCIATION membership regarding routine information, meeting notifications (except the annual meeting) and proposed meeting agendas.

**Section 5.** Posting of a meeting announcement on a web page, either one established by the ASSOCIATION or some other site, is NOT an acceptable method of meeting notification. Such official meeting notification must be made to owners via a direct method. (e-mail, U.S. Postal Service mail, etc.)

**Section 6.** If a member of the ASSOCIATION desires not to or cannot receive electronic correspondence, they need only submit a written request to the BOARD and said notifications will be mailed to the residence/lot owner address via the U.S. Postal Service.

**Section 7.** If a member of the ASSOCIATION wishes to seek remedy of an issue in the neighborhood, written submission of the issue, including all available detail, via the U.S. Postal Service will serve to provide official notification to the BOARD.

## **ARTICLE IX DUES**

**Section 1.** Annual dues, as defined by the DECLARATIONS, for the ASSOCIATION are due and payable by January 31 of each year.

**Section 2.** Owners of unimproved properties/lots in the subdivision are authorized reduced annual dues in the amount of thirty dollars (\$30.00). In the event the property owner fails to maintain the unimproved lot(s) (ie: clearing unnecessary debris, keeping the lawn mowed, etc.), the privilege of reduced dues assessments shall expire immediately and the BOARD shall conduct a full billing for that property at the normal rate of \$125.00 annually. Upon billing, the unimproved property owner will be provided 30 days to restore the property to a reasonable state of maintenance whereupon the ASSOCIATION may contract the property cleanup and bill the property owner the total amount, including costs incurred by the ASSOCIATION, as a special assessment to the property. Upon the sale of a home erected upon a previously unimproved lot, the reduced dues assessment expires on the last day of the calendar month in which the sale occurs.

**Section 3.** The BOARD shall prepare and distribute annual billing for each residence/lot via the U.S. Postal Service to ensure delivery to residence/lot owners during the month of November each year.

**Section 4.** Builders and Real Estate associates conducting business in the neighborhood shall be provided a copy of these Bylaws to provide an understanding of ASSOCIATION procedures, which may be effectively communicated, to potential buyers.

**Section 5.** The BOARD shall make every reasonable effort to contact the appropriate Title Agency prior to the sale of any property to ensure the appropriate dues are collected and forwarded to the ASSOCIATION at closing. Similarly, the BOARD is responsible to ensure said Title Agency is informed of any dues credits existing for properties undergoing a sale or transfer.

**Section 6.** Special Assessments, as defined by the DECLARATIONS, levied by the BOARD for any purpose will be billed as described in Section 3 above within thirty (30) days of approval of the Special Assessment. At the discretion of the BOARD, unimproved properties/lots may be granted a reduction in their portion of any Special Assessment.

**Section 7.** At times, a member of the ASSOCIATION may experience certain financial trouble making it difficult to meet the requirements of their annual dues. The BOARD may, at its discretion, accept payments or defer payment due dates in these instances however; in no case shall a member be allowed to fall more than 8 months arrears on annual dues. Article V, Section 8 of the DECLARATIONS will apply upon default of such a deferment.

## **ARTICLE X COMMITTEES**

**Section 1.** Committees provide a means to assist the BOARD in the conduct of ASSOCIATION business. All meeting, voting and quorum requirements associated with the BOARD apply to committee members in the execution of their responsibilities, which will be established by the BOARD.

**Section 2.** The Gray Eagle Springs Advisory Committee is defined by the DECLARATIONS. The BOARD shall appoint committee members (TN Title 48, Chapter 58, Part 206(b)) from the ASSOCIATION membership as defined by Article III of the DECLARATIONS.

**Section 3.** As defined in Article IV, Section 2, the Vice President of the ASSOCIATION, as elected, shall serve as chairperson of all established committees.

**Section 4.** The BOARD may, at its discretion, establish such additional committees as necessary for the purpose of conducting the business of the ASSOCIATION and appoint persons from the eligible ASSOCIATION membership.

**Section 5.** All committees shall report their activities and recommendations to the BOARD by filing a report, including meeting minutes, with the secretary each month in which a committee meeting or, in lieu of a meeting, an actionable recommendation is forwarded to the BOARD.

## **ARTICLE XI AMENDMENT**

**Section 1.** These bylaws may be amended, at any time, by a two-thirds (2/3) approval vote of the members of the ASSOCIATION (TN Title 48, Chapter 60, Part 202), providing at least (5) days notice of the intent to amend, repeal or alter the bylaws has been given.

**Section 2.** Any member of the ASSOCIATION may suggest amendment(s) to the bylaws by submitting the proposed amendment(s) to the BOARD.

**Section 3.** Upon receipt of proposed amendment(s), the BOARD shall publish, by any acceptable means detailed in Article VIII of these bylaws, to the ASSOCIATION, the amendment proposal with BOARD comment/recommendations. Proposed amendment(s) may be held for up to 90 days, at the discretion of the BOARD, and published quarterly however, all amendment proposals shall be communicated to the ASSOCIATION membership.

## **ARTICLE XII DISSOLUTION OF FUNDS**

**Section 1.** Upon dissolution, all outstanding liabilities of the ASSOCIATION shall first be paid. Any remaining outstanding funds shall then be distributed equally among each lot/residence membership in good standing.