

# **BYLAWS OF SHADOWBROOK HOMEOWNERS ASSOCIATION, INC.**

## **ARTICLE 1**

### **NAME, OFFICE, DEFINITIONS AND DATE OF INCORPORATION**

Section 1. The name of the organization shall be SHADOWBROOK HOMEOWNERS ASSOCIATION, INC., a nonprofit corporation.

Section 2. The principal office of this Corporation shall be located at the home of the President of the Corporation, Shadowbrook Subdivision, Knox County, Tennessee.

Section 3. "The Subdivision" shall mean and refer to the Shadowbrook Subdivision in Knox County, Tennessee, being the same property described on a plat of record in the Register's Office of Knox County, Tennessee, instrument number 200104160069392.

Section 4. "Common Properties" shall mean and refer to any and all recreational areas, common areas, streets, footways, entrance area and any other properties owned and maintained by the Association for the common benefit and enjoyment of its members.

Section 5. "Quorum" shall mean fifty one (51%) percent of the membership present either in person or by proxy at any duly called regular or special meeting.

Section 6. "Builder" shall mean and refer to Smithbilt Homes, Inc., the original owner and developer of all lots and residences within Shadowbrook Subdivision.

Section 7. "Member in good standing" shall mean any member who has paid in full all dues and assessments by the cutoff date as fixed by the Board of Directors.

Section 8. "Special assessment" shall refer to any levy of additional monies other than yearly dues for the purposes of any extraordinary maintenance or repairs necessary to the common grounds.

Section 9. The Association's fiscal year shall run from January 1 to December 31.

Section 10. Shadowbrook Homeowners Association, Inc., was incorporated under the laws of the State of Tennessee as of the 31st day of July, 2006.

## **ARTICLE II MEMBERSHIP**

Section 1. Every person who is the owner of a fee interest in any lot in the Subdivision and who occupies a dwelling house on the same as his/her principal residence as of August 1, 2006 is a member of the Association. Membership shall not be transferable, except to a subsequent purchaser of the owner/member's fee interest in their Subdivision lot and dwelling house. All members shall be responsible for any and all duties attending such membership in the Association and shall also be entitled to all the privileges of membership in the Association. Any such person or entity who holds such interest merely as a security for the performance of an obligation or who is an organization, association, or a corporation shall not be a member.

Section 2. Membership shall be appurtenant to lots. Membership may be held jointly by a husband and wife and/or other occupiers of a single dwelling, but in any event, each member shall hold only one vote in the Association per lot owned.

Section 3. All members shall pay annual dues as approved pursuant to these By-Laws. Annual dues for new members will be prorated on a monthly basis determined by the month of their membership. Annual dues for each membership shall be recommended by the Board of Directors and presented to the membership for approval at the regular annual meeting.

Section 4. If the Board of Directors believes it necessary to levy assessments for the purpose of improving, operating, or maintaining the Corporation, approval must be obtained by a majority vote of the memberships in the Corporation in person or by proxy at a duly called Membership meeting.

## **ARTICLE III MEETING OF MEMBERS**

Section 1. The regular annual meeting of the members shall be held on the first Thursday of July in each year following incorporation, or in case such day is a legal holiday, on the next day. Written or printed notice stating the place, day, and hour of such meeting shall be mailed or delivered by the Vice-President at least ten (10) days before such meeting to each member. If notice of said meeting is not accomplished in time, and/or in the event the regular annual meeting cannot validly be held on the first Thursday of July, said meeting shall be held as soon thereafter as practicable following proper notice thereof.

Section 2. Special meetings of the members may be called at the discretion of the President, Board of Directors, or thirty-three (33%) percent of all members, subject to ten (10) days notice being given, and stating the purpose of the meeting in said notice.

Section 3. At all meeting of members, attendance and voting may be in person or by proxy. All proxies shall be in writing and filed with the Secretary/Treasurer before the opening of business.

## **ARTICLE IV BOARD OF DIRECTORS**

Section 1. The affairs of the corporation shall be managed by a Board of three (3) Directors, consisting of President, Vice-President, and Secretary/Treasurer. The Directors shall each be members of the Association in good standing. Any Director who sells, and/or is absent or gives notice of his/her intention to be absent for more than thirty (30) consecutive days from his/her dwelling house in the Subdivision, shall relinquish his/her position as a Director and officer in the Corporation.

Section 2. The Board of Directors shall be elected annually at the Meeting of Members outlined in Article III herein above. Nominations shall be taken at the Meeting followed by a vote of the membership. The three nominees receiving the most votes will constitute the newly elected Board. Only a Member in good standing is eligible for service on the board.

## **ARTICLE V POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

Section 1. The Board of Directors shall have power and duty:

- (a) to call special meetings of the members whenever it is deemed necessary;
- (b) to appoint and remove at pleasure all agents and/or employees, of, and/or contractors with, the Corporation, prescribe their duties, fix their compensation, and require of them such security of fidelity bond and/or liability insurance as it may deem expedient;
- (c) to recommend the amount and rate of annual dues and present said recommendation to the membership for approval at the annual meeting;
- (d) to recommend special assessments against the members for the purpose of improving, operating, or maintaining the Corporation and/or the "Common Properties";
- (e) to initiate any legal proceeding which the Board feels in its discretion is necessary to compel any member to perform any and all duties attending such member's membership in the Association, including the payment of annual fees;
- (f) to make recommendations regarding the maintenance, improvement, and operation of said Common Properties
- (g) to establish and appoint the members of a three (3) member planning committee, which shall oversee render decisions regarding plans or documents submitted to it for approval.

Section 2. It shall be the duty of the Board of Directors:

- (a) to keep a record of all of its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting when such is required in writing by fifty-one (51%) percent of the voting membership as provided herein;

- (b) to produce and maintain adequate liability and hazard insurance on property owned by the Corporation;
- (c) to supervise all officers, agents, and employees of this Corporation and to see that their duties are properly performed;
- (d) to ensure the final performance of any contracts and/or contractors with the Corporation;
- (e) to generally manage and direct the affairs of the Corporation;
- (f) to propose an annual budget yearly for the approval of the membership, which shall form the basis for the Board's recommendation for the amount of any dues or special assessments.

## **ARTICLE VI MEETING OF DIRECTORS**

Section 1. The Board of Directors shall hold regular meetings at a time and frequency as the Board deems necessary.

Section 2. Special meetings of the Board of Directors may be held on call of the President or at the request of the majority of Directors.

Section 3. Notice of all regular and special meetings of the Board of Directors shall be mailed or delivered by the Vice-President to each member of the Board of Directors at least seven (7) days prior to such meeting, which notice shall be effective when mailed or delivered, provided that special meetings of the Board of Directors may be held without written notice upon the consent of any Director not attending, which consent shall be entered in the minutes of the meeting as part thereof.

Section 4. A majority of the members of the Board of Directors is required for the transaction of business at any regular or special meeting of the Board. Every act of decision made by a majority of the Directors present at a duly held regular or special Board meeting at which a majority of the members of the Board of Directors is present shall be regarded as the act of the Board.

Section 5. Vacancies in the Board of Directors may be filled by the remaining Directors at any regular or special meeting, but any Director so selected shall hold office only until the next annual meeting of the members when the successor shall be elected by the members.

## **ARTICLE VII OFFICERS OF THE CORPORATION**

Section 1. The officers of the Corporation shall be President, Vice-President and Secretary/Treasurer.

Section 2. Officers shall be elected by the Membership at the annual meeting.

Section 3. Each officer shall serve a one (1) year term, with a maximum limit of three (3) consecutive terms to the same office. The officer shall not be eligible for reelection to the same

office after having served three (3) consecutive terms, until after the expiration of a one (1) year period.

Section 4. Only one (1) member of each household is eligible for an elected office per term. No two or more people of the same household may hold elected office during the same period of time.

## **ARTICLE VIII DUTIES OF THE OFFICERS**

Section 1. The President shall preside at all meetings of the Association and shall be an ex-officio member of all committees. The President of the Corporation shall have signatory authority to sign all documents and papers to which his/her signature is necessary or required by the laws of the State of Tennessee, or to effectuate or implement any action of the Board or Association, or customary business practice. The President shall make all committee appointments as required by these bylaws. The President shall be the chief executive officer of the Corporation with all the powers and duties normally impeding upon such office by law, custom, practice, or tradition.

Section 2. The Vice-President shall exercise all the duties of the President of the Corporation including, but not limited to, signature authority during the President's disability, absence, or refusal to act, or upon his/her death or removal and until the President's successor shall have been elected and qualified. The Vice-President shall also give any required notice of all meetings of the Board of Directors and of the Membership.

Section 3. The Secretary/Treasurer shall keep the minutes of all meetings of the Association and the Board of Directors and the minute book of the Corporation and attest to the signature of the President or other authorized officer on all papers and documents as required by the laws of the State of Tennessee, the Charter of Incorporation, or when such is reasonably required or demanded by any person to whom which documents are directed. The Secretary/Treasurer shall also supervise and account for the receipts, deposits, and disbursements of the Corporation, and shall make all periodic reports of the financial affairs of the Corporation as may be required by the Corporation, together with an annual financial report.

## **ARTICLE IX PLANNING COMMITTEE**

Section 1. The Association's Board of Directors shall appoint for a one (1) year term, three members to form the Planning Committee. The Board of Directors shall also have the authority to appoint new members of the Planning Committee to serve the remaining term of a resigning member or to replace a Committee member at any time and for any reason. Members of the Planning Committee must be a member of the Association in good standing.

Section 2. Reporting to the Board of Directors, the Planning Committee will conduct the reviews required herein and shall render decisions regarding plans or documents submitted to it

for approval. Any party hereto may appeal a decision of the Planning Committee to the Board of Directors. Decisions of the Board of Directors are final.

## **ARTICLE X BUILDING PLAN APPROVAL**

Section 1. No building, addition, fence, deck, play structure, kennel, porch, carport, pool or mailbox shall be erected, placed, altered or permitted to remain on any building lot in the subdivision until the building plans and specifications and the lot plans showing the location of such building or alteration have been approved in writing, by the Planning Committee. Plans will be evaluated as to conformity and harmony with the existing structures in the Subdivision and adherence to the restrictions established by the Builder. A complete set of plans and specifications of the structure to be built shall remain with the Planning Committee throughout the construction period.

Section 2. In the event the Planning Committee fails to approve or disapprove such design and location within ten (10) business days after said plans and specifications have been submitted to it, said plans shall be deemed disapproved. In the event said Planning Committee explicitly rejects or fails to act upon plans submitted under this Article, the submitting property owner may appeal such rejection to the Board of Directors by delivering to the President written reasons why the Planning Committee's decision should be reversed or modified. Appeals to the Board will be reviewed and a final decision rendered within ten (10) days of the appeal. The decision of the Board of Directors is final.

Section 3. Structures existing prior to August 1, 2006, which otherwise meet the requirements in the Declaration of Restrictions, established by the Builder, and recorded at instrument number 200207180004783 in the office of the Register of Deeds for Knox County, Tennessee, but that have not been approved by the Planning Committee are hereby grandfathered and considered to be in compliance with these By-Laws.

## **ARTICLE XI DUTIES OF MEMBERS**

Section 1. The dues or assessments levied by the Association as provided herein above shall be paid to the Association on or before the date fixed by resolution of the Board. Payments made after the date fixed by resolution of the Board will be subject to a penalty of not more than five percent (5%) per late payment. In addition, any Member who is not current on dues and or assessments as provided herein, shall be deemed a member not in good standing, and shall not be allowed to vote in the affairs of the Association until such time as that member brings payment of dues and or assessments current.

**ARTICLE XI**  
**LIMITATION ON LIABILITY OF DIRECTORS AND OFFICERS**

Section 1. No member of the Board of Directors or Officer shall have any personal liability to the Corporation or its members for monetary damages for an act or omission of any such Directors or Officers of his/her duties as such Director or Officer, except for willful and/or intentional misconduct or knowing violations of law or for any breach of the Director's duty of loyalty to the Corporation or its members.

**ARTICLE XI**  
**AMENDMENTS**

Section 1. These bylaws may be amended, at a regular or special meeting of the members, by a quorum of the votes, provided that the substance and purpose of the amendment shall have been included in the notice of the meeting.

Adopted: This \_\_\_\_\_

Shadowbrook Homeowners Association, Inc.

By: \_\_\_\_\_  
PRESIDENT

By: \_\_\_\_\_  
VICE PRESIDENT

By: \_\_\_\_\_  
SECRETARY/TREASURER