

**AMENDED BY-LAWS
OF
SHILOH FALLS HOMEOWNER'S ASSOCIATION, INC.
FOR THE ADMINISTRATION OF SHILOH FALLS SUBDIVISION**

**ARTICLE I
NAME AND LOCATION**

The name of the Association is Shiloh Falls Homeowner's Association, Inc., hereinafter referred to as "SFHA." The principal office of the association shall be located at 95 Old South Road, Counce, Tennessee 38326, but meetings of the members and directors may be held at such places within Hardin County, Tennessee, as may be designated by the Board of Directors.

**ARTICLE II
PURPOSE**

The purpose of the Association is to administer a subdivision known as Shiloh Falls Subdivision (herein sometimes called the "Property") and to do and perform any and all other things, matters or acts required by or permitted to the owners of lots in Shiloh Falls Subdivision. Shiloh Falls Homeowner's Association, Inc. was incorporated by the Developer June 23, 1993, in the state of Tennessee (Secretary of State Control Number 026279) as a "Non-profit Mutual Benefit Corporation". On January 2, 2001, Developer transferred all rights, title and interest in all Common Areas and road right-of-ways to SFHA.

**ARTICLE III
DEFINITIONS**

The definitions set out in the Declaration of Covenants and Restrictions of Shiloh Falls Subdivision are recorded in record book 570 Page 374 and amended in Record Book 577 page 783 and filed May 3rd 2013 in HCROD.

**ARTICLE IV
MEMBERS, MEETINGS, AND VOTING RIGHTS OF MEMBERS**

Section 1. All of the owners of lots within Shiloh Falls Subdivision shall constitute the members of the Association.

Section 2. Annual Meetings.

The annual meeting of the Members shall be held on the third Saturday in the month of January of each year at the hour of 10:00 A.M., if possible, at such places within Hardin County, Tennessee, as may be designated by the Board of Directors. At such meeting, the Members shall elect a Board of Director or Directors, as the case may be, to replace the outgoing Director or Directors, receive reports on the affairs of the Association, and transact any other business which is within the power of the Members.

Section 3. Special Meetings. Special meetings of the members may be called at any time by the President, or by the Board of Directors, or upon written request of members entitled to cast one-third (1/3) of the number of votes entitled to be cast by all members and shall be held at such places within Hardin County, Tennessee, as may be designated by the Board of Directors.

Section 4. Notice of Meetings. Written notice of meetings stating the place, day and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called and the person or persons calling the meeting shall be delivered, either personally, by mail or via e-mail (if the member has so approved in advance) to each member at his address as it appears on the books of SFHA. If mailed, such notice shall be delivered not less than ten (10), nor more than thirty (30) days before the date of the meeting, and shall be deemed to be delivered when deposited in the U.S. Mail and addressed to the member at his said address, with postage thereon prepaid. If sent via e-mail, such notice shall be sent not less than ten (10) nor more than thirty (30) days before the date of the meeting, and shall be deemed delivered when actually received by the member. If delivered personally, such notice shall be delivered not less than ten (10) nor more than thirty (30) days before the date of the meeting and shall be deemed delivered when actually received by the member.

Section 5. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, at least sixty percent (60%) of the total number of votes entitled to be cast shall constitute a quorum for any actions, except as otherwise provided in these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present or be represented; and at the meeting following such

adjournment the quorum shall consist of one-half (1/2) of the required quorum at the preceding meeting [provided that a quorum shall never consist of less than one-tenth (1/10) of the total number of votes entitled to be cast by all members]. When a meeting is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, provided that the period of adjournment shall not exceed thirty (30) days.

Section 6. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. If so approved in advance by the member, the proxy may be returned to SFHA via e-mail attachment as a PDF document. Each proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

Section 7. Voting Rights. Except as hereinafter provided, each member shall be entitled to one vote for each lot owned by him provided that all assessments against such lot which are then due have been paid.

(a) When title to a lot is owned by more than one person, all such persons shall be members but they shall be entitled to only one (1) vote with respect to each lot so owned. The vote for such lot shall be exercised as the owners of such lot among themselves determine. Where only one of two or more co-owners is present at a meeting of the members of SFHA, he or she shall be entitled to cast the vote with respect to that lot.

ARTICLE V

BOARD OF DIRECTORS – SELECTION – TERM OF OFFICE

Section 1. The affairs of SFHA shall be managed by a Board of not less than three (3) nor more than seven (7) Directors, each of whom shall be either the owner of a lot or of an interest therein, or in the event of ownership of a lot by a partner, trustee, officer, or other designated representative, then the representative of that interest appointed by the holder of the interest. The number of Directors shall be fixed at the first meeting of SFHA and may be changed at any subsequent meeting of SFHA; provided, however, that any Director may complete his term of office despite any decrease in the number of Directors, unless removed from office, as herein provided.

Section 2. Term of Office. At the first meeting, the members shall elect one-third (1/3) of the Directors for a term of one (1) year, one-third (1/3) of the Directors for a term of two (2) years, and the remaining Director(s) for a term of three (3) years; and at each annual meeting thereafter, members shall elect a Director or Directors, as the case may be, for a term of three (3) years to replace the outgoing Director or Directors.

Section 3. Removal or Resignation. Any Director may be removed from the Board with or without cause by a majority vote of the members of the SFHA. If any Director shall cease to be the owner of a lot or of an interest therein or shall cease to be a partner, trustee, officer or other designated representative of a partnership, trustee, corporation or other entity owning a lot, he shall immediately resign as such Director. In the event of death or resignation or removal of a Director, his successor shall be selected by the remaining members of the Board (although less than a quorum exists) or by the vote of members entitled to cast a majority of the votes entitled to be cast by all members and shall serve until the next annual meeting when the members shall elect a successor to serve for the remaining unexpired term of the Director.

Section 4. Compensation. No Director shall receive compensation for any service he may render to SFHA as Director; however, any Director may be reimbursed for his actual expenses incurred in the performance of his duties (not including meals, travel and lodging).

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting by obtaining the written approval, by mail or email, of all of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for the election of the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the SFHA. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve

from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. The Nominating Committee shall be proactive in soliciting candidates from membership and encouraging members to return proxies and ballots in a timely manner.

Section 2. Election. Election to the Board of Directors shall be by ballot. At such elections, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to cast under the provisions hereof. If so approved in advance by the member, a proxy may be returned to SFHA via e-mail attachment as a PDF document. Also, if requested and approved in advance by the member, ballots may be sent to members via e-mail as a PDF for voting and return to SFHA. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

ARTICLE VII **MEETINGS OF DIRECTORS**

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly or more frequently as required, at such place and hour as may be fixed from time to time by resolution of the Board, with timely notice to membership via email & SFHA website. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of SFHA, or by any two (2) Directors, after not less than five (5) days notice to each Director, with timely notice to membership via email & SFHA website. A waiver of notice in writing signed by the person entitled to such notice, whether before or after the time of the meeting, shall be deemed equivalent to such notice.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision requires a vote in the affirmative of a majority of total Directors, not just a majority of the Directors present at a duly held meeting.

ARTICLE VIII **POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the right of owners to use of the common facilities during any period in which he shall be in default in the payment of any assessment levied by SFHA. Such right may also be suspended after notice and hearing before the Board, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- (c) exercise for SFHA all power, duties and authority vested in or delegated to SFHA and not reserved to the membership by other provision of these Bylaws;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) authorize the officers to enter into one or more management agreements with third parties in order to facilitate efficient operation of the Property. It shall be the primary purpose of such management agreements to provide for the administration, management, repair and maintenance of the Property, all improvements included therein and designated as common areas and elements, and the receipt and disbursement of funds as may be authorized by the Board of Directors. The terms of said management agreements shall be as determined by the Board of Directors to be in the best interests of the members, and shall be subject in all respects to these Bylaws.

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

- (a) cause to be kept a complete record of all its acts and affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by members entitled to cast one-third (1/3) of the number of votes entitled to be cast by all members;
- (b) supervise all officers, agents and employees of SFHA and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration of Covenants and Restrictions, to:
 - (1) fix the amount of the annual assessment against each lot and notify each Owner of the proposed amount at least thirty (30) days in advance of each annual assessment period of January 1 through December 31.
 - (2) send written notice of each assessment to every owner subject thereto at least ten (10) days in advance of each annual assessment period; and
 - (3) foreclose the lien against any lot for which assessments are not paid within the time fixed by the Board of Directors or to bring an action at law against the owner personally obligated to pay the same;

- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) procure and maintain adequate insurance; provided that failure to maintain insurance or failure to maintain adequate insurance shall not render the Directors personally liable for the amount of any loss resulting therefrom;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) cause the Common Elements and Areas to be maintained.
- (h) establish and maintain an adequate reserve account (SFHA accounting records), funded on a reasonable basis, for the repair, replacement and restoration of the major components of the common elements. The reserve may be used only for those purposes, including, without limitation, repairs and replacements, and must not be used for daily maintenance.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of SFHA shall be President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of SFHA shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect a President, a Vice-President, a Secretary and a Treasurer, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

President

(a) The President shall preside at all meetings of the Board of Directors and all meetings of the members; shall see that orders and resolutions of the Board and of the members are carried out; shall sign all leases, mortgages, deeds and other written instruments and co-sign all checks and promissory notes.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members, keep appropriate current records showing the records of SFHA together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall monitor the receiving and depositing in appropriate bank accounts all monies of SFHA and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of SFHA; keep proper books of account; cause an annual review of the books of SFHA to be made by the Audit Committee at the completion of each fiscal year and by a Certified Public Accountant at the completion of each third fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE X

COMMITTEES

Section 1. SFHA shall appoint an Architectural Control Committee as provided in the Declaration of Covenants and Restrictions and a Nominating Committee as provided in these Bylaws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes, such as:

(1) A **Maintenance Committee** which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Properties, and shall perform such other functions as the Board in its discretion, determines;

(2) A **Publicity Committee** which shall inform the members on all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of SFHA.

(3) An **Audit Committee** which shall supervise the annual review of the books of SFHA and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting. The Treasurer shall be an Ex-officio member of the Committee. The other members of the Audit Committee shall consist of a minimum of three business people in the SFHA membership who understand financial management and are not related in any way to the Financial Secretary or Treasurer.

Section 2. It shall be the duty of each committee to receive complaints from members on any matter involving SFHA functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, Director or officer of SFHA as is further concerned with the matter presented.

ARTICLE XI **BOOKS AND RECORDS**

The books, records and papers of SFHA shall at all times, during reasonable business hours, be subject to inspection by any member and any holder of a Recorded First Mortgage. The Declaration of Covenants and Restrictions and the Bylaws of SFHA as well as the Management Agreements shall be available for inspection by any member at the office of SFHA where such records are kept, where copies may be purchased at reasonable cost.

ARTICLE XII **ASSESSMENTS**

In order to maintain the quality and integrity of the Subdivision, it has been determined that each lot owner shall pay annually an assessment for their lot, as outlined below. The funds realized from the assessment shall be used in a manner consistent with maintaining the Subdivision and only for the benefit of the homeowners and the Subdivision. The assessment amount will, therefore, be in an amount consistent with such purposes. The amount required for annual dues can only be changed by the affirmative vote of the majority (50% plus 1) of the Members, present in person or by proxy, at the annual or special meeting.

Assessments shall be made for each lot. Once visible signs of construction appear on any lot, then an additional assessment shall be made. Therefore, there will be three classes for assessment purposes. Class One shall consist of assessments against lots only excluding the six Wood Ridge Cove lots mentioned in Class Three. Class Two shall consist of assessments against lot and house. Class Three shall consist of six lots(498-503), which are located on Wood Ridge Cove and are considered by the SFHA Board of Directors as unimproved lots(no utilities or roads). In the event a lot is purchased or construction is commenced on any day during a month other than the first day of the month, then the assessment shall be prorated for that month.

Each member is obligated to pay to SFHA annual and specific assessments, which shall become a lien upon each lot at such time as such assessments shall become delinquent. Any assessments which are not paid within fifteen (15) days after the due date shall be delinquent and shall bear interest from the date of delinquency at the maximum lawful contract rate permitted by applicable law; and SFHA may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the lot of the delinquent owner, and interests, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise avoid liability for the assessments provided for herein by non-use of the Common Area or abandonment of his lot.

ARTICLE XIII
INDEMNIFICATION

Each Director, officer, and employee of SFHA shall be indemnified by SFHA against expenses and liabilities (including attorney's fees).

ARTICLE XIV
AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by the affirmative vote of two-thirds (2/3) of the number of votes entitled to be cast by the members.

Section 2. In the case of any conflict between the Declaration of Covenants and Restrictions and these Bylaws, the Declaration of Covenants and Restrictions shall control.

Original By-Laws recorded in Deed Book 137 Page 221 and filed Aug. 28th 1989 and amended in Record Book 236 Page 615 and filed Jan 25th 2001 in Hardin County Register of Deeds office.