

BY-LAWS OF FARMINGTON MEADOWS HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I

The name of the corporation is the Farmington Meadows Homeowners Association, Inc., hereinafter referred to as the "Association". The principal location of the corporation shall be:

Clubhouse and Pool
7940 Farmingdale Road
Germantown, TN 38138

The mailing address of the Association shall be:

P.O. Box 38826
Germantown, TN 38183-0826

Meetings of the members and directors may be held at such places within the State of Tennessee, County of Shelby, as may be designated by the Board of Directors.

ARTICLE II

- SECTION 1** "Association" shall mean and refer to Farmington Meadows Homeowners' Association, Inc., its successors and assignees.
- SECTION 2** "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions.
- SECTION 3** "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association.
- SECTION 4** "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the Common Area, or public streets and easements.
- SECTION 5** "Member" shall mean and refer to every person or entity who holds a membership in the Association.
- SECTION 6** "Owner" shall mean and refer to the recorded owner, whether one or more persons or entities, of the fee simple title to any Lot which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- SECTION 7** "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Register's Office of Shelby County, State of Tennessee.

ARTICLE III: MEMBERSHIP

- SECTION 1** Every owner of a lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot.
- SECTION 2** **SUSPENSIONS OF RIGHTS OF MEMBERS**
During any period in which a member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to use of the recreational facilities of such member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a member may also be suspended, after notice and hearing, for a period not to exceed thirty (30) days, for each violation of any rules and regulations established by the Board of Directors governing the use of the Common Area and Facilities.

ARTICLE IV: PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

- SECTION 1** Each member shall be entitled to the use and enjoyment of the Common Area and Facilities as provided in the Declaration. Any member may delegate his rights or enjoyment of the Common Area and Facilities to the members of this family, his tenants or contract purchasers, who reside on the property. Such member shall notify the secretary in writing of the name of any such delegate. The rights and privileges of such delegate are subject to suspension to the same extent as those of the member.

ARTICLE V: BOARD OF DIRECTORS: SELECTION AND TERM OF OFFICE

- SECTION 1** **NUMBER**
- a. The affairs of this Association shall be managed by a Board of Directors who are members of the Association.

- b. The Board of Directors shall consist of the following eight (8) members: President, Vice President, Secretary, Treasurer and four (4) Directors at Large.

SECTION 2 ELECTION AND TERMS OF OFFICE

- a. Election shall take place by secret ballot, in person or by proxy, at each annual meeting to be held during the month of September each year.
- b. At each annual meeting the following shall be elected for the prescribed terms:
 - 1. A President, a Secretary and two (2) Directors shall be elected for the term of two (2) years in all even numbered years.
 - 2. A Vice President, a Treasurer and two (2) Directors shall be elected for the term of two (2) years in all odd numbered years.
- c. No member shall concurrently hold more than one office during any term.
- d. A Special election shall be held to fill any vacancy created in any office for a period of six (6) months or greater from the date of the next Annual Election. An interim member may be appointed by the remaining members of the Board of Directors to fill any position vacant for a period of less than six (6) months from the date of the next Annual Election.

SECTION 3 REMOVALS AND RESIGNATION

- a. Any member of the Board may be removed from the Board of Directors, with or without cause, by a majority vote of the members casting secret ballots, in person or by proxy, at a special meeting called for this expressed purpose. A quorum for the above purpose shall consist of fifty percent (50%) of the members entitled to vote.
- b. Any member of the Board may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 4 COMPENSATIONS

No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

SECTION 5 ACTIONS TAKEN WITHOUT A MEETING

The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI: MEETING OF DIRECTORS

SECTION 1 REGULAR MEETINGS

Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour may be fixed from time to time by resolution of the Board. All business shall be decided by a majority vote of the directors present at the Board meeting. The presiding officer will not have a vote except in the case of a tie vote. A quorum shall be five (5) duly elected Board members.

SECTION 2 SPECIAL MEETINGS

Special meetings of the Board of Directors shall be held when called by the President of the Association, or by two Directors, after not less than two (2) days' notice to each director.

ARTICLE VII: 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. Exercises of the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- c. 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
- d. Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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 corporate affairs and to present a statement thereof to the members at the annual meeting or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;
- b. Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- c. As more fully provided herein, and in the Declaration to:
 1. Fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period, and hereinafter provided; and
 2. Send written notice of each assessment to every Owner at least thirty (30) days in advance of each annual assessment period;
- d. Issue, or to cause an appropriate office 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 of Directors 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 liability and hazard insurance on property owned by the Association,
- f. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.
- g. Cause the Common Area to be maintained.

ARTICLE VIII: COMMITTEES

- SECTION 1** The Association shall appoint committees as deemed appropriate in carrying out its purposes, such as:
- a. A Recreation Committee which shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association;
 - b. A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Properties;
 - c. A Publicity Committee which shall inform the members of all activities and functions of the Association;
 - d. An Audit Committee which shall supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting.
 - e. A Nomination Committee which shall develop a slate of candidates for the officer and board member positions up for election at the annual meeting of members or at a special meeting called for such purpose.
- SECTION 2** It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE IX: MEETINGS OF MEMBERS

- SECTION 1 ANNUAL MEETINGS**
The first annual meeting of the members shall be held within one year from the date of incorporation of the Association and each subsequent regular annual meeting of the members shall be held during the month of September each year thereafter. The day and time shall be set by the Directors and proper notice shall be given. If the day of the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.
- SECTION 2 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 the members who are entitled to vote one-fourth (1/4) of all of the votes of the entire membership.
- SECTION 3 NOTICES OF MEETINGS**
Written or printed notice stating the place and time of the meeting, and, if a special meeting, the purpose for which the meeting is called and the person calling the meeting. The notice shall be delivered either personally or by mail to each member entitled to vote at the meeting. If mailed, notice shall be delivered not less than seven (7) nor more than sixty (60) days before the date of the meeting and shall be deemed to be delivered when deposited in the U.S. Mail addressed to the member at his address as it appears on

the membership books. If delivered personally, notice shall be delivered not less than five (5) nor more than sixty (60) days before the date of the meeting and shall be deemed delivered when actually received by the shareholder or member.

SECTION 4 QUORUMS

The presence at the meeting of members entitled to cast, or of proxies entitled to cast one-fifth (20%) of the votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If a quorum shall not be present or represented at any meeting, the members entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting until a quorum is present or be represented.

SECTION 5 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. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

ARTICLE X: OFFICERS AND THEIR DUTIES

SECTION 1 ENUMERATION OF OFFICERS

The officers of this Association shall be a President, a Vice President, a Secretary, and a Treasurer.

SECTION 2 ELECTIONS OF OFFICERS

The election of officers shall take place at the annual meeting of the members.

SECTION 3 TERM

The officers of this Association shall be elected annually as previously defined by Article V herein, and each shall hold office for two (2) years unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

SECTION 4 SPECIAL APPOINTMENTS

The Board may appoint such other officers as the affairs of the Association may require, 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.

SECTION 5 RESIGNATIONS AND REMOVALS

Any officer may be removed from office with or without cause by the Board, or for any reason by the members, using the procedure which is defined in Article V. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6 VACANCIES

A vacancy in any office may be filled in the manner prescribed in Article V. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

SECTION 7 MULTIPLE OFFICES

No person shall simultaneously hold more than one office except in the case of special offices created pursuant to Section 4 of this Article.

SECTION 8 DUTIES

The duties of the officers are as follows:

- a. **PRESIDENT** - The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments and shall co-sign all checks and promissory notes.
- b. **VICE-PRESIDENT** - 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.
- c. **SECRETARY** - The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.
- d. **TREASURER** - The Treasurer shall deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by an auditor or audit committee at the end of each fiscal year; and

shall prepare an annual budget and 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 XI: ASSESSMENTS

SECTION 1 CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS

By the Declaration each member is deemed to covenant and agree to pay to the Association:

- a. annual assessments or charges and
- b. special assessments for capital improvements. The annual and special assessments, together with interest and cost of collection, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each assessment, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due, and said personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

SECTION 2 PURPOSE OF ASSESSMENTS

The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the properties and in particular for the improvement and maintenance of the Properties; services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, and of the homes situated upon the Properties.

SECTION 3 BASIS AND MAXIMUM OF ANNUAL ASSESSMENTS

- a. From and after January 1 of the year immediately following the election of the board of Directors, the maximum annual assessment may not be increased more than five percent (5%) above the assessment for the previous year without a vote of the membership.
- b. From and after January 1 of the year immediately following the election of the Board of Directors, the maximum annual assessment may be increased above five percent (5%) by a vote of two-thirds (2/3) of members who are voting in person or by proxy, at a meeting duly called for this purpose.
- c. The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

SECTION 4 SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS

In addition to the annual assessment authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area; including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of members who are voting in person or by proxy at a meeting duly called for this purpose.

SECTION 5 UNIFORM RATE OF ASSESSMENT

Both annual and special assessments must be fixed at a uniform rate for all lots and may be collected on an installment basis as set forth by the Board of Directors.

SECTION 6 QUORUMS FOR ANY ACTION AUTHOURIZED UNDER SECTIONS 3 & 4

At the first meeting called, as provided in Sections 3 & 4 hereof, the presence at the meeting of members or of proxies entitled to cast sixty percent (60%) of all the votes shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set forth in Sections 3 & 4, and the required quorum at any such subsequent meeting shall be three-quarters (3/4) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 7 DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS: DUE DATE

The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the election of the Board of Directors. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner. The due dates shall be established by the Board of Directors. The association shall, upon demand at any time, furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

SECTION 8 EFFECTS ON NON-PAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION

Any Assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of the delinquency at the rate of 18 percent annual rate until paid, and the Association may bring an action of law against the

Owner personally obligated to pay the same or foreclose the lien against the property, and interest, 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 escape liability for the assessment provided for herein by nonuse of the Common Area or abandonment of his Lot.

SECTION 9 SUBORDINATION OF THE LIEN TO MORTGAGES

The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage, pursuant to a decree of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

SECTION 10 EXEMPT PROPERTIES

The following property subject to this Declaration shall be exempt from the assessments created herein:

- a. All properties dedicated to and accepted by a local public authority;
- b. The Common Area; and
- c. All properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Tennessee. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE XII: BOOKS AND RECORDS

SECTION 1 The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principle office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XIII: AMENDMENTS

SECTION 1 These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of the quorum of members present in person or by proxy.

SECTION 2 In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV: MISCELLANEOUS

SECTION 1 The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.