

BY-LAWS OF BAY MEADOWS PROPERTY OWNER'S ASSOCIATION

ARTICLE 1. DEFINITIONS

The words defined in the Declaration of Protective Covenants, Conditions and Restrictions for Bay Meadows recorded in Deed Book Q7, Page 808, in the Register's Office for Union County, Tennessee (hereinafter referred to as the "Declaration"), shall have the same meaning in these Corporate Bylaws.

ARTICLE 2. OFFICES

2.1 Registered Office: Was modified from the original office upon transition of the Board and Operation to the Property Owners in November of 2007. The original registered office of the corporation was 10511-B Hardin Valley Road, Knoxville, Tennessee 37932, and the name of the registered agent of the corporation was William N. Adkins. Via the Waterfront Group.

Current registered office is: 249 Overton Rd. / Maynardville, TN. 37807, and the name of the registered agent is Maggie Tincher. DATE: May 25th, 2024.

2.2 Other Offices: The corporation may also have offices at such other places both within and without the State of Tennessee as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE 3. MEMBERS AND MEMBERSHIP PRIVILEGES

3.1 Membership: Each Owner shall be a Member of the corporation and no other person or entity shall automatically be entitled to membership. The Developer reserves the right to afford membership privileges in the form of access to the common amenities to owners of other developments of Developer in the vicinity of Bay Meadows in consideration of the payment of fees equal to the Assessments payable by an Owner. No person entitled to membership privileges shall be entitled to vote in the Association and shall not be considered a "Member" for any other purpose. No Member shall be required to pay any consideration whatsoever solely for his membership in the corporation.

ARTICLE 4. MEETINGS OF MEMBERS

4.1 Place of Meetings: Meeting of the Members of the corporation may be held at a place to be determined by the Board of Directors.

4.2 Annual Meeting: Unless otherwise specified in a written notice from the Board of Directors, an annual meeting of the Members of the corporation shall be held each year at a date and location determined by the current Board. The Board will exercise prudent consideration of time of year, access to development and meeting location, and other such seasonal conflicts which may hinder members from attending. It has been approved by the membership that in alternating years the meeting can be a virtual meeting conducted with access via telephone and/ or internet access. As of 2016, the meetings were "on site" in Union County in even numbered years and the virtual meetings shall be conducted in odd number years. It is not required that this cadence be maintained and it is at the discretion of the current sitting board to return to annual onsite meetings each year if so deemed necessary to conduct business of the Board.

4.3 Special Meeting: Special meetings of the Members, for any purpose or purposes, may be called by the President, the Board of Directors, or by Members having not less than five (5%) percent of the total percentage values of those votes entitled to be cast at such meeting. Business transacted at all special meetings shall be confined to the objects stated in the notice of such meeting.

4.4 Notice: Communication of the meeting will be provided via the currently approved methods of (website, email, and postal mail) 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, shall be delivered not less than (21 days) before the date of the meeting by or at the direction of the President, the Secretary, or the officer of Member(s) calling the meeting, to each Member of the corporation entitled to vote at such meeting.

4.5 Quorum: The presence in person or by proxy of more than ten (10%) percent of the votes entitled to be cast at a meeting of the Members shall constitute a quorum at all meetings of the Members for the transaction of business. If, however, the Members entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted at which might have been transacted at the meeting as originally notified. Currently with 41 lots in the development, a quorum would be that 5 voting owners would constitute a quorum. If multiple lots are owned by an owner, they are entitled to one vote per lot owned.

4.6 Majority Vote; Withdrawal of Quorum: When a quorum is present at any meeting, the vote of the holders of more than fifty (50%) percent (aka 50%+1) of the percentage values of those votes entitled to be cast of Members qualified to vote and present in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which by express provision of the Declaration, the Charter of the corporation or these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum. For voting purposes, each lot is entitled to one vote, even if owned by more than one person. Owners owning more than one lot, are entitled to one vote per lot.

4.7 Method of Voting; Proxy Designations: Assigning Proxy: Each Member/owner shall be entitled to a vote for each Lot owned. The vote of each Member may only be cast by such Member or by a proxy duly authorized representative bearing a date not more than eleven (11) months prior to such meeting. Such proxy shall be filed with the Secretary prior to or at the time of the meeting. If title to a Lot shall be in the name of two (2) or more persons as Co-owners, all of such persons shall be Members of the corporation and are referred to herein as "Joint Co-owners". Any one of such Joint Co-Owners may vote at any meeting of the Members of the corporation and such vote shall be binding upon such other Joint Co-owners who are not present at such meeting until written notice to the contrary has been received by the Board of Directors. in which case the unanimous vote of all such Joint Co-owners (in person or by proxy) shall be required to cast their vote as Members. If two (2) or more of such Joint Co-owners are present at any meeting, their unanimous action shall also be present at any meeting, their unanimous action shall also be required to cast their vote as Members of the corporation.

ARTICLE 5. DIRECTORS

5.1 **Management:** The business and affairs of the corporation shall be managed by its Board of Directors who may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute, the Declaration, the Charter, or these Bylaws, directed or required to be exercised or done by the Members. Any new business must have a consensus of all three (3) Directors of the Board. If a consensus can not be reached, then a vote by the Membership will be required.

5.2 **Number; Qualifications; Election; Term:** The Board of Directors shall consist of three (3) Directors, each of whom shall be a Member of the Association. The Members of the Board of Directors shall serve terms of two (2) years and until the correlating annual meeting of Members to elect new Directors. Directors shall serve without compensation. However, if the President of the Board resides more than 250 miles from the designated meeting location of an on site annual meeting, he/ she can be compensated for verified travel expenses up to \$500.

5.2a **President:** The President shall be the chief executive officer of the corporation; he/she shall preside at all meetings of the Members and the Board of Directors, shall have general and active management of the affairs of the corporation, shall see that all orders and resolutions of the Board are carried into effect, and shall perform such other duties as the Board of Directors shall prescribe.

5.2b **Secretary:** The Secretary shall attend all sessions of the Board of Directors and all meetings of the Members and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for any committees when required. He/ She shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors of President, under whose supervision he shall be. The Secretary will have the authority to outsource the transcribing of minutes from any meeting, either annual or special, in order to insure timely completion of that task.

5.2c **Treasurer:** The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements of the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors. The Treasurer has been authorized by the membership to outsource a subset of the Treasurer's duties as approved by the Board. He/she shall disburse the funds of the corporation as may be order by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the corporation, and shall perform such other duties as the Board of Directors may prescribe. If required by the Board of Directors, he shall give the corporation a bond in such form, in such sum, and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement, or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation. The Treasurer will also follow procedure as confirmed by the Board for notification and collection of annual POA dues, inclusive of tracking penalties and fees that may be associated with collection of fees.

A balance sheet summarizing all the receipts and expenses of the POA for the entire fiscal year will be made available via an approved method to the Membership prior to the annual meeting each year. Likewise, commencing in 2024, an independent audit of the Treasury will be conducted every five (5) years.

5.3 Removal; Change in Number; Vacancies: Any Director may be removed either for or without cause, at any special meeting of the Members of the corporation by the affirmative vote of a majority of the Members present in person or by proxy at such meeting and entitled to vote, if notice of the intention to act upon such matter shall have been given in the notice calling such meeting. If any vacancy occurs in the Board of Directors, caused by death, resignation, retirement, disqualification or removal from office of any Director or otherwise, a successor or successors may be chosen at a special meeting of Members called for that purpose, and each successor Director so chosen shall be elected for the unexpired term of his predecessor in office. Any Directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting of the Members or at a special meeting of the Members called for that purpose.

5.4 Place of Meetings: The Directors of the corporation shall hold their meetings, both regular and special within Union County, Tennessee - unless otherwise proposed and voted upon as an exception by the Board and approved by the membership.

5.5 Annual Meetings: The annual meeting of each newly elected Board shall be held without further notice immediately following the annual meeting of Members of the corporation and at the same place, unless by unanimous consent of the Directors then elected and serving such time or place shall be changed.

5.6 (*Deleted per vote on May 25th, 2024*)

5.7 Special Meetings: Special meetings of the Board of Directors may be called by the President on a three (3) day notice to each Director, either personally or by e-mail.; special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) Directors. Except as may be otherwise expressly provided by statute, the Charter or these Bylaws. The Membership must be notified by an approved method of the purpose and intent of any Special meeting of the Board prior to the date of the meeting, and it is expressly prohibited for the Board to make any changes to the Restrictive Covenants or By-Laws at such called meeting.

5.8 Quorum: At all meetings of the Board of Directors the presence of all the Directors shall be necessary to constitute a quorum for the transaction of business and the act of a majority of the Directors present at any such meeting at which there is a quorum shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

5.9 Committees Having Board Authority: The Board of Directors may, by resolution approved by vote or written consent by a majority of the whole Board, designate an Architectural Control Committee, a Nominating Committee for members of the Board of Directors and such other committees as deemed necessary to consist of appointed members of the association and to include at least 1 of the Board Members of the association. Any such committee, to the extent provided in said resolution, shall and may exercise all of the authority of the Board of Directors in the management of the business and affairs of the corporation, except where action of the full Board of Directors is required by statute or the Charter.

5.10 Other Committees: Other committees not having and exercising the authority of the Board of Directors in the management of the affairs of the corporation may be designated and appointed by a resolution adopted by a majority of the Directors at a meeting at which a quorum is present, or by the President thereunto authorized by a like resolution of the Board of Directors. Membership on such committees may, but need not be, limited to Directors or Members of the corporation.

5.11 Procedure: All committees shall keep regular minutes of their proceedings and shall report the same to the Board when required.

5.12 Managing Agents: The Board of Directors may employ for the corporation a management agent at a compensation established by the Board of Directors, and approved by the membership; and such management agent shall perform such duties and services with respect to Bay Meadows as the Board of Directors shall authorize, and the Board of Directors may delegate to such management agent such duties such respect to management, repair and maintenance of Bay Meadows which are not by statute, the Declaration, The Charter or these Corporate Bylaws, required to be performed by or have the approval of the Board of Directors or the Members of the corporation.

5.13 Conflict of Interest: To prevent potential conflicts of interest, any duly elected Board member who actively aspires to sell ALL of their property within Bay Meadows Subdivision, either through a third party or "sale by owner", must immediately resign from their position on the board.

ARTICLE 6. NOTICES

6.1 Method: Whenever notice is required to be given to any Director or Member, and no provision is made as to how such notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given in writing, by mail, postage prepaid, addressed to such Director or Member at such address as appears on the records of the corporation. Any notice required or permitted to be given by mail shall be deemed to be given at the time when the same shall be thus deposited in the United States mails as aforesaid.

6.2 Waiver: Whenever any notice is required to be given to any Member or Director of the corporation a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be deemed equivalent to the giving of such notice.

ARTICLE 7. OFFICERS

7.1 Number; Titles: The officers of the corporation compose collectively the Board of Directors and shall be a President, a Secretary and a Treasurer. No single person will concurrently hold more than one Board position, nor can co-owners serve as Directors concurrently.

7.2 Election: The Board of Directors / Officers will be elected with due notice at the Annual meeting falling on the second year of term of the board. A call for Nominations in election years will be included in the Annual Meeting Notice.

7.3 Other Officers: The Board of Directors may appoint such other officers and agents as it shall deem necessary, who shall be appointed for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

7.4 Salaries: The Board of Directors and Officers are non- salaried.

7.5 Term of Office; Removal: Each officer of the corporation shall hold office until the annual meeting of the Board of Directors next following his election and thereafter until his successor is chosen and qualified in his stead or until his death or until his resignation or removal from office. Any officer or agent elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. If the office of any officer who was elected or appointed by the Board of Directors becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

ARTICLE 8. MISCELLANEOUS PROVISIONS

8.1 Reserves: There may be created by resolution of the Board of Directors such reserve or reserves as the Directors from time to time, in their discretion, think proper to provide for contingencies, or to repair or maintain any portion of Bay Meadows, or for such other purposes as the Directors shall think beneficial to the corporation, and the Directors may modify or abolish any such reserve in the manner in which it was created. However, the Membership must be notified of any such reserve prior to its creation.

8.2 Checks: All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate. Due to the geographic dispersion of the membership and board—it has been deemed by the membership that the Treasurer can have sole signature right in order to conduct approved business of the membership. The President will have access to the account for verification of transactions at any time via virtual access to account.

8.3 Fiscal Year: The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

8.4 Seal: The corporate seal, if any, shall be in such form as may be determined by the Board of Directors. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

8.5 Indemnification: The corporation shall indemnify any Director, officer, or employee, or former Director, officer, or employee of the corporation, against expenses actually and necessarily incurred by him, and any amount paid in satisfaction of judgments, in connection with any action, suit or proceeding, whether civil or criminal in nature, in which he is made a party by reason of being or having been such a Director, officer, or employee (whether or not a Director, officer or employee at the time such costs or expenses are incurred by or imposed upon him) except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of duty. The corporation may also reimburse to any Directors, officer or employee the reasonable costs of settlement of any such action, suit or proceedings, if it shall be found by a majority of a committee of the Directors not involved in the matter of controversy, whether or not a quorum, that it was to the interests of the corporation that such settlement be made and such Director, officer or employee was not guilty of gross negligence or willful misconduct. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other rights to which such Director, officer, or employee may be entitled by law or under bylaw, agreement, vote of Members or otherwise.

8.6 Inconsistencies: In the event these Bylaws shall be inconsistent with the Declaration, then the Declaration shall be controlling.

8.7 Amendment of Bylaws: These Bylaws may not be altered, amended or repealed except by the affirmative vote of more than fifty (50%) per cent (50%+1) of the percentage values of those votes entitled to be cast by Members qualified to vote.

8.8 Table of Contents; Headings: The Table of Contents and Headings used in these Bylaws have been inserted for administrative convenience only and do not constitute matter to be construed in interpretation.

8.9 Dissolution of the POA: As a remedy to unforeseen circumstances that may arise at some point in the future where the Property Owners Association becomes unmanagable or unsustainable for any reason(s), the Membership will have the right to dissolve the Corporation by a majority vote as outlined in 8.7.

8.10 Legal Representation: The Board of Directors will retain a local attorney who will be available to provide a myriad of legal services which will include, but are not limited to, the following:

- Creating, reviewing and revising contracts.
- Filing documents and liens in the County Court.
- Mediating disputes between the Membership and the Board.
- Counseling the Board on legal matters that may arise.

Modifications by review, and approval of the membership and quorum have been made to this document effective date: May 25th, 2024

CERTIFICATION: President _____ DATE: _____