

BY-LAWS
OF
THE OAKS TOWNHOUSE ASSOCIATION, INC.
(A corporation not for profit)

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OF
THE OAKS TOWNHOUSE ASSOCIATION, INC.

A Corporation not for Profit under the laws of the State of Alabama

These are the By-Laws of The Oaks Townhouse Association, Inc. (hereinafter for convenience called "Association" or "Corporation"), a corporation not for profit, incorporated under the laws of the State of Alabama.

ARTICLE I

ASSOCIATION

SECTION 1.1 Office: The office of the Association shall be, 17 The Oaks Circle, Hoover, Alabama 35244, or such other place as shall be selected by a majority of the Board of Directors.

1.2 Fiscal Year: The fiscal year of the Association shall be the calendar year.

1.3 Seal: The corporate seal of the Association shall consist of two concentric circles, between the edges of which shall be engraved words: **THE OAKS TOWNHOUSE ASSOCIATION, INC., Alabama, Not for Profit**, and across the center thereof the words: **Corporate Seal**, all as shown by an imprint of such seal in the margin of these by-laws. Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or otherwise.

ARTICLE II

DEFINITIONS

SECTION 2.1 Association: The Oaks Townhouse Association, Inc., its successors and assigns.

2.2 Board: The Board of Directors of the Association.

2.3 By-Laws: The duly enacted By-Laws of the Association.

2.4 Common Area: Lot 44, which is owned in common by all Lot owners in The Oaks Townhouses.

2.5 Declaration: The Declaration of Protective Covenants for The Oaks Townhouses which shall be recorded in the Probate Records of Shelby County, Alabama, as the same may from time to time be supplemented or amended in the manner described therein.

2.6 Deed: Any deed, assignment, lease, or other instrument conveying fee title or a leasehold interest in any Lot of The Oaks Townhouses.

- 2.7 **Lot:** A lot as shown on the Map or Plat of The Oaks Townhouses.
- 2.8 **Member:** A person or other entity who is a record owner of Member's Property.
- 2.9 **Member's Property:** All Lots in The Oaks Townhouses, except Lot 44.
- 2.10 **Resident:** Any person or persons occupying or leasing Member's Property.
- 2.11 **The Oaks Townhouses:** The Oaks Townhouses, as shown on the Map or Plat of The Oaks Townhouses, recorded in Map Book 10, Page 89, Probate Office of Shelby County, Alabama, as amended from time to time.

ARTICLE III

MEMBERSHIP

SECTION 3.1 Membership: The Members of the Association shall consist of all owners of Member's Property and shall be all those persons or other entities as set forth in Article V of the Articles of Incorporation.

3.2 Class of Membership: The Association shall have one class of membership which shall be defined as any person owning one or more Lots constituting Member's Property.

3.3 Rights and Obligations of Membership: The Members shall have all the rights, privileges, duties and obligations as may be set forth in the Declaration, the Articles of Incorporation, and elsewhere in these By-Laws.

3.4 Assessments: The rights of membership are subject to the payment of annual assessments and charges. The obligation of such assessments and charges is imposed against each owner of, and is a lien upon, the Member's Property against which such assessment or charge is made, as provided by the Declaration.

ARTICLE IV

VOTING RIGHTS

Each Member shall have those voting rights as set forth in Article V of the Articles of Incorporation.

When entitled to vote, each Member shall have one vote for each Lot owned by such Member.

When more than one (1) person (or other entity) holds an ownership interest or interests in any Lot, the vote for such Lot shall be exercised as they among themselves shall determine, but in no event shall more than one (1) person be entitled to cast the vote with respect to any Lot. In the event of disagreement among such persons (or other entities) and an attempt by more than

one to cast the vote of such Lot, such persons (or other entities) shall not be recognized and the vote with respect to such Lot shall not be counted.

ARTICLE V

ASSOCIATION POWERS

SECTION 5.1 **Powers:** The Association shall have all of the powers set forth in the Articles of Incorporation.

ARTICLE VI

BOARD OF DIRECTORS

SECTION 6.1 **Selection; Terms of Office:** The Board of Directors shall consist of seven (7) Directors. In the year 2003, three (3) Directors shall be elected for one (1) year term. Thereafter, in even-numbered years, four (4) Directors shall be elected for two (2) year terms and in odd-numbered years, three (3) Directors shall be elected for two (2) year terms.

6.2 **Vacancies:** Vacancies in the Board of Directors shall be filled by the majority of the remaining Directors, any such appointed Director to hold office until his successor is elected by the Members who were entitled to elect the Director, at the next annual meeting of the Members or at any special meeting duly called for that purpose.

ARTICLE VII

ELECTION OF DIRECTORS

SECTION 7.1 **Election of Directors:** Elections to the Board of Directors by the membership shall be by written ballot as hereinafter provided. At such elections, the Members or their proxies may cast as many votes as there are vacancies to be filled on the Board of Directors for each Lot in which they hold any interest required for membership by Article V of the Articles of Incorporation. The candidates receiving the largest number of votes shall be elected.

7.2 **Nominations Committee:** Nominations for a full slate of Directors for election to the Board of Directors by the Members shall be made by the Nominations Committee. The Nominations Committee shall consist of five (5) persons appointed each year by the Board of Directors, two (2) of whom shall be Directors, and three (3) of whom shall be non-directors. Members of the Nominations Committee shall be appointed each year by the Board of Directors at least sixty (60) days before the date on which the election for the members of the Board of Directors is to be held, and the slate of Directors to be nominated by the Nominations Committee shall be nominated at least thirty (30) days before the date of such election. No member of the Nominations Committee shall be eligible for nomination for the Board of Directors by such Committee.

In addition, nominations for the Board of Directors may be made by petition signed by more than ten (10) Members of the Association, provided that such petitions are filed with the Secretary of the Association at least thirty (30) days before the date of the meeting at which the Directors are to be elected.

7.3 Ballots: All elections to the Board of Directors shall be made on a written ballot which shall: (a) describe the vacancies to be filled; (b) set forth the names of those nominated by the Nominations Committee for such vacancies and those nominated by petition timely filed with the Secretary of the Association; and (c) containing a space for a write-in vote by the Members for each vacancy. Such ballots shall be prepared and mailed by the Secretary of the Association to the Members at least fourteen (14) days in advance of the date set forth therein for a return (which shall be a date not later than the date for the annual meeting or special meeting called for election).

7.4 Voting Procedures: Each Member shall vote by placing a mark on the ballot next to the nominees of his choice, or shall write in the name of a person not so nominated in the space on the ballot provided for this purpose. Only one (1) vote per nominee or write-in is allowed. All ballots shall be signed by the Member casting it and returned to the Secretary of the Association, who, upon receipt of each ballot shall immediately place it in a safe or other locked place until the day set forth for the annual or other special meeting at which the elections are to be held. On that date, the ballots shall be turned over to an Elections Committee, which shall consist of five (5) Members appointed, by the Board of Directors. The Elections Committee shall then adopt a procedure, which shall:

7.4.1 establish that the number of ballots turned in by each Member corresponds with the number of Lots owned by such Member or his proxy identified on the ballot; and

7.4.2 establish that the signature of the Member or his proxy on the ballot is genuine; and

7.4.3 if the vote is by proxy, establish that a proxy has been filed with the Secretary as provided in Article XIII of these By-Laws and that such proxy is valid.

Said procedure by the Elections Committee shall be taken in such a manner that the vote of any Member or his proxy shall not be disclosed to anyone, including the Elections Committee.

If any ballot is found to contain more than the number of votes, which the Member signing such ballot is entitled to cast, all votes on such ballot shall be disqualified and shall not be counted. After the announcement of the results by the Elections Committee, unless a review of the procedure is demanded by thirty-five percent (35%) of the Members casting ballots in the election within ten (10) days after the election, the ballots shall be destroyed.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

SECTION 8.1 Powers: The Board of Directors shall have the powers:

8.1.1 To call special meetings of the Members whenever it deems necessary, and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting membership, as provided in Section 12.2.

8.1.2 To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them

such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any member, officer or Director of the Association in any capacity whatsoever.

8.1.3 To establish, levy, assess and collect the assessments and charges set forth in Article III. 

8.1.4 To adopt and publish rules and regulations governing the use of the Common Area and the facilities, and the personal conduct of the Members and their guests thereon.

8.1.5 To exercise for the Association all powers, duties and authorities vested in or delegated to the Association, except those reserved to Members in the Declaration, or in the Articles of Incorporation, or elsewhere in these By-Laws.

8.1.6 To appoint such committees as it deems in the best interests of the Association to carry out the functions and duties of the Board of Directors.

8.2 **Director Absences:** In the event that any member of the Board of Directors of the Association shall be absent from three (3) consecutive regular meetings of the Board of Directors, the Board may by action taken, at the meeting during which said third absence occurs, declare the office of said absent Director to be vacant, and the provisions relating to the filling of a vacancy of the Board of Directors as set forth in Section 6.2 shall become operative.

8.3 **Duties:** It shall be the duty of the Board of Directors:

8.3.1 To cause to be kept a complete record of all its acts and corporate affairs and to present the statement thereof to the voting Members at the annual meeting of the voting Members or at any special meeting when such is requested in writing by one-fourth (1/4) of the total voting membership, as provided in Section 12.2.

8.3.2 To supervise all officers, agents and employees of the Association, and to insure that their duties are properly performed.

8.3.3 As more fully provided in the Declaration and these By-Laws, to fix the amount of the assessment against each Lot owned by a Member at least thirty (30) days in advance of the date of any payment of such assessment is due.

8.3.4 to prepare a roster of the Lots and assessments applicable thereto which shall be kept in the offices of the Association and which shall be open to inspection by any Member thereof, and, to send written notice of each assessment to every Member subject thereto.

8.3.5 To issue, or cause an appropriate officer to issue upon demand by any person, a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

8.3.6 To obtain and maintain a liability insurance policy or policies for the protection of the Association covering the Common Area and covering such risks and with such deductible amounts as the Board of Directors shall determine.

ARTICLE IX

DIRECTORS MEETING

SECTION 9.1 Time and Place: Meetings of the Board of Directors may be held at any place within or without the State of Alabama. The Board of Directors shall meet immediately following the close of the annual meeting of the Members and at the place thereof, or the Board of Directors may hold such meeting at such place and time as shall be fixed by the consent in writing of all the Directors. Regular meetings of the Board of Directors may be held at such time and place (within or without the State of Alabama) as shall from time to time be determined by the Board of Directors.

9.2 Notice: Notice of regular meetings of the Board of Directors is hereby dispensed with. If the day for a regular meeting shall fall upon a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday, and no notice thereof need to be given.

9.3 Special Meetings: Special meetings of the Board of Directors shall be held when called by any officer of the Association or by any two (2) Directors after not less than three (3) day's notice to each Director.

9.4 Waivers, Consents, and Approvals: The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present and, if either before or after the meeting, each of the Directors not present signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and shall be made a part of the minutes of the meeting.

9.5 Quorum: The majority of the Board of Directors shall constitute a quorum thereof.

9.6 Adjourned Meetings: If at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called, may be transacted without further notice.

ARTICLE X

OFFICERS

SECTION 10.1 Officers: The officers shall be a President, a Vice President, a Secretary, and a Treasurer. The President and the Vice President shall be members of the Board of Directors.

10.2 Majority Vote: The officers shall be chosen by majority vote of the Directors.

10.3 Term: All officers shall hold office during the pleasure of the Board of Directors.

10.4 President: The President shall preside at all meetings of the Board of Directors, and shall see that orders and resolutions of the Board of Directors are carried out, and sign all notes, checks, leases, mortgages, deeds and all other written instruments as may be incidental to the orders and resolutions of the Board of Directors.

10.5 Vice President: The Vice President shall perform all the duties of the President in his absence.

10.6 Secretary: The Secretary shall be "ex-officio" the Secretary of the Board of Directors, and shall record the vote and keep the minutes of all proceedings in a book to be kept for such purpose. He shall keep the records of the Association. He shall record in a book kept for such purpose the names of all Members of the Association together with their addresses as registered by such Members.

10.7 Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. All checks shall be signed by the Treasurer with a countersignature by the President, Vice-President or Secretary. In the absence of the Treasurer, any two (2) of the other three (3) officers may sign a check.

10.8 Bookkeeping: The Treasurer shall keep proper books of account and cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year. The Treasurer shall prepare the annual budgets and an annual balance sheet statement and the budget and balance sheet statement shall be presented to the membership at its regular annual meeting.

ARTICLE XI

COMMITTEES

SECTION 11.1 Standing Committees: The standing committees of the Association shall be:

The Recreation Committee
The Maintenance Committee
The Publicity Committee
The Audit Committee

Unless otherwise provided herein, each committee shall consist of a Chairman, and two (2) or more members and shall include a member of the Board of Directors. The committees shall be appointed by the Board of Directors immediately after each annual meeting to serve

until the close of the next annual meeting. The Board of Directors may appoint such other committees as it is deemed desirable.

11.2 Recreation Committee: The Recreation Committee shall advise the Board of Directors on all matters pertaining to the recreational programs and activities of the Association and shall perform such other functions as the Board, in its discretion, shall determine.

11.3 Maintenance Committee: The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Common Area and shall perform such other functions as the Board shall, in its discretion, determine.

11.4 Publicity Committee: The Publicity Committee shall inform the Members of 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 the Association.

11.5 Audit Committee: The Audit Committee shall supervise the annual audit of the Association books and approve the annual budget and balance sheet statement to be presented to the membership at its regular annual meeting as provided in Section 10.8 hereof. The Treasurer shall be an "ex-officio" member of this Committee.

11.6 Subcommittees: Each Committee shall have the power to appoint a subcommittee from among its membership and may delegate to any such subcommittee any of its powers, duties and functions set forth in this Article XI, and as delegated by the Board of Directors.

11.7 Review of Complaints: It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions, duties, and activities in 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 the Association as is further concerned with the matter presented.

ARTICLE XII

MEETINGS OF MEMBERS

SECTION 12.1 Annual Meeting: The annual meeting of the members of the Association shall be held on the first Friday in February of each year, provided, however, if that day is a legal holiday, the meeting shall be held within two (2) weeks. The place, date and time of the annual meetings shall be determined by the Board of Directors.

12.2 Special Meetings: Special meetings of the membership for any purpose may be called at any time by the President, the Vice President, the Secretary or the Treasurer, or by any two (2) or more members of the Board of Directors. In addition, special meetings of the voting membership must be called upon the written request of the Members who have a right to vote one-fourth (1/4) of the total votes entitled to be cast under the provisions of Article V of the Articles of Incorporation at the time such written request is made.

12.3 Notice: Notice of any meetings shall be given to the Members by the Secretary. Notice may be given to the Members either personally, or by sending a copy of the notice through the mail, postage thereon fully prepaid, to his address appearing on the books of the association. Each Member shall register his address with the Secretary, and notices of meetings shall be mailed to him at such address. Notice of any regular or special meeting shall be mailed at least six (6) days in advance of the meeting, and shall set forth in general the nature of the business to be transacted; provided, however, that if the business of any meeting shall involve an election governed by Article VII, notice of such meeting shall be given or sent as therein provided.

12.4 Quorum: The presence at the meetings of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the vote shall constitute a quorum for any actions governed by these By-Laws unless it is provided otherwise in the Declaration, or the Articles of Incorporation, or elsewhere in these By-Laws.

ARTICLE XIII

PROXIES

SECTION 13.1 Form of Vote: At all meetings of Members, each Member entitled to vote may vote in person or by proxy.

13.2 Proxies: All proxies shall be in writing filed with the Secretary of the Association. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon the sale by the Member of his lot or other interest in the Member's Property.

ARTICLE XIV

INSPECTION OF BOOKS AND PAPERS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any Member.

ARTICLE XV

PARLIAMENTARY RULE

Roberts Rules of Order (latest edition) shall govern the conduct of the Association proceedings when not in conflict with the Declaration or the Articles of Incorporation.

ARTICLE XVI

AMENDMENTS

These By-Laws may be amended in any respect upon recommendation of the Board of Directors and subsequent approval at a regular or special meeting of the Members by a majority (51%) vote of the membership present in person or by proxy; provided, however, that those provisions of these By-Laws which are governed by the Articles of Incorporation may not be

amended except as provided therein or except as provided by applicable law; and provided further, that any matter stated herein to be or which is in fact governed by the Declaration may not be amended except as provided in the Declaration.

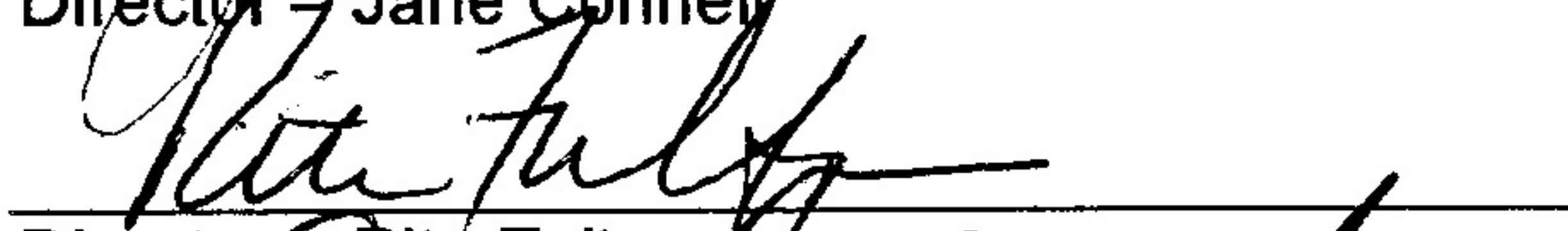
ARTICLE XVII

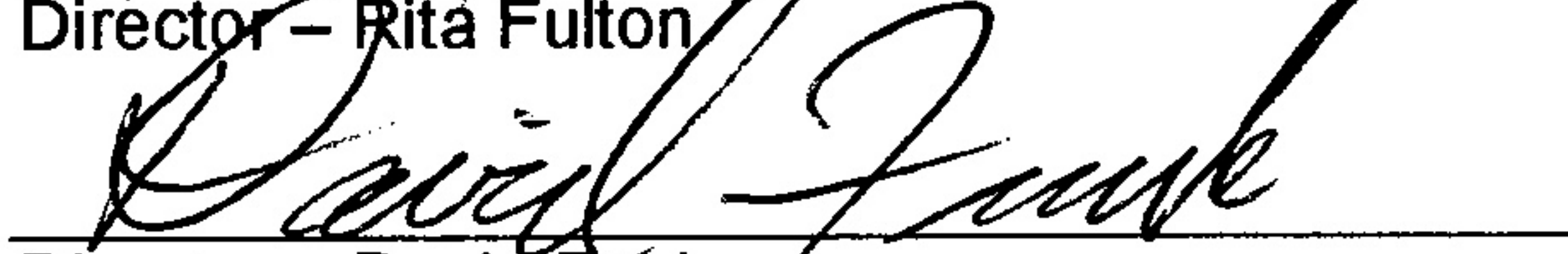
CONFLICTS

In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control; and in the case any conflict between the Declaration and these By-Laws, the Declaration shall control.

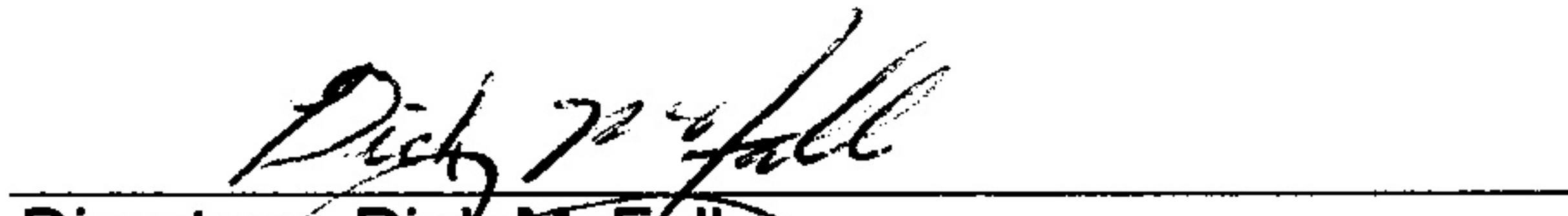
IN WITNESS WHEREOF, we, being all of the Directors of The Oaks Townhouse Association, Inc., have heretofore set our hands this 19 day of DECEMBER, 2002.

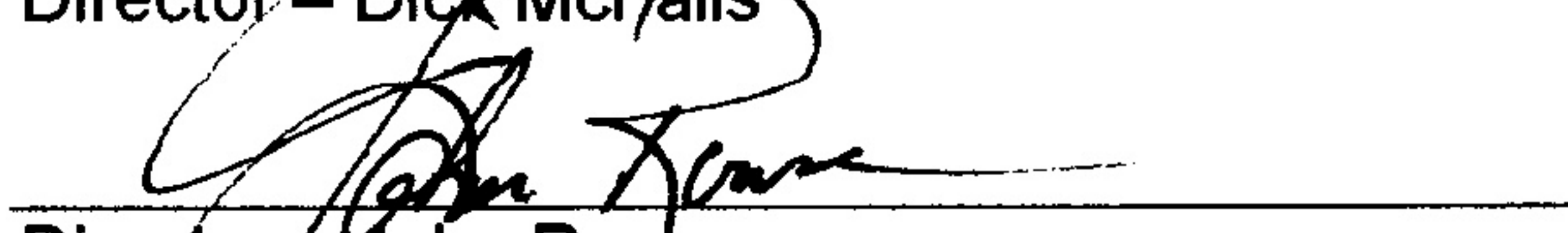

Director - Jane Connell

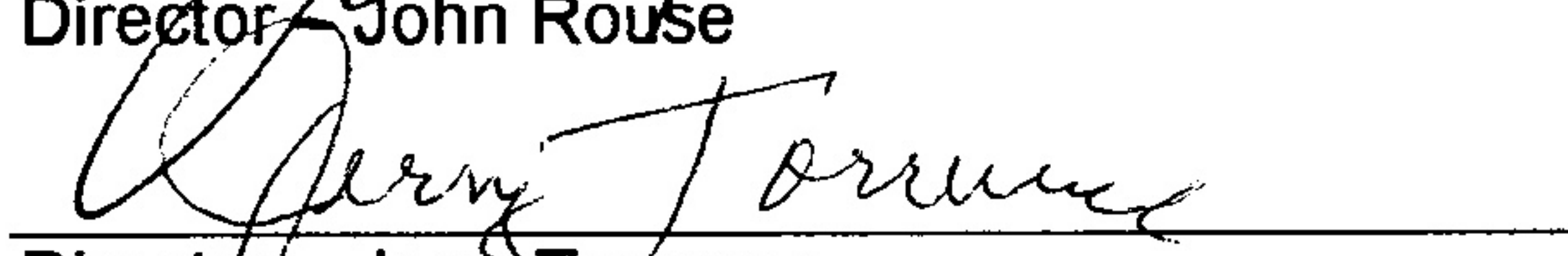

Director - Rita Fulton


Director - David Funk


Director - Janet Johnson


Director - Dick McFalls


Director - John Rouse


Director - Jerry Torrence