

**BY-LAWS
OF
THE HIGHWAY 280 FOREST PARKS RESIDENTIAL ASSOCIATION, INC.**

These Bylaws of THE HIGHWAY 280 FOREST PARKS RESIDENTIAL ASSOCIATION, INC., are promulgated for the purposes of governing, THE HIGHWAY 280 FOREST PARKS RESIDENTIAL ASSOCIATION a not-for-profit corporation ("Association") organized under the provisions of the Alabama Nonprofit Corporation Act, Code of Alabama, 1975, Section 10-3A-1, et seq., as amended, as an association to members of The Highway 280 Forest Parks Residential Association (the "Community").

The provisions of these Bylaws are applicable to the Community and to the use and occupancy thereof. The term "Community" as used herein shall include the land made subject to the Declaration (subject to the easements and restrictions therein set forth or reserved), and all improvements and structures now existing or hereafter placed thereon, all easements, rights or appurtenances thereto, and all personal property now or hereafter provided by Developer and intended for use in connection therewith. Capitalized terms used in these bylaws are defined either in the Articles of Incorporation or in the Declaration of Protective Covenants for Forest Parks Subdivision, applicable to the following ten sectors of the Forest Parks Subdivision: 1st Sector (recorded in Instrument #1997-02752); 1st Sector 1st Addition (recorded in Instrument #1997-04563); 1st Sector 2nd Addition (recorded in Instrument #1997-04561); 3rd Sector (recorded in Instrument #1998-23896); 4th Sector 1st Phase (recorded in Instrument #1998-03109); 4th Sector 2nd Phase (recorded in Instrument #1998-06213); 4th Sector 3rd Phase (recorded in Instrument #1998-38885); 6th Sector 1st Phase (recorded in Instrument #1998-03183); 6th Sector 2nd Phase (recorded in Instrument #1998-42210); and 7th Sector (recorded in Instrument #1997-25445), all recorded in the Office of the Judge of Probate of Shelby County, Alabama.

All present and future owners, mortgagees, lessees and occupants of the Single Family Residences in the Community, and any other persons who may use the facilities of the Community in any manner are subject to these Bylaws, the Declaration, the Rules and Regulations and all covenants, agreements, restrictions and easements of record ("title conditions"). The acceptance of a deed or the occupancy of a single Family Residence on a Lot shall constitute an agreement that these Bylaws and the title conditions, as they may be hereafter amended, are accepted and ratified, and will be complied with.

The address of the office of the Association shall be c/o Jim Lathem 439 Conroy Circle, Birmingham, Alabama 35147.

The fiscal year of the Association shall end on the last day of June of each year, unless otherwise determined by the Board of Directors.

ARTICLE I

MEMBERSHIP AND MEMBERSHIP MEETINGS

1. **Qualifications.** There shall be one member of the Association for each Lot within the Community.

2. **Change of Membership.** Change of membership in the Association shall be established by the recording of the public records of Shelby County, Alabama, of a deed or other instrument establishing a record title to a Lot in the Community, and the delivery to the Association of a certified copy of such instrument, the owner designated by such instrument thereby becoming a member of the Association. The membership of the prior owner shall be thereby terminated.

3. **Voting Rights.** Voting shall be on a Lot by Lot basis, with each Lot of the Community entitled to one vote. If only one of the multiple owners of a Lot is present at a meeting of the Association, he is entitled to cast all the votes allocated to that Lot. If more than one of the multiple owners are present, the votes allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the multiple owners. There is majority agreement if any one of the multiple owners casts the votes allocated to that unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the Lot.

4. **Annual Meetings.** Annual meetings of members shall be held at a location to be determined by the Board of Directors, on the third Monday in June of each year, at 7:00 P.M., or, if that day is a legal holiday, on the next day following that is not a legal holiday. The annual meeting shall be held for the purpose of electing directors and transacting any other business authorized to be transacted by the members.

5. **Special Meetings.** Special meeting of the members may be called by the Board of Directors, the president or by a member of the Association, for the purpose of considering and acting upon any matters of interest to the Association and its membership, and taking any other action not inconsistent with these Bylaws and the Articles of Incorporation, including the adoption of resolutions declaring the desirability of any further action recommended by the membership.

6. **Notice of Meetings.** Notice of all members' meetings stating the date, time, place and object for which the meeting is called shall be mailed to each member not less than ten (10) nor more than thirty (30) days prior to the date of such meetings. Such notice shall be deemed to be delivered when deposited in the United States Mail addressed to the member at his address as it appears on the records of the Association, postage prepaid. Notice of meeting may be waived either before or after meetings.

7. **Voting in Person or by Proxy.** A member may vote in person or by proxy executed in writing by the member or his duly authorized attorney-in-fact. Votes allocated to a Lot may be cast pursuant to a proxy duly executed by the Lot owner. If a Lot is owned by more than one person, each owner of the Lot may vote or register protest to the casting of votes by the other owners of the Lot through a duly executed proxy. A Lot owner may not revoke a proxy given pursuant to this

section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date, unless it specifies a shorter term.

8. **Quorum.** At a meeting of members, a quorum shall consist of persons entitled to cast a simple majority of the votes of the entire membership.

9. **Vote Required to Transact Business.** When a quorum is present at any meeting, the holders of a majority of the voting rights present in person or represented by written proxy shall decide any questions brought before the meeting, unless the question is one upon which, by express provision of law, the Declaration, Articles of Incorporation, or the Bylaws, a different number is required, in which case the express provision shall govern and control the decision in questions.

10. **Consents.** Any action which may be taken by a vote of the members may also be taken by written consent to such action signed by the members required to take such action if such members were present and voting.

11. **Adjourned Meetings.** If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

12. **Order of Business.** The order of business at annual members, meetings and, as far as practical, at all other members, meetings shall be according to the latest addition of Robert's Rules of Order.

ARTICLE II

BOARD OF DIRECTORS

1. **Members.** The Board of Directors of the Association shall consist of either three (3) or five (5) directors, as shall, from time to time, be determined and fixed by the vote of a majority of the voting rights present at any annual meeting of the members. The first Board of Directors named in the Articles of Incorporation of the Association shall serve a one year term. Thereafter, upon the first full election by the Association of the successor Board, the term of each director of the Board shall be staggered so that one director shall have a one (1) year term, a second director shall have a two (2) year term, a third director shall have a three (3) year term, the fourth director a four (4) year term, and the fifth director a five (5) year term. Any responsible person shall be eligible to be a director.

2. **Election.** At each annual meeting of the membership of the Association, one director shall be elected to replace the director whose term has expired. Each member of the Association shall have one vote for each director to be elected.

3. **Removal.** By a two-thirds vote of all persons present in person are entitled to vote

at any meeting of the Lot owners at which a quorum in person is present, may remove any member of board with or without cause, other than a member appointed by the declarant.

4. **Vacancies.** Any vacancy occurring in the Board of Directors, including vacancies occurring from the removal of a director, may be filled by majority vote of remaining members of the Board of Directors at any annual or special meeting.

5. **Annual Meeting.** The annual meeting of the Board of Directors shall be held on the third Monday in September of each year at the offices of the Association. Notice of the place and hour of each such meeting shall be given to each director at least five (5) days prior to each such meeting. Such notice may be given either in writing or by telephone.

6. **Special Meetings.** Special meetings of the Board of Directors for any purpose may be called by the president or upon the written request of any two (2) directors, upon at least five (5) days' notice to each director and shall be held at such place or places as may be determined by the directors, or as shall be stated in the call of meeting. Such notice may be given either in writing or by telephone.

7. **Waiver of Notice.** Any director may waive notice of a meeting either before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

8. **Quorum.** A quorum shall consist of the directors entitled to cast a majority of the votes of the entire Board of Directors. The acts of the Board of Directors approved by a majority of the voters present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such director for the purpose of determining a quorum.

9. **Powers and Duties.** The Board of Directors shall have the following powers and duties.

- (a) To elect the officers of the Association as hereinafter provided.
- (b) To administer the affairs of the Association and the Community.
- (c) To estimate the amount of the annual budget and to make and collect assessments, against Lot Owners to defray the costs, expenses and losses of the Community.
- (d) To use the proceeds of assessments in the exercise of its powers and duties.
- (e) To maintain, repair, replace and operate the Beautification and Entranceway Easement Areas.
- (f) To purchase insurance upon the Beautification and Entranceway Easement Areas and insurance, including fidelity bond coverage, for the protection of the Association and its members.

- (g) To reconstruct improvements after casualty and to further improve the Community.
- (h) To make and amend reasonable rules and regulations respecting the use of the Community and the operation of the Community ("Rules and Regulation").
- (i) To contract for the management of the Community and to delegate to such managing agent all powers and duties of the Association except such as are specifically required by the Declaration to have approval of the Board of Directors or the membership of the Association.
- (j) To retain legal counsel.
- (k) To employ personnel to perform the services required for proper operation of the Association and the discharge of its duties.
- (l) Unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the members as expressed in the resolution duly adopted at any annual or special meeting of the members.

10. Compensation. No director shall be compensated for his services.

ARTICLE III

OFFICERS

- 1. Election.** At each annual meeting, the Board of Directors shall elect the following officers of the Association:
- (a) A president, who shall be a director and who shall preside over the meetings of the Board of Directors and of the members, and who shall be the chief executive officer of the Association.
 - (b) A vice-president, who shall, in the absence or disability of the president, perform the duties and exercise the powers of the president.
 - (c) A secretary, who shall keep the minutes of all meetings of the Board of Directors and of the members, and the minute book wherein resolutions enacted at such meetings shall be recorded, and who shall, in general, perform all the duties incident to the office of secretary.
 - (d) A treasurer, who shall keep the financial record and books of the account.
 - (e) Such additional officers as the Board of Directors shall see fit to elect.
 - (f) Consolidation of different officers is permitted. An officer does have to be a member of the Association.

2. **Powers.** The respective officers shall have the general powers usually vested in such officer of a not-for-profit corporation; provided that the Board of Directors may delegate any specific powers to any other officer or impose such limitation or restrictions upon the powers of any officer as the Board of Directors may see fit.

3. **Term.** Each officer shall hold office for the term of one (1) year and until his successor shall have been elected and qualified.

4. **Vacancies.** Vacancies in any office shall be filled by the Board of Directors at special meetings thereof. Any officer may be removed at any time by a majority vote of the Board of Directors at a special meeting thereof.

5. **Compensation.** No officer shall receive compensation for performance in his office. This provision shall not preclude the Board of Directors from employing a director as an employee of the Association nor preclude the contracting with a director for the management of the Community. The officers shall receive no compensation for their services unless otherwise expressly provided in a resolution duly adopted by the Board of Directors.

ARTICLE IV

BOOKS AND RECORDS

Section 1. **Accounting.** The Association shall keep correct and complete books and records of accounts and shall keep minutes of the proceedings of the members, Board of Directors and committees thereof and shall keep at its registered or principal office in Alabama a record of the names and addresses of members entitled to vote, directors and officers. The accounting records shall be maintained in accordance with generally accepted accounting principles. All books and records of the Association shall be open to inspection by the members or their authorized representatives for any proper purpose at any reasonable time. Such records shall include:

(a) **Association Accounts.** The receipts and expenditures of the Association shall be credited and charged to the appropriate account as set forth below.

(i) **Current Expenses.** All funds to be expended during the year for the maintenance of the improvements within the Beautification and Entranceway Easement Areas (as defined in the Declaration and on the Plats), payment of the lease fees due on the light poles to Alabama Power Company, and the operation of the Association shall be held in the Common Expense Account (such expenses shall be sometimes hereafter referred to as "Common Expenses"). Any balance in this fund at the end of each year may be used to pay expenses incurred in any successive year or may be placed in the Reserve Fund Account.

(ii) **Reserve Funds.** All funds to be expended for replacement, acquisition and repair or capital improvements shall be held in the Reserve Fund Account.

(b) Member Accounts. An account for each member shall be maintained setting forth the name and address of the member, the amount of each assessment, the dates and amounts in which the assessments become due, the amounts paid upon the account and the balance due.

Section 2. Budget. Within sixty (60) days prior to the beginning of each fiscal year, the Board of Directors shall adopt a proposed budget for each calendar year that shall include the estimated funds required to defray the Common Expenses and to provide and maintain funds for the foregoing accounts and reserves according to good accounting practices. Within thirty (30) days of adoption of the proposed budget, copies of the budget and proposed assessments shall be transmitted to each member of the Association and a date set for a meeting of the Lot owners to consider ratification of the budget, not less than fourteen (14) days nor more than thirty (30) days after delivery of the budget to the Lot owners. Unless at the meeting a majority of all Lot owners present in person or by proxy reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the budget for the last year shall continue in effect until such time as a new budget is ratified.

Section 3. Assessments. Assessments against the members for their share of the budget shall be made for the fiscal year annually in advance on or before June 31, preceding the year for which the assessments are made. Such assessments shall be due in annual, quarterly or monthly installments, as may be determined by the Board of Directors of the Association. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors.

Section 4. Assessments for Emergencies. Assessments for Common Expenses for emergencies that cannot be paid from the annual assessments for Common Expenses shall be made only after notice of the need for such is given to the members concerned, and it shall be due thirty (30) days after such notice in such manner as the Board of Directors of the Association may require in the notice of assessment.

Section 5. Audit of Compilation. An audit or compilation of the accounts of the Association shall be made annually by a certified public accountant if requested by three-fourths (3/4) of the members, and a copy of the audited report shall be made available for review by each member.

Section 6. Bonds. Fidelity bonds shall be required by the Board of Directors from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Board of Directors, but shall not be less than three times the amount of the total annual assessments against members for Common Expenses. The premiums of such bonds shall be paid by the Association.

ARTICLE V

WAVIER OF NOTICE

Whenever any notice is required to be given to any member or director of the Association under the provisions of these Bylaws, the Articles of Incorporation, the Declaration, the provisions of the Alabama Nonprofit Corporation Act, and any act amendatory thereof, supplementary thereto or substituted therefor, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE VI

FISCAL YEAR

The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

ARTICLE VII

INDEMNIFICATION

Section 1. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was lawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. The association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and except that no indemnification shall be made in respect of any claim, issue or matter- as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view

of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

To the extent that a director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b), or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Any indemnification under Section (1) and (2) above (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections (1) and (2). Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in written opinion, or (3) by the membership.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this section.

The indemnification provided by this section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of members or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE VIII

AMENDMENT

Section 1. Amendment to Bylaws. These Bylaws may be amended, altered or repealed in the following manner:

(a) By the Developer until such time as Developer relinquishes its control of the Association; or

(b) By the member at any regular or special meeting upon the affirmative vote of the holders of not less than two-thirds of the outstanding votes.

Section 2. Recordation. No modification or amendment to the Bylaws shall be valid

and effective until the President and Secretary of the Association shall certify as to the adoption of such amendment and shall file their certificate setting forth the text of the amendment with the office of the Judge of Probate of Shelby County, Alabama.

ARTICLE IX

MISCELLANEOUS

Section 1. Seal. The seal of the Association shall be circular in form and shall contain the name of the Association and the year of its creation. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced otherwise.

Section 2. Bank Accounts. The Board of Directors may, from time to time, by resolution authorize the maintenance of one or more deposit accounts by the Association. All checks, drafts or other orders for the payment of money issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association, and in such manner as shall be determined from time to time by resolution of the Board of Directors.

Section 3. Notice. Whenever any notice or demand is required to be given by these Bylaws or the Declaration, any notice or demands so required shall be deemed sufficient if given by depositing the same in the United States Mail, postage prepaid, addressed to the person entitled thereto at his last known post office address according to the records of the Association, and such notice shall be deemed given on the day of such mailing.

Section 4. Waiver of Notice. Whenever any notice whatsoever is required to be given under the provisions of any law, or under the provisions of the Articles of Incorporation, these bylaws or the Declaration, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto.

IN WITNESS WHEREOF, the Association has duly adopted the foregoing as the Bylaws by their duly authorized officers as of this ____ day of _____, 2000.

Charles Watkins, Treasurer

Jim Lathem, President

Diane Blake, Vice-President

Emily Horton, Secretary

STATE OF ALABAMA
SHELBY COUNTY

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that Jim Lathem, Diane Blake, Charles Watkins, and Emily Horton whose names as officers of The Highway 280 Forest Parks Residential Association are signed to the foregoing, and who are known to me, acknowledged before me on this day, that, as officers with proper authority and being informed of the contents of the foregoing they each executed the same voluntarily on the day the same bears date.

GIVEN under my hand and seal, this the _____ day of _____, 2000.

Notary Public

My Commission Expires: