
BY-LAWS
OF
SOUTHLAKE CREST
RESIDENTIAL ASSOCIATION, INC.
(a corporation not for profit)

Inst # 1993-30197

09/30/1993-30197
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SHELBY COUNTY JUDGE OF PROBATE
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**BY-LAWS
OF
SOUTHLAKE CREST RESIDENTIAL ASSOCIATION, INC.**

**A Corporation not for Profit
under the Laws of the State of Alabama**

These are the By-Laws of SOUTHLAKE CREST Residential 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**

1.1 Office. The office of the Association shall be at 1100 East Park Drive, Suite 400, Birmingham, Alabama or at 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 the words: SOUTHLAKE CREST RESIDENTIAL 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**

2.1 Association: Southlake Crest Residential Association, Inc., its successors and assigns.

2.2 Association Land: Any real property which may at any time hereafter be owned by the Association for so long as the Association or successor thereof may be the owner thereof.

2.3 Board: The Board of Directors of the Association.

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

2.5 Common Areas: Those portions of the Subject Property which are conveyed to the Association or otherwise defined or designated as Common Areas pursuant to Article IV of the Declaration or by notation on any record map or plat of the Subject Property.

2.6 Declaration: The Declaration of Protective Covenants of Southlake Crest, recorded in the Office of the Judge of Probate of Shelby County, Alabama, in ~~Volume~~ *Inst.* *# 1993-30195* at page _____, as the same may from time to time be supplemented or amended in the manner described herein.

2.7 Deed: Any deed, court decree or other instrument conveying fee title into any part of the property subjected to the Declaration.

2.8 Declarant: J-Wes Co., Inc. and any successor thereof and any purchaser from J-Wes Co., Inc. of any portion of the Subject Property to whom J-Wes Co., Inc. also conveys and assigns its rights hereunder as Declarant; and Southlake Properties, in the event that J-Wes Co., Inc. does not acquire all of the Subject Property and Southlake Properties elects to be substituted as Declarant by written declaration of said election which is recorded in the Office of the Judge of Probate of Shelby County, Alabama.

2.9 Entranceway Improvements: Those certain improvements to be made with respect to any entranceway into the Subject Property from Southlake Boulevard.

2.10 Member: A person or other entity who is a record owner of fee simple title to any portion of the Subject Property.

2.11 Parcel: Any unit, lot, part or parcel of the Subject Property designed for a residence and platted of record, regardless of whether a dwelling has or has not been constructed thereon.

2.12 Parcel Owner: The owner or owners of record title to any Parcel.

2.13 Resident: Any person or persons occupying a Parcel.

2.14 Southlake Covenants: Those certain Restrictions and Protective Covenants on Southlake Property previously filed for record in the Office of the Judge of Probate of Shelby County, Alabama in Real Book 160, page 495.

2.15 Southlake Crest or Southlake Crest Property: The property described in the Declaration and other property which may be acquired by Declarant and developed as a part of Southlake.

2.16 Subject Property: The property subjected to the Declaration and described on Exhibit "A" to the Declaration, along with any other real property which may be subjected to the Declaration by separate instrument executed by the Declarant.

ARTICLE III

MEMBERSHIP

3.1 Membership. The Members of the Association shall consist of all Parcel Owners together with all those persons or other entities as set forth in Article V of the Articles of Incorporation.

3.2 Classes of Membership. The Association shall have two classes of membership, Class A and Class B, each such Class consisting of those members meeting the applicable qualifications for membership in each respective Class, as set forth in Article V of the Articles of Incorporation.

3.3 Rights and Obligations of Membership. The Members shall have all the rights, privileges, duties and obligations applicable to their respective Class of membership as 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 such assessments, fees and charges as might be imposed, levied or set by the Association. The obligation for the payment of such assessments and charges is imposed against each owner of, and is a lien upon, the Parcel against which such assessment or charge is made, as provided by the Declaration, which in substance provides as follows:

3.4.1 Continuing Liens. All Parcels shall be subject to a continuing lien for assessments levied by the Association in accordance with the provisions of the Declaration, the Articles of Incorporation and these By-Laws. The assessments and charges together with interest thereon and the costs of collection thereof (including reasonable attorneys fees) as hereinafter provided, shall be a charge on, and shall be a continuing lien upon, the Parcel against which each such assessment or charge is made. All Parcels shall be held, transferred, sold, conveyed, used, leased, occupied, mortgaged and otherwise encumbered subject to all the terms and provisions of the Declaration, the Articles of Incorporation and these By-Laws, including, but not limited to, the continuing lien herein described.

3.4.2 Personal Obligations of Members. Unless otherwise provided in a deed or other conveyance, each Member, by acceptance of a deed or other conveyance to a Parcel, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association the assessments and charges, such assessments to be fixed, established and collected from time to time as provided in the Declaration, the Articles and these Bylaws. Each such assessment, together with interest and cost of collection, including reasonable attorneys fees, shall be the personal obligation of the person who is the owner of such Parcel at the time when the assessment fell due.

3.4.3 Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of providing any and all of the services and activities as may be to the mutual benefit of the Members; providing for garbage and waste

collection and disposal, maintaining, operating and repairing of the Common Areas and other areas and structures beneficial or useful to the Subject Property; the payment of taxes and insurance on all property of the Association, and the repair, replacement and additions thereto, and for the cost of labor, insurance, equipment, materials, management and supervision thereof; for other purposes beneficial to the Members as determined by the Association; and for the purpose of carrying out the functions, purposes, responsibilities and duties of the Association as set forth in the Declaration, Articles and these Bylaws. The Association does not assure that such services will be provided and nothing herein shall be construed as an obligation to provide any such services, except to the extent required in the Declaration.

3.4.4 Amounts of Assessments. The assessment applicable to Parcels shall be set by the Board of Directors of the Association as set forth in the Declaration.

3.4.5 Effect of Non-Payment of Assessments; Remedies of the Association. Any assessments not paid within thirty (30) days after the due date shall bear interest from the due date at such rate of interest as the Association might reasonably determine. The Association may bring an action at law against the Member personally obligated to pay the same, or foreclose the lien against the Parcel owned by the Member. No Member may waive or otherwise escape liability for the assessments provided for in the Declaration or in these By-Laws by non-use of the Common Areas or other areas to which assessments are applied or abandonment of the Parcel owned by such Member.

3.4.6 Subordination of Lien to Mortgages. The lien of any assessment or charge authorized by the Declaration or this Article III of these By-Laws with respect to a Member's Parcel is subordinate to the lien of any bona fide mortgage; provided that all assessments or charges falling due on or prior to the date such mortgage is recorded have been paid. The sale or transfer of any Member's Parcel pursuant to a sale under power contained in a mortgage on such Parcel or pursuant to a deed in lieu of foreclosure thereof or pursuant to a judicial foreclosure thereof, shall extinguish the lien for assessments falling due prior to the date of such sale, transfer or foreclosure, but the Association shall have a lien on the proceeds of such sale senior to the equity of redemption of the mortgagor. The foregoing subordination shall not relieve a Member whose Parcel has been mortgaged of his personal obligation to pay all assessments and charges falling due during the time he is the owner of such Parcel. The Board of Directors may at any time, either before or after the mortgaging of any Member's Parcel, waive, relinquish or quitclaim in whole or in part the right of the Association to assessments and other charges collectible by the Association with respect to such Parcel coming due during the period while such Parcel is or may be held by a mortgagee or mortgagees pursuant to such sale or transfer.

3.5 Suspension of Membership Rights. The membership rights of any Member, including the right to vote, may be suspended by the Board of Directors (a) for any period during which any assessment or charge owed to the Association by such Member remains unpaid, and (b) for a period not to exceed thirty (30) days for any infraction of the Association's published rules and regulations. Any such suspension shall not affect such Member's obligation to pay assessments coming due during the period of Suspension and

shall not affect the permanent charge and lien on the Member's Parcel in favor of the Association.

ARTICLE IV

VOTING RIGHTS

Each class of membership 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 Parcel owned by such Member.

When more than one (1) person (or other such entity) holds an ownership interest or interests in any Parcel, the vote for such Parcel 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 Parcel. In the event of disagreement among such persons (or other entities) and an attempt by more than one to cast the vote of such Parcel, such persons (or other entities) shall not be recognized and the vote with respect to such Parcel shall not be counted.

ARTICLE V

ASSOCIATION POWERS

5.1 Additions to Common Areas. The Association shall accept the conveyance to it of additional Common Areas by J-Wes Co., Inc. or Southlake Partnership; provided that the property to be so conveyed meets all the requirements for becoming Common Areas set forth in the Declaration. No approval from any Member of the Association or anyone else is required for J-Wes Co., Inc. or Southlake Property or their respective successors and assigns, to convey as additional Common Areas property otherwise meeting the requirements for becoming additional Common Areas.

5.2 Other Property Owned by the Association. In addition to acquiring additional Common Areas in the manner described in Section 5.1 hereof, the Association may, in the discretion of the Board of Directors, accept the conveyance to it by J-Wes Co., Inc. or Southlake Partnership, of property which shall not be held by the Association as Common Areas under the terms and provisions of the Declaration, but, rather, which may be used or leased by the Association for any purpose which the Board of Directors shall choose.

5.3 Mortgages. The Association shall have the power to mortgage or otherwise burden or encumber all or part of its properties, provided that any such mortgaging or encumbering shall be authorized by a fifty-five percent (55%) affirmative vote, on a class basis, of the Members entitled to vote.

5.4 Dedication or Transfer of Properties. The Association shall have the power to transfer the ownership of all or part of its properties, by dedication to a public authority or otherwise, provided that any such transfer shall be authorized by fifty-five percent (55%) affirmative vote, on a class basis, of the Members entitled to vote.

ARTICLE VI

BOARD OF DIRECTORS

6.1 Selection; Terms of Office. Until December 31, 2013, or at such earlier time as determined by the Class B membership, the Board of Directors shall consist of three (3) Directors, who shall be elected at the times and in the manner set forth in Section 6.2 hereof. After such time the Board of Directors shall consist of seven (7) Directors, who shall be elected at the time set forth in Section 6.3 and in the manner set forth in Article VII of these By-Laws.

6.2 Election of Directors by the Class B Members. Until such time as Class A Members shall be entitled to full voting privileges, as provided in Article VIII of the Articles of Incorporation, the Board of Directors shall consist of three (3) Directors who shall be elected in the following manner:

6.2.1 The initial Board of Directors set forth in Article VIII of the Articles of Incorporation shall hold office until such time as Class A Members shall be entitled to full voting privileges or until removed by and at the discretion of the Declarant. In the event any named Director ceases to be a Director prior to the time specified above in this Section 6.2.1, his replacement shall be elected by a majority of the total vote of the Class B membership at an appropriate annual meeting or special meeting of the Class B Members.

6.2.2 Any Director or Directors elected by the Class B Members may be removed at any time, with or without cause, by vote of seventy-five percent (75%) of the total vote of the Class B membership at any regular or special meeting thereof, and the removed Director may be replaced by a majority of the total vote of the Class B membership at any regular or special meeting thereof.

6.3 Election of Directors by the Class A Members. After such time as Class A Members shall be entitled to full voting privileges, the number of Directors shall be increased to seven (7) as set forth in Article VIII of the Articles of Incorporation, and the Class A Members shall be entitled to elect all seven (7) of the new members of the Board

of Directors. Election of such Directors by the Class A Members shall be in the manner set forth in Article VII and Sections 6.3.1 and 6.3.2 of these By-Laws. The election of the Directors by the Class A Members shall occur as follows:

6.3.1 The incumbent Board of Directors elected by the Class B Members shall hold office until the election of their successors by the Class A Members at the annual meeting of the Class A Members to be held for this purpose within sixty (60) days after the date upon which Class A Members shall be entitled to full voting privileges, or the termination of the Class B membership, whichever is sooner.

6.3.2 At the first annual meeting of the Class A Members, there shall be elected in the manner set forth in Article VII of these By-Laws seven (7) Directors, three (3) such Directors being elected for three (3) years, and four (4) such Directors being elected for two (2) years.

The procedure set forth in Section 6.3.1 and 6.3.2 shall be used when the total number of Directors is increased to seven (7) as provided in Article V of the Articles of Incorporation.

6.4 Vacancies. After the date upon which Class A Members shall be entitled to full voting privileges, 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 Class A Members at the next annual meeting of the Members or at any special meeting duly called for that purpose. Prior to the date upon which Class A Members are entitled to full voting privileges, vacancies in the Board of Directors shall be filled by the Declarant.

ARTICLE VII

ELECTION OF DIRECTORS BY CLASS A MEMBERSHIP

7.1 Election of Directors. Elections to the Board of Directors by the Class A membership shall be by written ballot as hereinafter provided. At such elections, the Class A Members or their proxies may cast as many votes as there are vacancies to be filled on the Board of Directors for each Parcel in which they hold any interest required for membership by Article V of the Articles of Incorporation, and such Member shall have the right to cumulate his vote and to give one candidate a number of votes equal to his vote multiplied by the number of Directors to be elected, or by distributing such votes on the same principle among any number of such candidates. The names 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 Class A 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 forty-five (45) 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 twenty (20) 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 Class A Member shall receive one (1) vote for each Parcel with respect to which he is the record owner (subject to the provisions of Article IV hereof). Each Member shall indicate next to the name of each nominee on the ballot the number of votes he casts for the election of such nominee to the Board of Directors, or shall write in the name of a person not so nominated in the space on the ballot provided for this purpose, together with the number of votes he wishes to cast for said person. 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 Parcels 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 XII 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

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 Areas 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 Absence. 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 6.4 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 Article III of these By-Laws, to fix the amount of the assessment against each Parcel 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 Parcels 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 Areas and covering such risks and with such deductible amounts as the Board of Directors shall determine.

ARTICLE IX

DIRECTORS MEETING

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 annual meeting of the Board of Directors shall be held immediately following the close of the annual meeting of the Members and at the place thereof, or the Board of Directors may hold such annual meeting at such place and time as shall be fixed by the consent in writing of a majority of 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 be given.

9.3 Special Meetings. Special meetings of the Board of sectors shall be held when called by any officer of the Association or by any two (2) Directors after not less than three (3) days' 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

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 at 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. The Secretary shall give notice of meetings as required, and shall receive and file proxies of Members as provided in Article Xiii hereof.

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. The Treasurer shall sign all checks and notes of the Association, provided that such checks and notes shall also be signed by the President or the Vice President in his absence.

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 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

11.1 Committees. Until such time as Class A Members are entitled to full voting privileges, there shall be no requirement of committees of the Association. From and after the first annual meeting of the Class A Members, the Board may appoint such committees as it shall, in its discretion, determine. 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.

11.2 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 as delegated by the Board.

11.3 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 filed 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

12.1 Annual Meeting. Until the time at which the Class B membership terminates, as provided in Article V of the Articles of Incorporation, the regular annual meeting of the Class B members shall be on the first Monday in February of each year, or within two (2) weeks thereafter, at a time and place to be agreed upon by the Class B members.

Until the time at which the Class B membership terminates, there shall be no annual or regular meeting of the Class A membership.

The first annual meeting of the Class A Members shall be held within sixty (60) days after the date upon which Class A Members shall be entitled to full voting privileges. Thereafter, the regular annual meeting of the members shall be held at seven o'clock P.M. on the second Monday in February of each year (beginning the year in which said meeting date is more than twelve months following the initial meeting), provided, however, if that day is a legal holiday, the meeting shall be held at the same hour on the following Friday. The place of the annual meetings shall be determined by the Board of Directors.

12.2 Special Meetings. Special meetings of either class of membership for any purpose may be called at any time by the President, the Vice President 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 such written request is made.

12.3 Notice. Notice of any meetings of a class of membership shall be given to the Members of that class 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 prepaid, to his address appearing on the books of the Association. Each Member must register his address with the Secretary, and notices of meetings shall be mailed to 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 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-third (1/3) of the vote of the class of membership so meeting 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

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 and shall be 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 Parcel or other interest in 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

Robert's 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

Until the time at which the Class B membership terminates, at which time the Class A membership is entitled to full voting privileges, as provided for in Article V of the Articles of Incorporation, these By-Laws may be amended upon a majority vote of the Board of Directors in any respect. After such time as the Class A members shall be entitled to full voting privileges, 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 sixty percent (60%) vote of the total vote of all the then

existing classes of 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 of any conflict between the Declaration and these By-Laws, the Declaration shall control.

IN WITNESS WHEREOF, we being all of the directors of the Southlake Crest Residential Association, Inc., have heretofore set our bands this 20th day of September, 1993.


Rick L. Griffith


Eugene K. Cole


Steven L. Adair

Inst # 1993-30197

09/30/1993-30197
02:02 PM CERTIFIED

SHELBY COUNTY JUDGE OF PROBATE
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