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**ARTICLES OF INCORPORATION OF  
THE SHIRES HOMEOWNER ASSOCIATION, INC.**

The undersigned, acting as incorporators of a nonprofit corporation under the Alabama Nonprofit Corporation Act, Code of Alabama 1975 Section 10-3A-1, et. seq. (the "Act"), do hereby adopt the following Articles of Incorporation for such corporation:

**ARTICLE FIRST: Name.** The name of the corporation shall be The Shires Homeowner Association, Inc. (hereinafter, the "Corporation").

**ARTICLE SECOND: Definition.** The period of duration of the Corporation shall be perpetual.

**ARTICLE THIRD: Purposes.** The purpose for which the Corporation is organized is to promote and develop the common good and welfare of the residents of The Shires, a residential subdivision located in Shelby County, Alabama (the "Development"); to provide an entity for the maintenance, control and supervision of the common area properties (the "Common Area") deeded to the Corporation by Shoal Valley Joint Venture, an Alabama general partnership (the "Developer"); and to provide an entity for the administration and enforcement of the provisions of the Declaration of Protective Covenants and Restrictions of the Shires, to be filed by the Developer in the office of the Judge of Probate of Shelby County, Alabama;

**ARTICLE FOURTH: Powers.** The powers of the Corporation shall include, without limitation, and shall be governed by, the following provisions:

A. The Corporation shall have all statutory and common law powers provided a nonprofit corporation under the Alabama Nonprofit Corporation Act which are not in conflict with the terms of these Articles of Incorporation or the Declaration of Protective Covenants and Restrictions of the Shires (the "Declaration"), as such may be amended from time to time, including, without limitation, the following:

1. To acquire, hold, lease, mortgage or convey real, personal or mixed property wherever situated, including lots contained in the Development;

2. To make and collect assessments against the members as provided in the Declaration to defray the costs and expenses incurred in the maintenance and operation of the Common Area and the improvements located thereon, to provide garbage pickup or other such services to the residents of the Development, and to exercise the powers and duties provided herein;

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3. To borrow funds to pay for such expenditures as may be provided for or required by the Declaration;

4. To maintain, repair, replace, clean, and operate the Common Area and any other property owned by the Corporation.

5. To lease or grant easements or licenses for the use of the Common Area or any other property owned by the Association, provided, however, that such leases, easements or licenses are not inconsistent with the rights of the residents of the Development, as provided in the Declaration;

6. To enforce by legal means the provisions of these Articles of Incorporation, of the By-Laws of the Corporation, and of the Declaration.

7. The objects and purposes set forth in Article Third of these Articles shall be construed as powers as well as objects and purposes, and the Corporation shall have and may exercise such powers as if such powers were set forth in full herein.

8. The Corporation shall have and may exercise all powers as shall enable it to do each and every thing necessary, suitable, convenient, expedient or proper for the accomplishment of any and all purposes contained in Article Third of these Articles of Incorporation.

9. The Corporation shall have and may exercise all powers set forth in any other Article of these Articles of Incorporation.

B. All funds and title to properties acquired by the Corporation, and the proceeds therefrom, shall be held in trust for the members of the Corporation in accordance with the provisions of the Declaration and the By-Laws of the Corporation.

**ARTICLE FIFTH: Members.** The members (the "Members") of the Corporation shall consist of all record owners of lots located within the Development. Membership in the Corporation shall be evidenced by a properly recorded deed or other properly recorded instrument establishing (to the satisfaction of the Board of Directors of the Corporation) record title to a lot in the Development, and shall be effected by the delivery to the Board of Directors of the Corporation a certified copy of the same. Upon such delivery, the owner of the lot designated and transferred by such instrument shall become a Member of the Corporation and the membership of the prior owner of such lot shall be terminated. The share or interest of any Member in the funds or assets of the Corporation cannot be assigned, hypothecated or transferred in any manner except as an appurtenance of the lot. The exact number of votes to be cast by

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the owner(s) of a lot and the manner of exercising voting rights shall be determined by the By-Laws of the Corporation.

**ARTICLE SIXTH: Board of Directors.** The affairs of the Corporation shall be managed by a Board of Directors consisting of the number of directors as shall be determined by the By-Laws; provided, however, that the Board of Directors shall consist of not less than three (3) Directors, and, in the absence of a provision in the By-Laws, shall consist of three (3) Directors. The Directors of the Corporation shall be elected at the annual meeting of the members in the manner determined by the By-Laws. Vacancies on the Board of Directors shall be filled in the manner provided by the By-Laws.

The initial Board of Directors shall consist of three (3) Directors. The names and addresses of the members of the Board of Directors who shall hold office until their successors are elected and have qualified, or until such directors are removed, are as follows:

<u>Name</u>	<u>Address</u>
David F. Byers	300 Cahaba Park South, Suite 112 Birmingham, Alabama 35243
James D. Hutton	3195 Cahaba Heights Road Birmingham, Alabama 35243
David F. Byers, Jr.	2000 SouthBridge Parkway Suite 525 Birmingham, Alabama 35209

Any director may be removed, either with or without cause, at any time, by the affirmative vote of a majority of the members at a meeting caused for such purpose, and the vacancy in the Board of Directors caused by any such removal may be filled by the members at such meeting or at any subsequent meeting in the manner prescribed in the By-Laws.

Notwithstanding the provisions set forth in this Article Sixth, the Developer, or its successors or assigns, shall elect the members of the Board of Directors of the Corporation and, in the event of any vacancies on the Board of Directors, shall fill all such vacancies until such time as the first to occur of (a) six months have elapsed since all of the lots contained in the Development have been conveyed by the Developer to purchasers, or (b) the Developer elects, at its option, to terminate its control of the Board of Directors. Within sixty (60) days of the termination of control of the Developer, the Board of Directors shall call a special meeting of the members of the Association by giving not less than ten (10) nor more than thirty (30) days

notice thereof, for the purpose of electing the members of the Board of Directors.

**ARTICLE SEVENTH: Registered Agent.** The address of the initial registered office of the Corporation is 300 Cahaba Park South, Suite 112, Birmingham, Alabama 35243, and the name of its initial registered agent at such address is David F. Byers.

**ARTICLE EIGHTH: Indemnification.** The Corporation shall have the right to indemnify each person who shall serve as a director, officer, employee, or agent of the Corporation, or shall serve at the request of the Corporation in a similar capacity with another corporation, joint venture, trust, or other enterprise, to the extent to which this Corporation is granted the power to so indemnify such persons by any and every statute of the State of Alabama or act of the Legislature of the State of Alabama.

**ARTICLE NINTH: Transactions with Related Parties.** No contract or other transaction between the Corporation and any person, firm, association or corporation and no other act of the Corporation shall, in the absence of fraud, be invalidated or in any way affected by the fact that any of the directors of the Corporation are directly or indirectly pecuniarily or otherwise interested in such contract, transaction or other act, or related to or interested in (either as director, stockholder, officer, employee, member or otherwise) such person, firm, association or corporation. Any director of the Corporation individually, or any firm or association of which any director may be a member of, may be a party to, or may be pecuniarily or otherwise interested in, any contract or transaction of the Corporation, provided that the fact that he, individually, or such firm or association, is so interested, shall be disclosed or known to the Board of Directors or a majority of the members thereof as shall be present at any meeting of the Board of Directors, or of any committee of directors having the powers of the full Board, at which action upon any such contract, transaction or other act is taken; and if such fact shall be so disclosed or known, any director of the Corporation so related or otherwise interested may be counted in determining the presence of a quorum at any meeting of the Board of Directors, or of such committee, at which action upon any such contract, transaction or act shall be taken, and may vote with respect to such action with like force and effect as if he were not so related or interested. Any director of the Corporation may vote upon any contract or other transaction between the Corporation and any affiliated corporation without regard to the fact that he is also a director of such affiliated corporation.

**ARTICLE TENTH: Dissolution.** Upon dissolution of the Corporation, the assets of the Corporation shall be distributed

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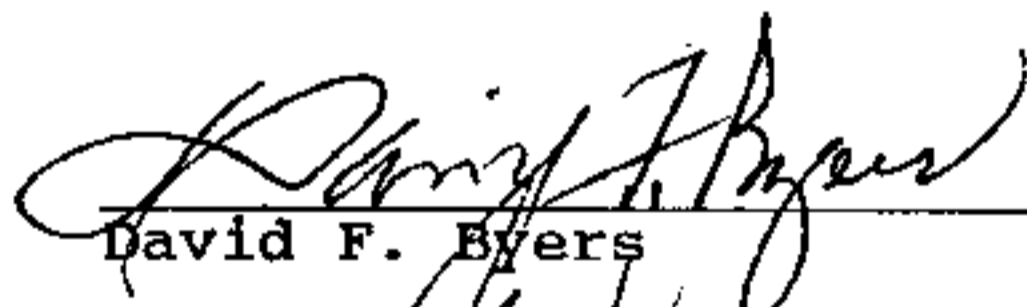
to the members of the Association to the extent that such distribution is not inconsistent with the provisions of the Act.

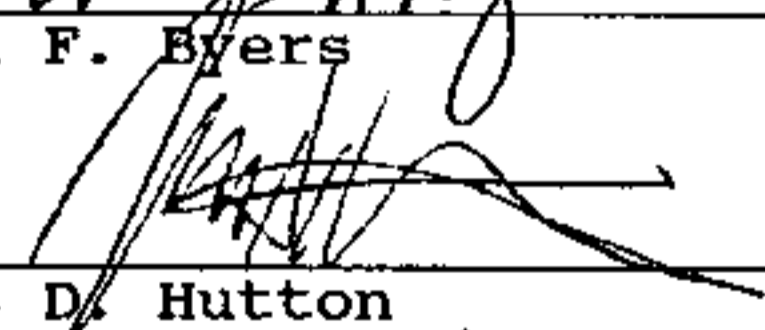
ARTICLE ELEVENTH: Amendment. The Corporation reserves the right to alter, amend, change or repeal any provision contained in these Articles in the manner now or hereafter provided by law, and all rights conferred upon officers and directors herein are granted subject to this reservation.

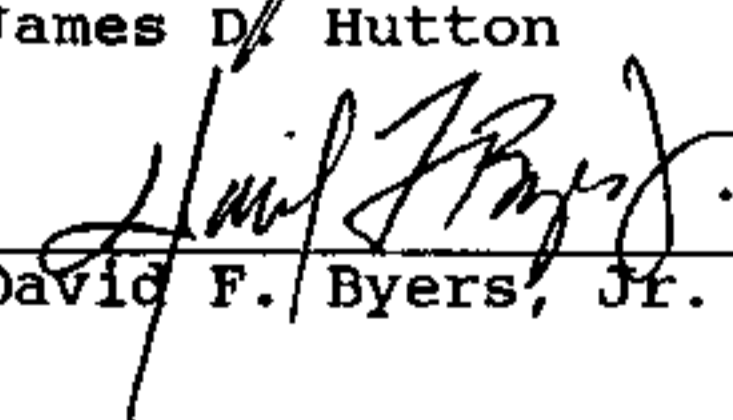
ARTICLE TWELFTH: The name and address of each incorporator is:

<u>Name</u>	<u>Address</u>
David F. Byers	300 Cahaba Park South Suite 112 Birmingham, Alabama 35243
James D. Hutton	3195 Cahaba Heights Road Birmingham, Alabama 35243
David F. Byers, Jr.	2000 SouthBridge Parkway Suite 525 Birmingham, Alabama 35243

IN WITNESS WHEREOF, each incorporator subscribes their signatures and file these Articles of Incorporation as of the 2 day of March, 1988.

  
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David F. Byers

  
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James D. Hutton

  
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David F. Byers, Jr.

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