

**THE DECLARATION OF CONDOMINIUM  
OF  
SADDLE LAKE FARMS, A CONDOMINIUM**

07/05/1995-17533  
04:10 PM CERTIFIED  
SHELBY COUNTY JUDGE OF PROBATE  
061 MCD 158.50

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STATE OF ALABAMA)

SHELBY COUNTY)

**THE DECLARATION OF CONDOMINIUM**

**OF**

**SADDLE LAKE FARMS, A CONDOMINIUM**

This Declaration is made this 14<sup>th</sup> day of June, 1995, by EnviroBuild, Inc., an Alabama corporation (herein the "Developer") pursuant to the Alabama Uniform Condominium Act of 1991, (Sections 35-8A-1, et seq., Code of Alabama, 1975), for the purpose of creating a condominium and establishing certain easements, covenants and restrictions to run with the land.

WHEREAS, the Developer is the fee simple owner of certain improved real property situated in Shelby County, Alabama, described in detail on the attached Exhibit A (the "Land"); and

WHEREAS, the purpose of this Declaration is to submit the Land to the condominium form of ownership and use in the manner provided by the Alabama Uniform Condominium Act of 1991, (Sections 35-8A-1, et seq., Code of Alabama, 1975)(the "Act"); and

NOW, THEREFORE, the Developer hereby makes the following Declaration, and specifies that the provisions hereof shall constitute covenants running with the Land and shall be binding upon the parties thereto, its successors and assigns and all subsequent purchasers of all or any part of the Land together with their grantees, successors, heirs, executors, administrators, devisees or assigns:

**I. PURPOSE**

The Land described on Exhibit A is herewith submitted to the condominium form of ownership as shown on Exhibit B (the "Plans"), all in accordance with the provisions of the Act.



## **II. NAME**

The name by which this condominium is to be identified is Saddle Lake Farms, A Condominium (the "Condominium").

## **III. DEVELOPMENT**

The Land has been improved by the construction of various Common Areas and Common Elements all as set forth and described on the Plans.

## **IV. DEFINITIONS**

The terms used herein and in the Bylaws shall have the meanings stated in the Act and as follows:

"Act" means the Alabama Uniform Condominium Act of 1991, (Sections 35-8A-101, et seq., Code of Alabama, 1975).

"Articles of Incorporation" means the Articles of Incorporation of Saddle Lake Farms Association, Inc., recorded in the Office of the Judge of Probate of Shelby County, Alabama.

"Association" means Saddle Lake Farms Association, Inc., an Alabama nonprofit corporation, and its successors.

"Board" means the Board of Directors of the Association.

"Bylaws" means the duly adopted Bylaws of the Association.

"Common Areas" shall mean those areas in common use identified as such on the Plans.

"Common Elements" mean the Common Areas as defined herein and in said Act and shall include those parts of the Condominium Property not included within the Unit boundaries, as more particularly described in Section V hereafter, and the tangible personal property required for the maintenance and operation of the Condominium.

"Common Expenses" include those defined by the Act, together with the expenses for which the Unit Owners are liable to the Association, actual or estimated, pursuant to the

Bylaws. The term Common Expenses shall not include any fee, expense or bill which is assessed against a Unit as a result of Utility Services provided to a Unit or ad valorem taxes or assessments levied against a Unit by any government entity.

"Condominium" means Saddle Lake Farms, A Condominium.

"Condominium Property" or "Property" means and includes all of the Private and Common Elements of the Land, and all easements, rights and appurtenances thereto, and all personal property provided by the Developer and intended for use by all residents of the Condominium Property.

"Control Period" means the period in which the Developer is in control of the Association and exempt from payment of assessments. The term of the Control Period is set forth in Section XXI.

"Declaration" means and refers to this Declaration of Condominium of Saddle Lake Farms, A Condominium, and all amendments thereto.

"Developer" means EnviroBuild, Inc. The term Developer shall not include persons who purchase a Condominium Unit from EnviroBuild, Inc.

"Improvements" means the residential units and other improvements described in the Plans.

"Land" means the real estate included in the Condominium as described in Exhibit A to this Declaration, subject to all easements, rights of way and other restrictions set forth in Exhibit A or herein reserved.

"Member" means a member of the Association. Membership in the Association shall be confined to the person who holds a fee simple interest in a Unit. In the case of ownership of a Unit by more than one person, all persons having such interest shall designate the member of the Association. There shall be one vote per Unit on any matter coming before the membership of the Association.

"Plans" or "Plat" means the drawings and graphics depicting the Common Elements and Private Elements of the Condominium Property as recorded in the Office of the Judge of Probate of Shelby County, Alabama, at Map Book 20, Pages 209 + 208. The Plans will not be amended at any time to identify improvements or Single Family Residences constructed on the various Units.



"Private Elements" means all parts of the Condominium Property included within a Unit as set forth in Section VI and all Improvements thereon intended for private use by the Unit Owner.

"Rules and Regulations" means the duly adopted rules and regulations of Saddle Lake Farms Association, Inc. made for the purpose of regulating the Condominium Property, as they may be amended from time to time.

"Single Family Residence" shall mean a dwelling constructed on a Unit in accordance with the restrictions and conditions set forth in this Declaration.

"Unit" means the Private Elements of the Condominium Property included within the boundaries of a Unit as defined in this Declaration, together with the Private Elements appurtenant to a Unit, if not included within the definition of the boundaries of a Unit, and the undivided interest in the Common Elements which are assigned thereto in this Declaration, together with the interests, easements and other rights appurtenant to a Unit as provided for under § 35-8A-202 of the Act.

"Unit Owner" or "Owner" means a condominium unit owner and shall include his heirs, grantees and assigns and shall include the Developer as to those Units of which it is the Owner.

"Utility Services" shall include but not be limited to electric power, TV cable, gas, telephone, garbage and sewage disposal and any other governmental or public utility assessment, fee or bill.

Singular, plural, gender. Whenever the context so permits, the use herein of the plural shall include the singular, the use of the singular shall include the plural, and the use of any gender shall be deemed to include all genders.

#### **V. COMMON ELEMENTS DEFINED.**

The Common Elements of the Condominium include the following, unless specifically included within a Unit:

- (a) The Common Areas identified as such on the Plans.
- (b) The lake, the dam and spillway.

(c) The roadways, streets, parking areas and any betterments identified as such on the Plans, including the private roadway described in the Plans.

(d) All maintenance facilities including employee residence; and water storage tanks, pumps, outdoor lighting and the like.

(e) All access easements, utility easements or other easements, rights or appurtenances affecting or relating to the use of the Condominium Property.

## **VI. PRIVATE ELEMENTS - UNITS DEFINED**

The Private Elements of each Unit shall include the real estate allocated to the particular Unit as shown on the Plans, the boundaries being set forth on the Plans; together with all Improvements located within the boundaries of a Unit.

1. **Other Private Elements.** Each Unit shall include as Private Elements all air-conditioning and heating equipment serving each Single Family Residence exclusively, and plumbing and electrical equipment serving that particular Single Family Residence exclusively and Utility Services serving the Single Family Residence on a Unit exclusively.

2. **Identification.** Each Unit is assigned a number which is indicated on the Plans, and is described as to Unit Number, dimensions, and other data necessary for its proper identification on the Plans.

3. **Encroachments.** If any portion of the Common Elements now encroaches upon any Unit, or if any Improvements now encroach upon any other Unit or upon any portion of the Common Elements as a result of the construction of the Improvements, or if any such encroachment shall occur hereafter as a result of settling or shifting of the Improvements, a valid easement for the encroachment and for the maintenance of the same, so long as the Improvements stand, shall exist. In the event an Improvement or Common Element shall be partially or totally destroyed as a result of fire, or other casualty, or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of part of the Common Elements upon any Unit or if any Improvements encroach upon any other Unit or upon any portion of the Common Elements, due to such construction and maintenance thereof, an easement for such encroachment shall exist.

4. **Allocation of Common Elements.** Each Unit shall have a 1/76 undivided fractional interest in the Common Elements.

5. **Units Subject to Rules and Relations.** All present and future Unit Owners, tenants and occupants of any Unit shall be subject to, and shall comply with the provisions of this Declaration, the Bylaws and the Rules and Regulations, as they may be amended from

time to time. The acceptance of a deed or conveyance or the entering into a lease or the entering into of occupancy of any Unit shall constitute an agreement that the provision of this Declaration, the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Unit Owner, tenant, or occupant, and all such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

## **VII. EASEMENTS**

1. **Access Easement.** An Access Easement is hereby created on the Property strictly according to the Plans. This Access Easement shall be for the purpose of ingress, egress, private roadways, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewer (sanitary and storm), gas, telephone, and electricity.

2. **Utility Easements.** An easement is hereby granted to the water, natural gas, TV cable, electrical and/or telephone company to erect and maintain the necessary poles, underground lines and other necessary equipment on said Property and to affix and maintain electrical and/or telephone wires, transformers, circuits and conduits on, above and across the Units. An easement is further granted to all police, fire protection, ambulance and all similar persons to enter upon the private driveways and streets on the Property in the performance of their duties. An easement is hereby granted to the Association, its officers, agents, employees and to any management company elected by the Association to enter in or to cross over the Units as provided for herein. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on said Property except as initially programmed and approved by the Developer or as thereafter approved by the Developer or the Association's Board of Directors. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Developer shall have the right to grant such easement on the Property without conflicting with the terms hereof. The easements provided for in this Section shall in no way affect any other recorded easement on said premises.

3. **Construction Easement.** Developer herewith reserves a "construction easement" for so long as any Unit is unimproved with a residence for the purpose of allowing the Developer, their assignees, grantees, agents, servants and employees, access to all or any part of the Condominium Property for the construction and renovation of the Common Elements and Improvements on each Unit in the Condominium Property. Each Unit Owner by acceptance of a deed to a Unit herewith waives any and all right of claims, demands or causes of actions which he may have as a result of construction activity by the Developer, its assignees, grantees and any of its or their agents. The construction easement herein includes, but is not limited to, the following types of activity: construction of the Common and Private Elements; paving and landscaping work; all other types of construction



activity which the Developer, in the exercise of its sole discretion, may undertake to beautify or improve the Condominium Property, during the Control Period, and maintenance of sales offices, management offices and model units used by the Developer for sales purposes.

### **VIII. ENFORCEMENT**

Failure of any Unit Owner to comply strictly with the provisions of this Declaration, the Bylaws and the Rules and Regulations, shall be grounds for an action to recover sums due, or damages, or injunctive relief or any or all of them. Such actions may be maintained by the Association on its own behalf or on behalf of the Unit Owners aggrieved. In any case of flagrant or repeated violation by a Unit Owner, he may be required by the Association to give sufficient surety or sureties for his future compliance with the provisions of this Declaration, the Bylaws and the Rules and Regulations. Nothing herein contained shall prevent, in a proper case, an independent action by an aggrieved Unit Owner for such relief.

### **IX. MAINTENANCE**

1. Association Maintenance. The Association, as a Common Expense, shall maintain, repair and replace if necessary the following:

- (a) All portions of the Common Elements.
- (b) All transformers, conduits, ducts, plumbing, wiring, and other facilities for the furnishing of Utility Services which are located on a Unit but which service other parts of the Condominium Property.

The Association may enter into a contract with any firm, person or corporation, in contracting for the maintenance and repair of the Property and may delegate to such agent all or any portion of the powers and duties of the Association, except such as are specifically required by this Declaration or the Bylaws to have the approval of the Members of the Association; provided, however, that any such contract shall not extend beyond the date the Unit Owners obtain control of the Association.

2. Unit Owner's Maintenance. Each Unit Owner shall maintain his Unit and the Improvements thereon in good tenable condition and repair, and shall repair, maintain and replace if necessary the following:

- (a) The improvements on his Unit, including all window glass, walls, landscaping, exterior doors, electric panels, wiring, outlets, and electric fixtures; screening and exterior glass.
- (b) The plumbing, heating, ventilation, air conditioning and electrical systems serving a particular Single Family Residence exclusively, whether located within or

without the boundary of the Unit including the heater and air-conditioner compressor, hot water heaters, fuse boxes, wiring, fireplace flues and all other plumbing, electrical, gas or mechanical systems. In the event any such system or a portion thereof is situated on another Unit or requires access to another Unit then the repair, maintenance or replacement thereof shall be performed by the Association, and the costs thereof shall constitute an assessment against the Unit Owner responsible therefor.

3. Unit Owner's Covenants. Each Unit Owner agrees as follows:

(a) To perform all maintenance, repairs and replacements which are his obligation under Section IX-2 hereof.

(b) To pay for all of his utilities, including electricity, gas, and telephone used within the Unit, all taxes levied against his Unit and the special assessments, if any, levied by Shelby County.

(c) Not to make, or cause to be made, any repairs to any plumbing, heating, ventilation or air conditioning systems located on another Unit but required to be maintained by him under Section IX-2(b) hereof except by a repairman approved by the Association.

(d) To allow the Association, its delegates, agents, or employees at all reasonable times to enter onto any Unit for the purpose of maintaining, inspecting, repairing, or replacing Common Elements; or for repairing, maintaining or replacing plumbing, heating, ventilation or air conditioning systems located on such Unit but serving other parts of the Condominium Property; or in order to determine in case of emergency, the circumstances threatening Units or Common Elements and to correct the same; or, to determine compliance with the provisions of this Declaration and the Bylaws.

(e) To promptly report to the Association any defects or all needed repairs for which the Association is responsible.

(f) No signs, or billboards whatsoever (including, but not limited to, commercial, "for sale," political and similar signs) which are visible from neighboring property shall be erected or maintained on any Unit, except:

(i) Such signs as may be required by legal proceedings;

(ii) Reasonable residential identification signs;

(iii) During the time of construction of any building or other improvement, one job-identification sign not larger than eighteen by twenty-four inches in height and width and having a face area not larger than three square feet; and

(iv) Such signs, the nature, number, and location of which have been approved in advance by the Architectural Committee.

Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Developer or its duly authorized agent, of structures, improvements or signs necessary or convenient to the development, sale, operation and other disposition of the Units.

4. Reallocation of Maintenance Responsibility. On a vote of the Unit Owners of two-thirds (2/3) of the Units at any regular or special meeting of the membership of the Association, the Association shall be authorized to maintain and charge for maintenance of various components of the Private Elements of each Unit such as lawn and landscaping care and fertilization, exterior window cleaning, sweeping of driveways on the Units, and the like. Any such resolution passed by the membership of the Association shall set forth with particularity the services to be performed on the Private Elements by the Association or its agents and the charge for such service which charge shall be collected by the Association and shall constitute an assessment made by the Association pursuant to the annual assessment provided for in Section XII-1(a). Failure of any Unit Owner to pay his portion of the annual assessment shall create a lien against his Unit just as if the said Unit Owner failed to pay any other assessment duly authorized and made by the Board of the Association. Collection of any unpaid charges of this category of expense shall be pursuant to and in compliance with Section XII-8 of this Declaration.

## X. ARCHITECTURAL CONTROL

1. Objective of Architectural Control. Architectural and design review shall be directed towards attaining the following objectives:

(a) Preventing excessive or unsightly grading, indiscriminate earth moving or clearing of property, removal of trees and vegetation which would cause disruption of natural water courses or scar natural landforms;

(b) Insuring that the location and configuration of structures are visually harmonious with the terrain and vegetation of Saddle Lake Farms and with surrounding Units and structures;

(c) Insuring that the architectural design of structures and their materials and colors are visually harmonious with Saddle Lake Farms' overall appearance, with the surrounding development, with the natural land forms and native vegetations;



(d) Insuring the plans for landscaping provide visually pleasing settings for structures on the same Unit and on adjoining or nearby Units, and blend harmoniously with the landscape; and

(e) Insuring that any structure, building or landscaping complies with the provisions of these covenants.

2. Architectural Committee. The Developer shall establish and appoint an Architectural Committee which shall consist of not less than three (3) nor more than five (5) members; provided, however, that the Developer transfer such Architectural Committee rights to the Association at any time proper to the sale of all Units. Upon the Developer selling all Units, the Architectural Committee rights shall be transferred to the Architectural Committee appointed by the Board of Directors of the Association. The regular term of office for each member appointed by the Board of Directors of the Association shall be one (1) year, coinciding with the fiscal year of the Association. Any member appointed by the Developer may be removed with or without cause by the Developer at any time by written notice to such appointee. A successor or successors appointed to fill such vacancy shall serve the remainder of the term of the former member. Any member appointed by the Board of Directors of the Association shall be removed in accordance with the Bylaws of the Association.

3. Release. Neither the Architectural Committee nor any member thereof shall be liable to any Unit Owner or to any other party for any damage, loss or prejudice suffered on account of the approval or disapproval of any plans, drawings or specifications, whether or not defective, or the execution or filing of any action, motion, certificate, petition or protest in the courts of the United States or the State of Alabama, or with any other governmental board or body, whether or not the facts stated therein are true and correct.

4. Powers and Duties. The Architectural Committee shall have the following powers and duties:

(a) To require submission to the Architectural Committee of plans and specifications for any Improvement or Single Family Residence or other permitted structures of any kind, and any change, modification or alteration thereof, including, without limitation, any such improvement or change to any home, fence, wall, sign, lighting system, site paving, grading, screen enclosure, sewer, drain, disposal system, landscaping or landscape device or object, the construction or placement of which is or is proposed upon any Unit. Such plans and specifications shall be in such form and shall contain such information as may be reasonably required by the Architectural Committee and shall include but not necessarily be limited to:

(i) An accurately drawn and dimensional plot plan showing all setbacks, easements, drives and walks.

(ii) Foundation plan, floor plan, exterior elevations of the Single Family Residence as it will actually appear after all back filling and landscaping is done from finished ground up.

(iii) All plans must include a specifications list of proposed materials and samples of exterior materials which cannot be adequately described on the plans, or materials with which the Architectural Committee is unfamiliar.

(iv) The name and address of the Unit Owner's general contractor who will construct the residence and all other improvements to the Unit.

The Architectural Committee may also require such additional information as reasonably may be necessary for the Architectural Committee to evaluate completely the proposed structure or improvement or general contractor in accordance with this Declaration. All information submitted to the Architectural Committee shall be delivered to the office of EnviroBuild, Inc., or such other address as may be reflected by the Architectural Committee in a duly recorded instrument filed in the Probate Office of Shelby County, Alabama.

(b) The Architectural Committee shall approve or disapprove the submitted plans and specifications for any improvement, residence or structure as hereinabove described and approve or disapprove the general contractor prior to commencement of construction of such improvement, home or structure within sixty (60) days of submission of the documentation required herein. Partial submissions shall not be permitted. In the event that the Architectural Committee shall fail, for a period of sixty (60) days from the date of receipt of such submission, to approve or disapprove any plans or specifications submitted to it for approval, the same shall be deemed to have been approved. The approval by the Architectural Committee of plans and specifications submitted for its approval, as herein specified, shall not be deemed to be a waiver by the Architectural Committee of the right to object to any of the features or elements embodied in such plans or specifications if and when the same features and elements are embodied in any subsequent plans and specifications submitted for approval for use on other Units. If any improvement or structure as aforesaid shall be completed, changed, modified or altered without the prior approval of the Architectural Committee, or shall not be completed, changed, modified or altered in accordance with the approvals granted by the Architectural Committee, or the Unit Owner engages a general contractor other than the approved general contractor, then the Unit Owner shall, upon and in accordance with a demand by the Architectural Committee, cause the property, improvement to structure either to be restored to its original condition or to comply with the plans and specifications as approved by the Architectural Committee, or engage another approved general contractor, and shall bear all costs and reasonable attorneys' fees of the Architectural Committee. Notwithstanding the aforesaid, after the expiration of one



(1) year from the date of final completion of any such improvement or structure, such improvement or structure shall be deemed to comply with all of the provisions hereof unless prior to the expiration of said one (1) year period either notice to the contrary shall have been recorded in the Office of the Judge of Probate of Shelby County, Alabama or written notification shall have been forwarded to the Unit Owner by the Architectural Committee. Any agent or member of the Architectural Committee may at any reasonable time enter any building or property subject to the jurisdiction of the Architectural Committee which is under construction or on or in which the agent or member may believe that a violation of this Declaration is occurring or has occurred. Prior to the use or occupancy of any improvement or structure constructed or erected on any Unit, the Unit Owner thereof shall apply for certification from the Architectural Committee that the construction thereof has been completed in accordance with the plans and specifications approved by the Architectural Committee. In the event that the Architectural Committee shall fail, for a period of sixty (60) days from the date of receipt of such application, to give or deny such certification, the same shall be deemed to have been given. The Architectural Committee, may from time to time, delegate to a person or persons the right to approve or disapprove plans and specifications and to issue such certification.

(c) To adopt fees which shall be designed to reimburse the Architectural Committee for the necessary and reasonable costs incurred by it in processing requests for Architectural Committee approval of any matters under its jurisdiction. Such fees, if any, shall be payable to the Architectural Committee, in cash, at the time that any application for approval is sought from the Architectural Committee.

(d) Neither the Architectural Committee nor any agent thereof nor the Developer shall be responsible to check for any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing provisions, nor for any structural or other defects in any work done according to such plans and specifications.

(e) The Developer shall be exempt from the provisions of this Section as to any Improvements constructed during the Control Period.

## **XI. RESTRICTIONS**

1. **Use Restrictions.** The Units and the Improvements thereon will be used for residential purposes only, and no trade or business purposes, including all types of home industry, will be permitted. No building or structure other than a Single Family Residence, a garage for not more than four cars, a boat house, a detached out building, or a pier (which shall not extend more than six feet beyond the shoreline as the normal lake level) shall be erected on any Unit within the Condominium Property except as otherwise permitted herein. Prohibited uses include, but are not limited to:

(a) dangerous, noxious, offensive or excessively noisy activities which may be or become an annoyance or nuisance to Unit Owners; and

(b) raising, breeding, or keeping of any animals, birds, or fowl; provided that a Unit Owner shall be permitted to keep not more than two dogs and/or cats as domestic pets on a single Unit; and

(c) exploring, mining, boring, quarrying, drilling, or otherwise removing oil or other hydrocarbons, minerals, gravel or natural gas; and

(d) no tree houses shall be permitted except as may be permitted by the Architectural Committee; and

(e) no tennis courts shall be permitted on a Unit.

2. Exterior Lighting. All exterior lighting shall be subject to the review of the Architectural Committee. No dusk-to-dawn lighting shall be permitted.

3. Utilities. All electrical and telecommunication lines located upon the Units shall be installed and maintained underground.

4. Maintenance. All Single Family Residences, landscaping and Improvements upon individual Units shall be continuously maintained by the Unit Owner thereof so as to preserve a well-kept appearance.

(a) Trash. No trash, garbage or other refuse shall be dumped, stored or accumulated on any Unit. Trash, garbage or other waste shall not be kept on any Unit except in sanitary containers or garbage compactor units. Garbage containers, if any, shall be kept in a clean and sanitary condition, and shall be so placed or screened by shrubbery or other appropriate material approved in writing by the Architectural Committee as not to be visible from any road or within sight distance of any other Unit at any time except during refuse collection. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted, except during the construction period, or except as specifically approved by the Architectural Committee.

(b) Landscaping. No refuse pile or unsightly objects shall be allowed to be placed or suffered to remain upon any part of a Unit, including vacant parcels. All landscaping shall be in conformity with the direction of the Architectural Committee.

5. Temporary Structures. No structure of a temporary character, trailer, basement, or shack shall be used at any time as a residence either temporarily or permanently. No storage building of any type shall be permitted unless such building is approved by Architectural Committee. There shall be no occupancy of any Single Family

Residence until the interior, exterior and landscaping of the Single Family Residence is completed.

6. Fences and Hedges. No chain link or other wire fences shall be used.

7. HVAC Equipment.

(a) Outside air conditioning units may not be located in the front or lakeside yard. All outside air conditioning units shall be hidden from view by shrubbery, or other foliage or fencing that otherwise satisfies the requirements hereof.

(b) All vents protruding from roofs shall be painted the same color as the roof covering.

8. Satellite Dishes. No antenna or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation shall be erected, used or maintained outdoors within the Properties, whether attached to a building or structure or otherwise, unless approved by The Architectural Committee. A satellite dish and the location and planting of trees and shrubs hiding the satellite dish from view must be submitted to the Architectural Committee for written approval prior to the installation. If the dish cannot be hidden from the street view then the use of a dish will be denied by the Architectural Committee. No satellite dishes will be allowed on any Unit at any time after cable television services are available to such Unit.

9. Swimming Pool. Nothing herein contained shall prohibit the construction of a swimming pool on any Unit, together with such appurtenances as may be reasonable necessary for the use and enjoyment thereof, subject to approval of the Architectural Committee in the manner prescribed for other improvements. Unless and to the extent otherwise determined by the Architectural Committee, no Unit Owner shall leave swimming pool lights on after 11:00 P.M., provided that this provision shall not relate to in-water swimming pool lights or normal exterior home flood lighting.

10. Storage of Boats, Trailers and Other Vehicles. No wrecked boats or automobiles, unmaintained automobiles or vehicles other than operating automobiles or vehicles shall be stored or located on any Unit.

11. Tenants. It shall be the responsibility of each Unit Owner to insure that any tenant of any Unit or portion thereof which is owned by him receives a copy of the aforesaid restrictions and that every lease utilized by such Unit Owner contain a provision therein stating that every tenancy is subject to all of the terms and provisions of this Declaration. The Unit Owner shall remain liable for the performance and observation of all terms and conditions in this Declaration and for all costs of enforcing the same.



12. Enforcement. If a determination is made by the Architectural Committee that any of the restrictions in this Section are being or have been violated, then the Architectural Committee shall so notify the Unit Owner in writing, specifying the violation. If within thirty (30) days from such notification, the Architectural Committee shall make a second determination that sufficient progress has not been made to remedy the violation, the Architectural Committee may itself, direct such actions to be taken as shall be necessary or appropriate to remedy such violation. The Unit Owner shall be liable for the cost and expense of all such actions, including legal fees, and the Architectural Committee may treat all such costs and expenses therefor as a charge which shall become a lien of the Association on the affected Unit enforceable by appropriate proceedings at law or in equity.

13. Resale of Lots. Any Unit Owner who wishes to sell or otherwise dispose of his Unit shall advise the Board of Directors of Saddle Lake Farms Association, Inc., and shall submit to the said Board, a written statement of the name and address of the prospective purchaser, donee or other transferee of the Unit and, if a sale is contemplated, a statement of the proposed purchase price and other proposed terms of sale; if a transfer other than a sale (for example, a gift) is contemplated, the Unit Owner shall so advise the Board. If the proposed transaction is a sale, the Board shall have the first option to purchase the Unit (whether improved or not) at the proposed sale price and on the proposed sale terms. If the Unit Owner proposes a transfer other than sale, the Board shall have a first option to purchase the Unit at an amount equal to its fair market value as determined by two independent real estate appraisers, one of whom shall be chosen by the Board and one of whom shall be chosen by the Unit Owner. In the event that each of the appraisers arrives at a fair market value which is within \$10,000 of the other, then the fair market value shall be deemed to be the average of the two. In the event that the two appraisals are not within \$10,000 of each other, then the two appraisers shall choose a third appraiser who shall conclusively determine the fair market value of the Unit for this purpose. No person shall be qualified as an appraiser hereunder who is not an MAI. Within twenty (20) days of receipt of the Unit Owner's statement, the Board shall deliver a written statement to the Unit Owner stating whether it elects to purchase the Unit Owner's Unit. If the Board does not exercise its right to purchase the lot in accordance with the foregoing provisions, then the Unit Owner may proceed (within a period of not more than 180 days) to sell or otherwise transfer the Unit to the proposed purchaser or other transferee on the same terms as those set forth in the Unit Owner's statement. If the Board elects to purchase the Unit Owner's Unit, the closing of sale shall take place within thirty (30) days after the date of the Board's statement or, if an appraisal is required, within thirty (30) days after receipt of the final appraisal. The cost of all appraisals shall be shared equally by the Board and the Unit Owner.



## **XII. ASSESSMENTS**

1. **Creation of the Lien and Personal Obligation of Assessments.** All assessments shall be payable to the Association. Each Unit Owner, by acceptance of the deed to such Unit, covenants and agrees to pay:

(a) An annual assessment in an amount which equals a proportionate share of the Common Expenses, such share being the same as such Unit Owner's fractional share of ownership in the Common Elements;

(b) Supplemental assessments if required by the Board of Directors of the Association in accordance with the Bylaws of the Association; and

(c) Special assessments for capital improvements fixed, established and collected from time to time as hereinafter provided.

The annual, supplemental and special assessments, together with interest thereon and costs of collection thereof, shall be charged against, and the Association shall have therefor a continuing lien upon, each Unit against which such assessment is made. Such lien shall also include all assessments which come due thereafter until the lien is satisfied. Each Unit Owner shall be liable for his portion of each assessment coming due while he is the Unit Owner of a Unit, and his successor in title shall be jointly and severally liable with the grantor for such portion thereof as may be due and payable at the time of a conveyance or which may thereafter become due and payable although applicable to the period prior to the conveyance, but without prejudice to the rights of such successor to recover from the grantor the amounts paid by such successor therefor. Each Unit owned by the Developer shall be exempt from any and all assessments for Common Expenses during the Control Period as set forth in Section XXII. If the holder of a first mortgage of record or other purchaser of a Unit obtains title to such Unit as a result of foreclosure of the first lien or by means of a deed in lieu of foreclosure, such acquirer of title, his successors and assigns, shall not be liable for the share of annual and special assessments due the Association pertaining to such Unit or chargeable to the former Unit Owner which became due prior to the acquisition of title as a result of the foreclosure. Such unpaid share of the annual and special assessments shall be deemed to be a Common Expense collectible from all remaining Unit Owners, including such acquirer, his successors and assigns. The Association shall, immediately upon foreclosure or other arrangement in lieu of foreclosure, satisfy and release its assessment lien of record.

2. **Priority of Lien.** The lien against any Unit for assessments in favor of the Association shall be prior and superior to all other liens except any lien for taxes, the lien of any mortgage of record and any other lien recorded prior to the time for recording of the claim of the Association's lien. The sale or transfer of any Unit shall not affect the assessment lien; provided, however, that upon the sale or transfer of any Unit pursuant to

foreclosure of a first mortgage or by means of a deed in lieu of foreclosure, the lien of such assessment shall be satisfied and released of record as provided in Section XII-1 above.

3. Annual Assessment for Commons Expenses. The annual assessments levied by the Association shall be collected and held by the Association for the payment of the Common Expenses which shall include, but not be limited to, administrative, insurance repair, replacement, reserve funds and maintenance expenses of the Property, in accordance with this Declaration, the Bylaws of the Association and the Act. Should two-thirds of the Unit Owners approve by resolution, charges for maintenance of certain of the Private Elements may be included within the annual assessment. A Unit Owner shall by acceptance of title be conclusively presumed to have agreed to pay his proportionate share of the Common Expenses accruing while he is the Unit Owner of a Unit, and no Unit Owner may exempt himself from liability for such share of the Common Expenses by waiver of the enjoyment of the right to use any of the Common Elements or by abandonment of his Unit or otherwise. The provisions of the attached Bylaws relating to assessments are incorporated herein by reference as if fully set forth.

4. Capital Account or Reserve Fund. There shall be required, as an item included in the Common Expenses, a contribution to a capital account or reserve fund to cover unforeseen contingencies or deficiencies arising from unpaid assessments or liens and to cover expenditures in connection with maintenance and repair of capital improvements upon the Common Elements. The portion of the annual assessment which is allocated for such contribution shall be maintained by the Association in a separate capital account with separate records maintained therefor. Except to the extent that a portion of such capital account must be maintained for a reasonable reserve to cover future estimated costs of replacement and reconstruction of the capital improvements upon the Common Elements, any surplus remaining in said capital account at the end of any fiscal year of the Association shall be carried over to the next fiscal year and applied by the Association in preparing its estimated annual budget for the next year to reduce the amount of such capital contributions required to be assessed against the Unit Owners as an item of Common Expense for such year.

5. Determination of Annual Assessments and Collection and Disbursements of Proceeds. The Association shall have the responsibility for payment of the Common Expenses in connection with the administration and management of the Condominium Property according to this Declaration and the Bylaws of the Association. The Board of Directors shall annually prepare an estimated annual-budget for each fiscal year of the Association and shall determine and notify the Association and each Unit Owner of the annual assessment for each Unit for such coming year.

6. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any fiscal year, special assessments for the purpose of defraying, in whole or in part, the costs or any portion thereof of any construction or reconstruction, repair or replacements of a capital



improvement upon the Common Elements, including the necessary fixtures and personal property related thereto, which the Association cannot pay out of the funds held in the capital account; provided that any such assessment shall have the assent of not less than two thirds percent (2/3%) of the voting rights of the Condominium as a whole cast by Unit Owners voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Unit Owners, including the Developer in the event it is the owner of record of a Unit, not less than ten (10) days nor more than sixty (60) days in advance of the meeting, which notice shall set forth the purpose of the meeting. Each Unit Owner's share of any special assessment shall be in proportion to his fractional share of undivided interest in and to the Common Elements.

7. Date of Commencement of Annual Assessments and Due Dates. The annual assessments shall be established on a fiscal year basis and shall commence as to each Unit conveyed to a Unit Owner on the date of each such conveyance, with adjustment for the first assessment according to the number of days remaining in the fiscal year. That portion of each such adjusted assessment attributable to the number of days remaining in the quarter of conveyance and the portion of the assessment attributable to the quarter following the quarter of the conveyance shall be due and payable at the time of such conveyance, and the balance of such adjusted assessment shall be paid, by the Unit Owner in equal quarterly installments commencing on the first day of the next quarter following such conveyance. Unless otherwise provided by the Board of Directors, one-fourth (1/4) of the annual assessment for each Unit shall become due and payable on the first day of each quarter during the assessment period. The Association shall, upon demand by any Unit Owner or purchaser of a Unit prior to the completion of a voluntary sale or upon demand by any holder of a mortgage or other lien on any Unit at any time, furnish a certificate in writing signed by an officer of the Association setting forth whether assessments on such Unit Owner's Unit have been paid as of a specified date within ten (10) days after request therefor. A reasonable charge may be made by the Board for the issuance of such certificate, which shall be conclusive evidence of payment of any assessment therein stated to have been paid, and any person other than the Unit Owner at the time of issuance of any such certificate who relies upon such certificate shall be entitled to rely thereon and his liability for such unpaid assessments shall be limited to the amounts set forth in such certificate.

8. Effect of Non-Payment of Assessments Payable Directly to the Association and Remedies of the Association. Any assessment which is not paid when due shall be delinquent. If a quarterly payment of an assessment for a Unit is not paid within ten (10) days after the due date, the Unit Owner of such Unit shall be in default and the Association may declare the balance of the entire annual assessment for such Unit immediately due and payable. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at the rate of fifteen percent (15%) per annum, and the Association may bring suit to recover a money judgment for the unpaid assessment against the owner personally obligated to pay the same without waiving the lien,

and/or file a lien claim against such Unit Owner's Unit, in either of which events, interest, cost and attorneys' fees equal to fifteen percent (15%) of the principal and interest due shall be added to the amount of such assessment as may then be due. The establishment of such lien and the satisfaction thereof shall be in accordance with Section 35-8A-316 of the Act. Each Unit Owner, by his acceptance of a deed to a Unit from the Developer or from any subsequent Unit Owner of a Unit, vests in the Association or its agents the right and power to bring all actions against him personally for the collection of such charges as debt and file and foreclose a lien in a suit brought in the name of the Association in the same manner as a foreclosure of a mortgage on real property. The lien provided for herein shall be in favor of the Association and shall be for the benefit of all other Unit Owners. The Association, acting on behalf of the Unit Owners, shall have the power to bid-in the Unit at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same. Non-use of the Common Elements or abandonment of a Unit shall not constitute a defense against any action on account of any unpaid assessment.

9. Mechanic's Liens. Each Unit Owner shall only be liable for the cost of repairs and replacements to his Unit, and for his proportionate share of the Common Expenses. In the event any mechanic's or other lien is filed which, in the opinion of the Board, may constitute a lien against the Property, the Common Elements, or any Unit, the Board may cause the Association to discharge such lien, and the Association shall thereupon assess each Unit Owner or Unit Owners in the amount of their proportionate share of the Association's expenses in discharging such lien, including any costs and attorneys' fees incurred in connection therewith, such assessment to be secured by a lien on each Unit responsible for payment thereof in accordance with the Act, said lien to be enforced in accordance with the provision of the Act, Declaration, and Bylaws. No Unit owner shall be liable for the lien<sup>a</sup> of other Unit Owners except as provided for by the Act and this Declaration.

10. Working Capital. A supplement to the capital fund will be established for the operation of the Condominium equal to one fourth (1/4) of the initial annual assessment prepared by the Developer. The amount due from each Unit will be collected and transferred to the Association at the time of closing of the sale of each Unit and maintained in the capital account.

### XIII. ASSOCIATION

The operation and administration of the Condominium shall be performed by the Association, pursuant to the provisions of the Act, which shall be incorporated pursuant to the Alabama Nonprofit Corporation Act, Sections 10-3A-1 et seq., Code of Alabama, 1975, as amended, and which shall be organized and shall fulfill its functions pursuant to the following provisions:



1. Name. The name of the Association shall be: Saddle Lake Farms Association, Inc. (the "Association"). The Articles of Incorporation of the Association shall be in the form attached hereto as Exhibit C.

2. Powers. The powers and duties of the Association shall include those set forth in the Code of Alabama, the Declaration and the Bylaws of the Association, and, in addition, as follows:

(a) Reconstruct, repair or refinish any improvement or portion thereof in any access easement (to the extent that such work is not done by a governmental entity, if any, responsible for the maintenance and upkeep of such area);

(b) Construct, reconstruct, repair, replace or refinish any of the Common Elements of the Condominium Property;

(c) Replace injured and diseased trees or other cover to the extent that the Board deems necessary for the conservation of water and soil and for aesthetic purposes;

(d) Perform all of its responsibilities of the Association under this Declaration or the Act;

(e) Do all such other acts which the Board deems necessary to preserve and protect the Condominium Property and beauty thereof, in accordance with the general purposes specified in this Declaration; and

(f) Develop and enforce rules and regulations governing use of the lake and other Common Areas.

3. Members. There shall be one member of the Association for each Unit within the Condominium Property. If a Unit is owned by more than one person, a designation will be filed by the Unit Owner designating who will be the member of the Association. Change of membership in the Association shall be established by recording in the public records of Shelby County, Alabama, a deed or other instrument establishing a record title to a Unit of the Condominium, and the delivery to the Association of a certified copy of such instrument, the Unit Owner designated by such instrument thereby becoming a member of the Association. Membership of the prior Unit Owner shall be thereby terminated. The vote for a Unit shall be cast by the Unit Owner thereof, or the duly authorized proxy of the Unit Owner. Each Unit Owner is entitled to one vote for each Unit he owns.

4. Board of Directors. The affairs of the Association shall be conducted by a Board of Directors of at least three (3) and up to five (5) directors, who shall be designated in the manner provided by the Bylaws.

5. Indemnification. Every director and every officer of the Association shall be indemnified by the Association against expenses and liabilities, in the manner provided for the Articles of the Association and the Bylaws.

6. Fidelity Bond. The Association shall obtain fidelity bond coverage for any person or entity handling funds or the Association, including employees of professional managers, if any, retained by the Association.

7. Limitation of Liability. Notwithstanding the liability of the Association to maintain and repair parts of the Property, the Association shall not be liable for injury or damage caused by a latent condition of the Property to be maintained and repaired by the Association nor for the injury or damage caused by the elements or Unit Owners or other persons.

8. Bylaws. Bylaws of the Association shall be in the form attached hereto as Exhibit D.

#### XIV. INSURANCE

Insurance (other than title insurance) which shall be carried upon the Property shall be governed by the provisions of Article II, Section 11 of the Bylaws and the proceeds thereof shall be distributed in accordance herewith.

1. Association as Trustee; Share of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Unit Owners and their mortgagees as their interests may appear, and shall provide that all proceeds covering casualty losses shall be paid to the Association, as Trustee for each of the Unit Owners and their mortgagees as their interest may appear. The Association shall be herein sometimes referred to as the Insurance Trustee. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated herein and for the benefit of the Unit Owners and their mortgagees, as follows:

(a) Common Elements and Proceeds. Proceeds on account of damage to Common Elements and facilities -- an undivided share for each Unit Owner, such share being the same as his undivided fractional interest in the Common Elements appurtenant to his Unit.

2. Distribution of Proceeds. If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be used to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittance to Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.



3. Association as Agent. The Association, as Insurance Trustee, is hereby irrevocably appointed agent for each Unit Owner to adjust all claims arising under insurance policies purchased by the Association, and to execute and deliver releases upon the payment of claims.

4. Insurance on Private Elements. The Association shall not be authorized to purchase insurance on Improvements or Single Family Residences or Private Elements within the Condominium Property, such insurance coverage to be the sole responsibility of the Unit Owner. Each Unit Owner shall maintain insurance coverage on the Private Elements and Single Family Residence on the Unit and keep a current certificate of insurance on file with the Association.

## **XV. CONDEMNATION**

In the event of condemnation of all or a portion of the Condominium Property, the disposition of proceeds of the award shall be governed by the following provisions:

1. Entire Property. In the event of condemnation of the entire Condominium Property, the Association shall not be entitled to receive the proceeds of the award; but, rather, each Unit Owner shall be entitled to receive an award for his separate Unit, all Improvements thereon, and the value of his 1/76 interest in the Common Elements of the Condominium Property.

2. Partial or Entire Taking of Private Elements. Any award paid solely for the taking of all or a portion of the Private Elements within a Unit shall be paid to the Unit Owner and his mortgagee, as their interest may appear. In the event a condemnation action results in the taking of an entire Unit, such that it is not feasible to reconstruct a Single Family Residence thereon, the Association shall be authorized to amend this Declaration so as to reduce the fractional interest in the Common Elements of the remaining Units to 1/75 and the Unit which was taken by condemnation shall, after such amendment, no longer be part of the Condominium Property.

3. Partial Taking of Common Elements. The portion of any award allocable solely to the Common Elements shall be retained by the Association, which shall treat the same as insurance proceeds and proceed pursuant to Section XVI hereof to reconstruct and restore the affected portion of the Property if the Board determines that such is feasible.

## **XVI. RECONSTRUCTION OR REPAIR AFTER CASUALTY**

If any part of the Condominium Property shall be damaged by casualty, the same shall be constructed or repaired in accordance with this paragraph.

1. Common Elements and Facilities. If the damaged improvement is a Common Element, the damaged property shall be reconstructed, replaced or repaired in accordance herewith:

(a) Any such reconstruction or repair must be substantially in accordance with the Plans, specifications, and the like for the original Common Element or as the Common Elements was last constructed;

(b) Immediately after a casualty causing damage to the Common Elements, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair so as to place the damaged property in condition as good as that before the casualty;

(c) If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, assessment shall be made against all Unit Owners in sufficient amounts to provide funds to repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the Unit Owners in sufficient amount to provide funds for the payment of such costs. Such assessments for reconstruction or repair of damage to Common Elements shall be in proportion to the Unit Owner's share in the Common Elements; and

(d) The funds for payment of costs of reconstruction and repair after casualty, for which the Association is responsible, which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Association from assessments against Unit Owners, shall be disbursed in payment of such cost.

2. Repair or Reconstruction of Damage to Private Elements. All damage or destruction to the Improvements on each Unit shall be repaired or reconstructed as soon as practical by the Unit Owner after determination of the extent of damage or destruction and assessment by the Unit Owner of the cost of repair and reconstruction; but, in any event, all such reconstruction or repair activities shall be commenced within 90 days after the occurrence of the event giving rise to the damage or destruction. All reconstruction activity once commenced by a Unit Owner shall be completed within a 1-year period.

## **XVII. NOTICE OF LIEN OR SUIT**

1. Notice of Lien. A Unit Owner shall give notice to the Association of every lien upon his Unit, including taxes and special assessments, within five (5) days after the Unit Owner's receipt of notice thereof.

2. Notice of Suit. A Unit Owner shall give notice to the Association of every suit or other proceeding which may affect the title of his Unit, such notice to be given within five (5) days after the Unit Owner received knowledge thereof.

3. Failure to Comply. Failure to comply with this subsection concerning liens will not affect the validity of any judicial sale.

### **XVIII. COMPLIANCE AND DEFAULT**

Each Unit Owner shall be governed by and shall comply with the terms of the Act, the Declaration, the Articles, the Bylaws and the Rules and Regulations adopted pursuant thereto and said documents and Regulations as they may be amended from time to time.

A default shall entitle the Association or other Unit Owners to the following relief in addition to the remedies provided by the Act:

1. Negligence. A Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, negligence or carelessness or by that of any member of his family or his or their guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association.

2. Costs and Attorneys' Fee. In any proceeding arising because of an alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be awarded by the Court.

### **XIX. COVENANT AGAINST PARTITION**

There shall be no judicial or other partition of the Property, any part thereof or any Unit, nor shall Developer, any Unit Owner or any person acquiring any interest in the Property or any part thereof seek any such partition unless the Property has been removed from the provisions of the Act in accordance with the terms thereof.

### **XX. AMENDMENT**

1. Amendment - By Developer. Amendments to this Declaration for the purpose of correcting drafting or typographical errors or conforming the documents to the requirements of the Act, or insuring conformity of the Private and Commons Elements, as built, to the Declaration, the Plans and the Bylaws shall be made by the Developer as and when necessary.

2. Amendment - Other. Amendments to this Declaration, other than those provided for in Section XX-1 above, which are authorized by this Declaration and the Act, shall be proposed and adopted in the following manner:



(a) Notice. Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which such proposed amendment is to be considered.

(b) Resolution. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the membership of the Association, and after being proposed and approved by one of such bodies, it must be approved by the other. Directors and members not present at the meeting considering the amendment may express their approval in writing. Such approvals must be by not less than a majority of Directors, and unless otherwise specified in this Declaration or the Act, by not less than three-fourths (3/4) of the total vote of the Association.

(c) Recording. A copy of each amendment provided for in this paragraph shall be certified by the Board of Directors of the Association as having been duly adopted and shall be effective when recorded in the public records of Shelby County, Alabama.

3. Termination. The Condominium may be terminated and the Condominium Property removed from the provisions of the Act as set forth in Section 35-8A-101 of the Act.

## **XXI. PERIOD OF DEVELOPER'S CONTROL**

In view of Developer's financial commitment to the Condominium Property, Developer's obligations as an initial owner of the Units to pay the expenses of the Property and Developer's need to insure the success of the project, the Developer hereby reserves unto itself the right to manage all of the affairs of the Condominium and all decisions of the Association, the exclusive right to elect the directors of the Association (who need not be Unit Owners) and the right to amend the Bylaws of the Association until 75% of the Units in the Condominium Property have been conveyed to Unit purchasers or until the Developer elects to terminate its control of the Condominium, whichever shall first occur. This period of time shall be known as the "Control Period". The Developer may terminate its management rights and responsibilities by relinquishing control of the Association in writing to the Unit Owners at any time prior to the expiration of said Control Period. During said Control Period, the Developer shall be exempt from payment of any assessments provided for in this Declaration and shall have the sole and exclusive right to take all actions and do all things on behalf of the Association. During said Control Period, the Developer shall pay all Common Expenses and as reimbursement therefor and as compensation for its management services, Developer shall be entitled to receive and retain all of the assessments payable by the Unit Owners during the said Control Period, and Developer shall have all of the rights of the Association to levy and enforce payment of assessments. During said Control Period, Developer shall not be required to assess or create any reserves and at the termination of the Control Period and the assumption of the operation of the Association by

the members, Developer shall not be required to render an accounting of income and expenses incurred during said Control Period.

## **XXII TERMINATION**

The Condominium may be terminated in the following manner:

1. **Agreement.** The termination of the Condominium may be effected by unanimous agreement of the Unit Owners and the holders of all liens of record affecting any of the Condominium Property which agreement shall be evidenced by written instrument executed in the manner required for conveyance of land. The termination shall be effective when such instrument is recorded in the public records of Shelby County, Alabama.
2. **Assessments.** Any unpaid sums due the Association shall survive any termination of the Condominium and shall continue to be an obligation of the Association and the Unit Owners or either of them and shall continue to be a lien against the Condominium Unit, or the undivided interest of the Unit Owners in the Condominium Property, until paid.
3. **Shares.** Upon termination of the Condominium, unless otherwise provided for in the agreement of termination, all Condominium Property owned by the Unit Owners upon the establishment of the Condominium shall be vested in the Unit Owners in the same manner and percentage as such properties were owned upon its establishment of the Condominium.

## **XXIII. MISCELLANEOUS PROVISIONS**

1. **Proportionate Changes in Common Elements and Common Surplus.** In the event any one or more of the Units are not rebuilt by reason of loss as a result of condemnation, casualty or otherwise, and therefore the number of Units is reduced, then the proportionate share of the common expense and of the common surplus of each Unit shall be increased by adding to each remaining Unit their proportionate fractional ownership out of the fractional ownership of the Units so reduced.
2. **Association's Acceptance of Terms.** The Association, by its execution of the Declaration, approves the foregoing and all of the covenants, terms and conditions, duties and obligations of this Declaration and Exhibits attached hereto. The Unit Owners, by virtue of their acceptance of the Deed of conveyance as to their Units, and other parties, by virtue of their occupancy of Units, hereby approve the foregoing and all of the terms and conditions, duties and obligations set forth in the Condominium documents.
3. **Blanket Mortgage.** The entire Condominium Property, or some or all of the Units included therein, may be subject to a single or blanket mortgage constituting a first lien thereon created by a recordable instrument duly executed by all of the Unit Owners of the


Units affected thereby, and any Unit included under the lien of such mortgage may be sold or conveyed subject thereto. An instrument creating any such mortgage shall provide a method whereby any Unit Owner may obtain a release of his Unit from the lien of such mortgage and a satisfaction and discharge in recordable form upon payment to the holder of the mortgage of a sum equal to the proportionate share attributable to his Unit of the then outstanding balance of unpaid principal and accrued interest and any other charges then due and unpaid.

4. Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Condominium. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

5. Severability. The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase or word, or other-provision of this Declaration and the Bylaws shall not affect the validity of the remaining portions thereof.

IN WITNESS WHEREOF, EnviroBuild, Inc., has caused this instrument to be executed on the day and year first written above.

ENVIROBUILD, INC.

By   
Its Pres.

ATTEST:


\_\_\_\_\_  
Its \_\_\_\_\_

APPROVED:

SADDLE LAKE FARMS ASSOCIATION, INC.,  
a nonprofit corporation

By   
Its President

ATTEST:

  
Its Assistant Secretary



STATE OF ALABAMA )

SHELBY COUNTY )

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Gerd Anderson whose name as President of EnviroBuild, Inc., a corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

GIVEN under my hand and seal this 14<sup>th</sup> day of June, 1995.

Peggy Ann Bodipf (Fisher)  
Notary Public

My Commission Expires: 1/11/97

STATE OF ALABAMA )

SHELBY COUNTY )

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Gerd Anderson, whose name as President of Saddle Lake Farms Association, Inc., a nonprofit corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

GIVEN under my hand and seal this 14<sup>th</sup> day of June, 1995.

Peggy Ann Bodipf (Fisher)  
Notary Public

My Commission Expires: 1/11/97

[illegible][illegible]

A parcel of land situated in the NE 1/4 of the SE 1/4 and the SW 1/4 of the NE 1/4 of Section 5, Township 21 South, Range 3 West, in Chisley County, Alabama, and being more particularly described as follows:

[illegible]

**WATERGATE DAM**, situated in the NE 1/4 of the SE 1/4, the NW 1/4 of the NE 1/4, and the SW 1/4 of the SE 1/4 of Section 8, Township 21 South, Range 3 East, in Shelby County, Alabama, and being more particularly described as follows:

[illegible]

**Section 1461** and situated in the SE  $\frac{1}{4}$  of E24 of Section 5, Township 31 South, Range 3 West, in Shelby County, Alabama, and being more particularly described as follows:

[illegible]

**PAROLEE LAST** **WILLIAM**  
a parcel of land situated in the NE 1/4 of the SE 1/4, the NW 1/4 of the SE 1/4, and the SE 1/4 of the SE 1/4 of Section 3 Township 3 South Range 3 West, in Bladly County, Alabama, and being more particularly described as follows:

[illegible]

11. and situated in NE 1/4 of the NE 1/4 of Section 2, Township 21 North, Range 12 East, in Shelby County, Alabama, and being more particularly described as follows:

Section 34. It is situated in the NE 1/4 of the SE 1/4 of Section 3, Township 21 North, Range 2 West, in Blaine County, Alabama, and being more particularly described as follows:

[illegible][illegible]

An easement for light-of-way situated in the SE 1/4 of the NE 1/4 and in the SW 1/4 of the SE 1/4 of Section 3, Township 21 South, Range 2 West in Shelby County, Alabama and having more particularly described as follows:

[illegible]

part of "and situated in the SE 1/4 of the SE 1/4 and the NE 1/4 of the SW 1/4 of Section 8, Township 11 South, Range 2 West, Shelby County, Indiana, and being more particularly described

[illegible]

**ABANDONED LOT:** Situated in the SE 1/4 of Section 6 and in the NW 1/4 of Section 9, Township 21 North, Range 3 West, in Shelby County, Arkansas, and being more particularly described as follows:

[illegible][illegible][illegible][illegible]



SITUATED IN THE SOUTH EAST 1/4 OF SECTION 5,  
TOWNSHIP 21 SOUTH, RANGE 2 WEST,  
AND THE NORTH EAST 1/4 OF THE NORTH EAST 1/4  
OF SECTION 8, TOWNSHIP 21 SOUTH, RANGE 2 WEST  
SHELBY COUNTY, ALABAMA.

SITUATED IN THE SOUTH EAST 1/4 OF SECTION 5,  
TOWNSHIP 21 SOUTH, RANGE 2 WEST,  
AND THE NORTH EAST 1/4 OF THE NORTH EAST 1/4  
OF SECTION 8, TOWNSHIP 21 SOUTH, RANGE 2 WEST  
SHELBY COUNTY, ALABAMA.



**Legend:** **1** = first

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[illegible][illegible]

I further certify that I have examined the Federal Food Reserve Act and the rules and regulations thereunder and the various provisions of the Act and the rules and regulations and have found that the above described property is not in a special food reserve area, except as shown.

**NOTE** - COUNTY ROAD # 339 RIGHT-OF-WAY  
DEPICTED ON THIS MAP

[illegible]

## Exhibit B





**ARTICLES OF INCORPORATION**  
**OF**  
**SADDLE LAKE FARMS ASSOCIATION, INC.**

I, the undersigned natural person acting as incorporator of a corporation under the Alabama Nonprofit Corporation Act (Sections 10-3A-1 et seq., Code of Alabama, 1975), and the Alabama Uniform Condominium Act of 1991 (Sections 35-8A-101 et seq., Code of Alabama, 1975), adopt the following Articles of Incorporation for such corporation:

**ARTICLE I**

**NAME**

The name of the corporation shall be Saddle Lake Farms Association, Inc., a nonprofit corporation (the "Association").

**ARTICLE II**

**PERIOD OF DURATION**

The period of its duration is perpetual, unless and until hereafter lawfully dissolved.

**ARTICLE III**

**PURPOSE AND POWERS**

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the maintenance, preservation and architectural control of the Improvements and Single Family Residences and the Common Elements and facilities within that certain condominium known as Saddle Lake Farms, A Condominium, and to promote the health, safety and welfare of the users of said condominium, and for these purposes, the Association shall have the following powers:



1. The Association shall have all of the powers now conferred or which may be hereafter conferred on a nonprofit corporation under the laws of the State of Alabama which are not in conflict with the terms of these Articles.

2. The Association shall have all of the powers and duties set forth in the Alabama Uniform Condominium Act of 1991 except as limited by these Articles and the Declaration, and all of the powers necessary to administer and manage the Condominium pursuant to the Alabama Uniform Condominium Act of 1991, the Declaration as it may be amended and from time to time, and the Bylaws, including but not limited to the following:

(a) To designate those expenses which shall constitute the Common Expenses of the Condominium other than those expenses declared as Common Expenses under the Alabama Uniform Condominium Act of 1991, the Declaration and Bylaws of the Association.

(b) To estimate the amount of the annual budget and to make and collect assessments against Unit Owners in the Condominium, to defray the costs, expenses and losses of the Condominium.

(c) To use the proceeds of assessments in the exercise of its power and duties.

(d) To maintain, repair, replace, sanitize and operate the Condominium Property.

(e) To purchase insurance upon the Condominium Property and insurance for the protection of the Association and its members, including fidelity bond coverage for all persons having access to the funds of the Association.

(f) To make and amend reasonable Rules and Regulations respecting the use of the Condominium Property.

(g) To reconstruct improvements after casualty and to further improve the Condominium Property.

(h) To enforce by legal means the provisions of the Alabama Uniform Condominium Act of 1991, the Declaration, these Articles, the Bylaws of the Association, and the Rules and Regulations for the use of the Condominium Property.



(i) To contract for the management of the Condominium as provided for in the Declaration 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 contract for the management or operation of portions of the Common Elements of the Condominium Property susceptible to separate management or operation.

(k) To retain legal counsel and accountants.

(l) To employ personnel to perform the services required for proper operation of the Condominium.

(m) To have access to each Single Family Residence situated on each Unit in the Condominium at reasonable times as may be necessary for making emergency repairs necessary to prevent damage to the Common Elements and facilities or the Single Family Residence or other Improvements on the Units in the Condominium.

(n) To make such distributions of any profit, surplus or reserve funds of the Association to the members of the Association at such times and in such manner, and to do such other acts, as may be required to comply with the provisions of Section 501(c)(4) of the Federal Internal Revenue Code, as amended, and applicable Revenue Rulings, and other Federal and State statutes providing for an exemption from Federal and State income taxes for nonprofit organizations.

3. All funds and the titles of all properties acquired by the Association and the proceeds thereof shall be paid in trust for the members of the Association in accordance with the provisions of the Declaration, these Articles and the Bylaws.

## **ARTICLE IV**

### **MEMBERSHIP**

This Association shall issue no shares of stock of any kind or nature whatsoever. Each person or entity who is the sole record owner of a fee or undivided fee interest in any Unit in Saddle Lake Farms, A Condominium, shall be a member of the Association. There shall be one member of the Association for each Unit of the Condominium. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment by the Association. The members shall enjoy such qualifications,

rights and voting rights as may be fixed in the Declaration of Condominium of Saddle Lake Farms, A Condominium, and in the Bylaws of the Association.

## **ARTICLE V**

### **REGISTERED AGENT**

The address of the initial registered office of the Association is 1045 Merry Fox Farms, Alabaster, Alabama 35007, and the name of its initial registered agent at such address is Michael E. Shepherd.

## **ARTICLE VI**

### **BOARD OF DIRECTORS**

The number of Directors constituting the initial Board of Directors of the Association is four (4), and the names and addresses of the persons who are to serve as the initial Directors are:

Gerd Anderson	3522 West Lakeside Drive Birmingham, Alabama 35243
Roderick M. Nicholson	206 Woodward Road Trussville, Alabama 35173
Michael E. Shepherd	3522 West Lakeside Drive Birmingham, Alabama 35243
Charles Sanders	4316 Little River Road Birmingham, Alabama 35213

## **ARTICLE VII**

### **INCORPORATORS**

The name and address of the initial incorporator of this Association is:

Michael E. Shepherd  
3522 West Lakeside Drive  
Birmingham, Alabama 35243

## **ARTICLE VIII**

### **OFFICERS**

The officers of the Association shall consist of a president, one or more vice-presidents, a secretary, a treasurer and such officers and assistant officers as may be deemed necessary; each of whom shall be elected or appointed at such time and in such manner and for such terms not exceeding three (3) years as may be prescribed in the Bylaws. Any two (2) or more offices may be held by the same person, except the offices of president and treasurer. The names and addresses of the officers who are to serve until the first election of officers are:

<b>President:</b>	<b>Gerd Anderson 3522 West Lakeside Avenue Birmingham, Alabama 35243</b>
<b>Vice-President:</b>	<b>Michael E. Shepherd 3522 West Lakeside Avenue Birmingham, Alabama 35243</b>
<b>Treasurer:</b>	<b>Charles Sanders 4316 Little River Road Birmingham, Alabama 35213</b>
<b>Secretary:</b>	<b>Roderick M. Nicholson 206 Woodward Road Trussville, Alabama 35173</b>
<b>Assistant Secretary:</b>	<b>Scott W. Ford 1901 Sixth Avenue North Suite 2900 AmSouth/Harbert Plaza Birmingham, Alabama 35203-2618</b>



## ARTICLE IX

### DISSOLUTION

This Association is not organized for pecuniary profit and no part of its net earnings shall inure to the benefit of any member, Director or individual. The corporation shall be dissolved upon the termination of the Condominium in the manner provided in the Alabama Uniform Condominium Act of 1991, and in the manner provided by the laws of Alabama. Upon dissolution of the corporation, the assets of the corporation, if any, and all money received by the corporation from its operations, after the payment in full of all debts and obligations of the corporation of whatsoever kind and nature, shall be used and distributed solely and exclusively in the manner provided by the Alabama Uniform Condominium Act of 1991.

IN WITNESS WHEREOF, the sole incorporator hereunder has hereunto set his hand and seal, this 14<sup>th</sup> day of June, 1995, in Shelby County, Alabama.

INCORPORATOR:

  
Michael E. Shepherd

STATE OF ALABAMA     )  
SHELBY COUNTY        )

Before me, the undersigned, a Notary Public in and for said County in said State, personally appeared Michael E. Shepherd, being known to me and who, being by me first duly sworn, deposes and says that he is the initial incorporator of Saddle Lake Farms Association, Inc., and that the facts contained in the above and foregoing Articles of Incorporation are true and correct.

GIVEN under my hand and seal on this 14<sup>th</sup> day of June, 1995.

  
NOTARY PUBLIC

My Commission Expires: 5/9/99

**BYLAWS**  
**OF**  
**SADDLE LAKE FARMS ASSOCIATION, INC.**

**This Instrument Prepared by:**

**Scott W. Ford  
Johnston, Barton, Proctor  
Swedlaw & Naff  
2900 AmSouth/Harbert Plaza  
1901 Sixth Avenue North  
Birmingham, Alabama 35203**

**Exhibit D**

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**BYLAWS**  
**OF**  
**SADDLE LAKE FARMS ASSOCIATION, INC.**

These Bylaws of Saddle Lake Farms Association, Inc. are promulgated pursuant to the Alabama Uniform Condominium Act of 1991, (Sections 35-8A-101, et seq., Code of Alabama, 1975), for the purposes of governing Saddle Lake Farms Association, Inc., a nonprofit corporation (the "Association") organized under the provisions of the Alabama Nonprofit Corporation Act, (Sections 10-3A-1, et seq., Code of Alabama, 1975), as an association of members of Saddle Lake Farms, A Condominium (the "Condominium").

The provisions of these Bylaws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land made subject to the Declaration of the Condominium (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 in the Declaration of Condominium of Saddle Lake Farms, A Condominium (the "Declaration").

All present and future owners, mortgagees, lessees and occupants of the Units in the Condominium and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these Bylaws, the Declaration of the Condominium, 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 Unit 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 1045 Merry Fox Farms, Alabaster, Alabama 35007.

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

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## ARTICLE I

### MEMBERSHIP AND MEMBERSHIP MEETINGS

1. Qualifications. There shall be one member of the Association for each Unit within the Condominium Property.

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 Unit in the Condominium, 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. If a Unit is owned by more than one (1) person, the member for the Unit shall be designated by a certificate signed by all of the record owners of the Unit and filed with the Association.

3. Voting Rights. Voting shall be on a Unit by Unit basis, with each Unit of the Condominium entitled to one vote. The vote for a Unit shall be cast by the owner thereof, or by his proxy designated in the manner hereinafter provided for.

4. Annual Meetings. Annual meetings of members shall be held at the office of the Association or another designated place, on the third Monday in September of each year, at 10:00 A.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 of transacting any other business authorized to be transacted by the members.

5. Special Meetings. Special meetings 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 sixty (60) days prior to the date of such meeting. 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 meetings 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. No proxy shall be valid except for the particular meeting designated therein, and no proxy shall be honored unless filed with the secretary of the Association before the appointed time of the meeting.

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, the Articles, or the Bylaws, a different number is required, in which case the express provision shall govern and control the decision in question.

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 member meetings and, as far as practical, at all other members' meetings shall be according to the latest addition of Robert's Rules of Order.

13. Control Period. No meeting of the membership of the Association shall be lawful until termination of the Control Period as provided for in the Declaration.

## ARTICLE II

### BOARD OF DIRECTORS

1. Members. The Board of Directors of the Association shall consist of at least three (3) and up to 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 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 and 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. The first Board of Directors named in the Articles of Incorporation of the Association shall hold office until their successors shall have been elected.

2. Election. At each annual meeting of the members 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. Any director may be removed for cause by the vote of the holders of a majority of the voting rights present in person or represented by written proxy at any annual or special meeting of the members of the Association at which a quorum is present.

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 office of the Association or another designated place. 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 votes 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 Property of the Condominium.

(c) To estimate the amount of the annual budget and to make and collect assessments, including annual, special and supplemental assessments as set forth in the Declaration, against Unit Owners to defray the costs, expenses and losses of the Condominium.

(d) To use the proceeds of assessments in the exercise of its powers and duties.



- (e) To maintain, repair, replace and operate the Condominium Property.
- (f) To purchase insurance upon the Property 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 Property.
- (h) To make and amend reasonable Rules and Regulations respecting the use of the Property and the operation of the Condominium.
- (i) To enforce by legal means the provisions of the Alabama Uniform Condominium Act of 1991, the Declaration, the Articles of Incorporation, these Bylaws and the Rules and Regulations for the use of the Property.
- (j) To contract for the management of the Condominium Property 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.
- (k) To contract for the management or operation of portions of the Common Elements of the Condominium susceptible to separate management or operation.
- (l) To retain legal counsel and accountants.
- (m) To employ personnel to perform the services required for proper operation of the Condominium.
- (n) 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.
- (o) To give notice to first mortgagees of certain events or occurrences as set forth in the Declaration.
- (p) To exercise all other powers and duties of the Board of Directors of an association referred to in the Alabama Uniform Condominium Act of 1991, and all powers and duties of the Board of Directors of a corporation organized under the Alabama Nonprofit Corporation Act, and all powers and duties of the Board of Directors referred to in the Declaration or these Bylaws, and any other powers and duties consistent with Alabama law.

10. Compensation. No director shall be compensated for his services as such. This provision shall not prohibit a director from receiving compensation as an employee of the Association, nor preclude the contracting with a director for the management of the

Condominium or the Condominium Property for which such director or directors may receive compensation.

11. Insurance. The Board of Directors shall obtain insurance for the Property which shall include the following: (1) broad form comprehensive coverage insuring the Common Elements of the Condominium Property and the interests of the Unit Owners and their mortgagees, as their interests may appear, in the amount determined by the Board of Directors, in accordance with the requirements set forth in the Declaration, each of which policies shall contain standard mortgagee clauses in favor of each mortgagee of a Unit, (2) public liability insurance in such amounts and with such coverage as the Board of Directors may determine; and (3) such other insurance, including fidelity bond coverage, as the Board of Directors may determine. Such insurance shall be written on the Property in the name of the Association as Trustee for the Unit Owners and their mortgagees in the fractions established in the Declaration. The premiums shall be Common Expenses. The shares and disposition of the proceeds of insurance shall be as set forth in the Declaration.

All insurance on the Condominium Property shall provide for the following insofar as applicable:

(a) That the Property insured shall mean all of the Common Elements comprising the Condominium Property as defined in the Declaration, together with all mechanical systems and installations providing service to more than one Single Family Residence and any other items comprising Common Elements as more particularly described in the Declaration. The Property insured shall not include the Single Family Residence or Improvements, situated within the Boundaries of a Unit.

(b) That the insurer waives its rights of subrogation of any claims against directors, officers, the managing agent, the individual owners and their respective household members.

(c) That the insurance policies on the Condominium Property cannot be cancelled, invalidated or suspended on account of the conduct of any director, officer or employee of the Association or the managing agent without a prior written demand in writing delivered to the Association and to all mortgagees of Units to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured.

(d) That any "no other insurance" clause contained in any policy shall expressly exclude individual Unit Owner's policies from its operation.

(e) That until the expiration of thirty (30) days after the insurer gives notice in writing to the mortgagee of any Unit, the mortgagee's insurance coverage will not be affected or jeopardized by the act or conduct of the owner of such Unit, the other Unit Owner, the Board, or any of their agents, employees or household members nor cancelled for nonpayment of premiums.

(f) That any policy may not be cancelled or substantially modified without at least sixty (60) days' prior notice in writing to the Board of Directors and all mortgagees of Units.

At the time of issuance of each policy of insurance, the agent providing same shall furnish the Association a certification that such policy complies with the above provisions.

12: Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Directors on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is understood and permissible for the Board of Directors, whether employed by the Developer or not, to contract with the Developer without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements.

### 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 records and books of the account.



(e) Such additional officers as the Board of Directors shall see fit to elect. An officer does not have to be a member of the Association. <sup>how</sup>  
<sup>off.</sup>

(f) Any two or more offices may be held by the same person, except the offices of president and secretary.

2. Powers. The respective officers shall have the general powers usually vested in such officer of a nonprofit corporation; provided that the Board of Directors may delegate any specific powers to any other officer or impose such limitations 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. The compensation of all officers shall be fixed by the Board of Directors. 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 Condominium. 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

#### RESPONSIBILITY FOR MAINTENANCE AND REPAIR

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The responsibility for maintenance and repair of the Property shall be as set forth in the Declaration.

#### ARTICLE V

#### ASSESSMENTS

1. Accounting Records. The Board of Directors shall provide for the maintenance of accounting records for the Association, such records to be maintained in accordance with generally accepted accounting principles, and such records shall include all records required by the Alabama Uniform Condominium Act of 1991.

2. Budget. The Board of Directors shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the

estimated Common Expenses, and each requirements for the year, including salaries, wages, payroll taxes, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power and their expenses (as distinguished from individual mortgage payments, real estate taxes and individual expenses for utility services billed or charges to the separate Unit Owners on an individual or separate basis rather than a common basis). The Common Expenses shall be those expenses designated by the Board of Directors pursuant to these Bylaws and the Declaration. The annual budget shall provide for an adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis. The annual budget shall provide for amounts required to make up for contingencies for the year, and a reserve for replacements in reasonable amounts as determined by the Board of Directors. To the extent that the assessments and other cash income collected from the Unit Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account.

3. Assessments. The estimated annual budget for each fiscal year shall be approved by the Board of Directors, and copies thereof shall be furnished by the Board to each Unit Owner not later than forty-five (45) days before the beginning of such year. The annual assessment shall be paid quarterly by each Unit Owner. The assessment of the Common Expenses shall be as set forth in the Declaration. If the Board of Directors shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Unit Owner shall continue to pay each quarter the amount of his quarterly assessment on or before the first day of each quarter to the manager or managing agent or as may be otherwise directed by the Board. No Unit Owner shall be relieved of his obligation to pay his assessments by abandoning or not using his Unit or the Common Elements.

4. Proration of Assessments. For the first fiscal year, the annual budget shall be approved by the first Board of Directors. If such first year, or any succeeding year, shall be less than a full year, then the quarterly assessment for each Unit Owner for the Common Expenses shall be proportional to the number of months and days in such period covered by such budget. Commencing with the date of closing of his Unit by each owner, he shall pay his assessment for the following quarter or fraction of a quarter, which assessment shall be in proportion to his ownership interest in the Common Elements and the number of months and days remaining of the period covered by the current annual budget, and which assessment shall be as computed by the Board of Directors.

5. Annual Statements. Within forty-five (45) days after the end of each year covered by an annual budget, or as soon thereafter as shall be practicable, the Board of Directors shall cause to be furnished to each Unit Owner and the first mortgagee of each Unit a statement for such year so ended, showing the receipts and expenditures and such other information as the Board may deem desirable.



6. Accounts. The Board of Directors shall cause to be kept a separate account record for each Unit Owner showing the assessments charged to and paid by such Unit Owner, and the status of his account from time to time.

Upon ten (10) days' notice to the Board of Directors any Unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from each Unit Owner. A Unit Owner shall make no more than one request per month.

7. Supplemental Budget and Assessments. If during the course of any year, it shall appear to the Board of Directors that the quarterly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated Common Expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget as provided for in the Declaration covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a supplemental assessment shall be made to each Unit Owner for his proportionate share of such supplemental budget.

8. Payment of Assessments. It shall be the duty of every Unit Owner to pay his proportionate share of the Common Expenses assessed in the manner herein provided. If any Unit Owner shall fail or refuse to make any such payments when due, the Association and the Board of Directors shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Alabama Uniform Condominium Act of 1991, the Declaration or these Bylaws, or otherwise available at law or in equity, for the collection of all unpaid assessments.

9. Records. The Board of Directors shall cause to be kept detailed an accurate record in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the expenses incurred, and such records and the vouchers authorizing the payments of such expenses shall be available for examination by the Unit Owners and the first mortgagee of any Unit at convenient hours of week days. Such payment vouchers may be approved in such manner as the Board of Directors may determine.

10. Liens. The Board of Directors may cause the Association to discharge any mechanic's lien or other encumbrance which, in the opinion of the Board, may constitute a lien against the Property, the Common Elements, or any Unit or private element in the Condominium, and the Association shall thereupon have a lien in such amount, together with the amount of any costs and attorneys' fees incurred in connection therewith, on each Unit responsible for the payment thereof in accordance with the provisions of the Alabama Uniform Condominium Act of 1991; and the Board of Directors shall thereupon perfect any such lien by recording an appropriate claim of lien prepared and filed for record in accordance with the provisions of said Act. Any and all liens, claims or rights of the Association in or with respect to any Unit, or Unit Owner, for the discharge of any



mechanic's lien or other encumbrances provided for hereunder shall be subordinate to the lien of any mortgage upon any Unit recorded prior to the date of such lien, claim or right.

## **ARTICLE VI**

### **MORTGAGES**

1. **Notice of Board of Directors.** A Unit Owner who mortgages his Unit shall notify the secretary of the Association who shall maintain a record of such information.

2. **Notice of Unpaid Common Charges.** The Board of Directors, whenever so requested in writing by a mortgagee of a Unit, shall promptly report any then unpaid Assessments due from, or any other default by, the owner of a mortgaged Unit as provided for in the Declaration.

3. **Examination of Books.** The holder of a mortgage on any Unit shall have the same rights to examine the books and records of the Association afforded a Unit Owner pursuant to Article V-9 of these Bylaws.

4. **Lender's Notices.** Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Unit number or address, any holder of a mortgage on a Unit, or the insurer, or guarantor of such mortgage, will be entitled to timely written notice of:

(a) Any condemnation or casualty loss that affects either a material portion of the Property or the Unit securing its mortgage.

(b) Any sixty (60) day delinquency in the payment of Assessments or charges owed by the Owner of any Unit on which it holds the mortgage.

(c) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

(d) Any proposed action that requires the consent of the holder of such mortgage or the consent of a specified percentage of mortgage holders.

## **ARTICLE VII**

### **USE AND OCCUPANCY RESTRICTIONS**

1. **Use and Occupancy Restrictions.** No part of the Improvements shall be used for other than residential use and the related common purposes for which the Improvement

was designed. The preceding restriction as to use shall not, however, be construed in such manner to prohibit a Unit Owner from:

- (a) Maintaining his personal or professional library in his Single Family Residence.
- (b) Keeping his personal business or professional records or accounts.
- (c) Handling his personal business or professional records or accounts therein.

Such uses are expressly declared customarily incident to the principal residential use and not in violation of said restrictions.

2. Use of Common Elements. The Common Elements shall be used only for access, ingress and egress to and from the respective Units by the persons residing therein and their respective guests, household help and other authorized visitors, and for such other purposes which are incidental to the residential use of the respective Units; provided, however, the parking area, and other special areas shall be used for such purposes as are approved by the Board of Directors. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner. The Association and the Board of Directors, and their authorized employees and representatives, shall have all access to any Unit as may be necessary for the repair, maintenance, replacement, alteration, care or protection of the Common Elements, or any portion thereof.

3. Nuisances. No unlawful, immoral, noxious or offensive activities shall be carried on in any Unit or elsewhere on the Property, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall in the judgment of the Board of Directors cause unreasonable noise or disturbance to others.

4. Maintenance and Repair. Each Unit Owner shall maintain his Unit in good condition and in good order and repair, at his own expense, and shall not do or allow anything to be done in his Unit which may increase the rate or cause the cancellation of insurance on other Units or on the Common Elements. Each Unit Owner shall not display, store or use any signs, clothing, sheets, blankets, laundry or other articles outside his Unit, or paint or decorate or adorn the outside of his Unit, or install outside his Unit any canopy or awning, or outside radio or television antenna, or other equipment, fixtures or items of any kind, without the prior written permission of the Board of Directors.

5. Trash. Trash, garbage and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner as prescribed from time to time in Rules and Regulations of the Board of Directors.

6. Rights of Developer. Until all of the Units have been sold by the Developer and occupied by the Purchasers, the Developer may use and show one or more of such unsold or unoccupied Units as a model residence or sales office, and may maintain customary signs in connection therewith notwithstanding the provisions of paragraph 4 of this Article.

7. Personal Property. Articles of personal property belonging to any Unit Owner, such as baby carriages, bicycles, wagons, toys, furniture, clothing and other articles, shall not be stored or kept in Common Areas, except in such storage area as may be specifically designated for the respective Unit Owner by the Board of Directors. No clothing, rugs, sheets, blankets or other laundry shall be hung or exposed from windows, balconies, patios, privacy fences or Common Areas of the Property except when specifically approved by the Board of Directors.

8. Boats, Campers and Inoperable Motor Vehicles. No boats, canoes or campers shall be stored or parked on or in the Common Areas. All boats, canoes and campers shall be stored and parked in an area designated by the Board of Directors. Motor vehicles may be parked only in the area provided for that purpose. Any motor vehicle which breaks down or becomes inoperable in the Common Areas shall be immediately repaired and made operable. The Board of Directors shall have the authority to remove any such vehicle from the Common Area if such vehicle is left in an inoperable state for more than 48 hours, or if such vehicle impedes or prevents ready access to any part of the Property.

9. Pets. No animals shall be raised, bred or kept in any Unit, except for dogs, cats or other household pets of a Unit Owner, provided that they are not kept for any commercial purposes, and provided that they shall be kept in strict accordance with the administrative Rules and Regulations relating to household pets from time to time adopted or approved by the Board of Directors, and provided that they shall not in the judgment of the Board of Directors constitute a nuisance to others. All Unit Owners who own pets must comply with all ordinances of Shelby County.

## **ARTICLE VIII**

### **RULES AND REGULATIONS**

1. Authority and Enforcement. The Board of Directors shall have the authority to make and to enforce reasonable Rules and Regulations governing the conduct, use, and enjoyment of Units and the Common Elements, provided that copies of all such Rules and Regulations be furnished to all Owners. The Board shall have the power to impose reasonable fines which shall constitute a lien upon the Unit and to suspend an Owner's right to use the Common Elements and to vote for violation of any duty imposed under the Declaration, these Bylaws or any Rules and Regulations duly adopted hereunder,



2. Procedure. The Board shall not impose a fine, suspend voting, or infringe upon any other rights of a Member or other occupant for violation of rules unless and until the following procedure is followed:

(a) Demand. Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying: (i) the alleged violation; (ii) the action required to abate the violation, and (iii) a time period, not less than ten (10) days, during which the violation may be abated without further sanction, if such violation is a continuing one or a statement that any further violation of the same rule may result in the imposition of sanction after notice and hearing if the violation is not continuing.

(b) Notice. Within twelve months of such demand, if the violation continues past the period allowed in the demand for abatement, without penalty, or if the same rule is subsequently violated, the Board shall serve the violator with written notice of a hearing to be held by the Board in session. The notice shall contain: (i) the nature of the alleged violation; (ii) the time and place of the hearing, which time shall be not less than ten (10) days from the giving of the notice; (iii) an invitation to attend the hearing and produce any statement, evidence and witnesses on his or her behalf; and (iv) the proposed sanction to be imposed.

(c) Hearing. The hearing shall be held in executive session pursuant to this notice affording the member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered by the officer or director who delivered such notice. The notice requirement shall be deemed satisfied if a violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

## ARTICLE IX

### MISCELLANEOUS

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 or otherwise.

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 or the Association, and in such manner as shall be determined from time to time by resolution of the Board of Directors.

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.

4. Waiver of Notice. Whenever any notice whatever 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.

5. Conflict. In the event of any conflict between the provisions of these Bylaws and the Declaration of the Condominium, the Declaration shall govern.

## ARTICLE X

### AMENDMENTS

These Bylaws may be amended or modified from time to time by the vote of a majority of the Board of Directors, any amendment to be set forth in writing, signed by the Secretary of the Board of Directors and recorded in the Shelby County Probate Office. Upon recording each such amendment shall be effective.

The foregoing were adopted as the Bylaws of Saddle Lake Farms Association, Inc., an Alabama nonprofit corporation, at the first meeting of the Board of Directors on the 15<sup>th</sup> day of June, 1995.

  
Roderick M. Nicholson, Secretary

Inst # 1995-17533

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