

Inst # 1998-38838

10/05/1998-38838

04:26 PM CERTIFIED

SHELBY COUNTY JUDGE OF PROBATE

009 CRH 28.50

**FIRST AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
THE COVE OF GREYSTONE HOMEOWNERS' ASSOCIATION,
INC.**

This instrument prepared by and
upon recording should be returned to:

Stephen R. Monk, Esq.
Bradley Arant Rose & White LLP
2001 Park Place, Suite 1400
Birmingham, Alabama 35203
(205) 521-8429

**FIRST AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
THE COVE OF GREYSTONE HOMEOWNERS' ASSOCIATION,
INC.**

Pursuant to Articles of Incorporation dated as of July 14, 1995 (the "1995 Articles") and recorded as Instrument No. 1995-35677 in the Office of the Judge of Probate of Shelby County, Alabama (the "Probate Office"), Greystone Valley Owner's Association, Inc. was formed as an Alabama nonprofit corporation. Pursuant to Articles of Amendment to Articles of Incorporation dated as of October 5, 1998 (the "Amendment") and recorded as Instrument No. 1998- 38837 in the Probate Office the name of Greystone Valley Owner's Association, Inc. was changed to The Cove of Greystone Homeowners' Association, Inc. The 1995 Articles, as amended by the Amendment, are hereinafter collectively referred to as the "Original Articles".

The undersigned, for the purpose of continuing The Cove of Greystone Homeowners' Association, Inc. as a corporation organized pursuant to the provisions of the Alabama Nonprofit Corporation Act (Ala. Code, § 10-3A-1, et seq. (1975)) hereby adopt the following First Amended and Restated Articles of Incorporation (hereinafter referred to as the "Articles" or the "Articles of Incorporation") and certify as follows:

1. **NAME**. The name of the corporation is "The Cove of Greystone Homeowners' Association, Inc." (the "Association").
2. **DURATION**. The period of duration of the Association shall be perpetual.
3. **PURPOSES**. The purposes for which the Association is organized are:
 - (a) To provide for the efficient preservation of the appearance, value and amenities of the property which is subject to The Cove of Greystone Declaration of Covenants, Conditions and Restrictions dated as of October 1, 1998 (the "Declaration") recorded or to be recorded in the Office of the Judge of Probate of Shelby County, Alabama. *Capitalized terms not otherwise specifically defined herein shall have the same meanings given to them in the Declaration.*
 - (b) To own, operate, maintain, manage, repair and replace Common Areas.
 - (c) To perform and carry out the acts, duties, responsibilities and conditions delegated to the Association in the Declaration, these Articles of Incorporation, the Bylaws of this Association and all amendments thereto, including, specifically, taking any action authorized or allowed to be taken by the Association in the Declaration, these Articles of Incorporation and the Bylaws.
 - (d) To own, lease, license, operate, purchase, acquire, hold, improve, develop, manage, sell, convey, transfer, exchange, release and dispose of, either alone or in conjunction with others, real and personal property, tangible and intangible, of every kind, character and description.

(e) To enforce all of the terms and provisions of the Declaration and to make, establish and enforce reasonable rules and regulations governing the administration, operation and management of the Property.

(f) To make, levy, collect and enforce Assessments, as defined in the Declaration, and to use and expend such Assessments in the manner set forth in the Declaration.

(g) To employ personnel and contract for services, material and labor, including contracting for the management of the Common Areas of the Property.

(h) To purchase and maintain insurance for such coverages, with such insurance carriers, in such amounts, at such rates and with such deductibles as may be necessary for the protection of the Association, its officers, directors and Members or as may be otherwise required in the Declaration.

(i) To enforce any of the provisions of the Declaration by legal and equitable actions as may from time to time be necessary.

(j) To enter into, make and perform contracts of every kind for any lawful purpose without limit as to amount, with any person, firm, association, partnership, limited partnership, corporation, municipality, county, state, territory, government, governmental subdivision, or body politic.

(k) To operate without profit for the sole and exclusive benefit of its Members; provided, however, that the Association may, at any time and from time to time, authorize and grant to persons who are not Members rights to use and enjoy the Common Areas on such terms and conditions as the Board of Directors of the Association may, in its sole and absolute discretion, determine.

(l) To carry on any other business in connection with the foregoing, to transact any or all lawful business for which corporations may be incorporated under the Alabama Nonprofit Corporation Act, as amended, and to have and exercise all powers necessary or convenient to effect the purposes of the Association in accordance with and subject to the terms and provisions of the Declaration.

THIS ASSOCIATION DOES NOT CONTEMPLATE PECUNIARY GAIN OR PROFIT FOR THE MEMBERS THEREOF AND THE FUNDS OF THE ASSOCIATION, WHETHER RECEIVED BY GIFT OR OTHERWISE, REGARDLESS OF THE SOURCE THEREOF, SHALL BE EXCLUSIVELY USED IN THE PROMOTION OF THE BUSINESS OF THE ASSOCIATION, AS THE BOARD OF DIRECTORS MAY FROM TIME TO TIME DETERMINE.

4. **INITIAL REGISTERED OFFICE AND AGENT.** The location and mailing address of the initial registered office of the Association, and the name of its initial registered agent at such address, are as follows:

M. Lewis Gwaltney
4000 Greystone Drive
Birmingham, Alabama 35242

5. **NONSTOCK AND NONPROFIT STATUS.** The Association shall have no capital stock, is not organized for profit, and does not contemplate pecuniary gain or profit to the Members thereof. No part of the earnings of the Association shall inure to the benefit of any Member, individual, officer, or director. The Association does not contemplate the distribution of gains, profits or dividends to the members thereof and is organized solely for nonprofit purposes.

6. **MEMBERS AND VOTING RIGHTS.**

(a) **Members.** The Members of the Association shall consist of all Owners. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Lot. Developer shall be entitled to all voting rights attributable to any Lots owned by Developer. As used in these Articles of Incorporation, the term "**Member**" shall mean any Owner, as defined in the Declaration. Notwithstanding anything provided herein or in the Bylaws of the Association to the contrary, until the Turnover Date, (i) Developer shall have the exclusive right to appoint and remove the members of the Board of Directors of the Association, (ii) Developer shall have the exclusive right to exercise all voting rights in the Association otherwise reserved to the Members of the Association for the time period and on the terms and conditions provided in Paragraph 6(b) below and (iii) the provisions of this Paragraph 6 and Paragraphs 7 and 12 below may not be modified or amended without the written approval of Developer.

(b) **Reservation of All Voting Rights by Developer Until Turnover Date.** Until the occurrence of the Turnover Date, Developer shall have the sole and exclusive right to exercise all voting rights in the Association; provided, however, that with respect to any Special Assessments to be made pursuant to Section 8.04 of the Declaration which requires the consent and approval of a specified percentage in interest of the Members, then, except for voting rights held by Developer by virtue of its ownership of the Lot, Developer shall not have any voting rights in the Association with respect to determining whether any such Special Assessments should be made in accordance with the terms and provisions of Section 8.04 of the Declaration. From and after the Turnover Date, the Members shall thereafter have the exclusive right to all voting rights in the Association previously held and exercised by Developer pursuant to this Paragraph 6(b).

(c) **Voting Rights of Members.** Subject to the rights reserved by Developer pursuant to Paragraphs 6(a) and 6(b) above, the voting rights of the Members are set forth in the Bylaws. The voting rights of any Member who has violated the Declaration or who is in default in the payment of Assessments (as defined in the Declaration) may be limited and suspended in accordance with the provisions of the Declaration or any rules and regulations adopted by the Association.

7. **DIRECTORS.**

(a) **Number of Directors.** The affairs of the Association shall be managed by a Board of Directors. Prior to the Turnover Date, the number of Directors constituting the Board of Directors shall be four (4); thereafter, the number of Directors constituting the Board of Directors shall be five (5). Developer shall have the right to appoint and remove all members of the Board of Directors for the period of time and in the manner described in Paragraph 7(b) below. Directors need not be Members, Owners or residents of the State of Alabama. The names and addresses of each person who is to serve as an initial Director of the Association until their successors are elected and qualified or until such Directors are removed as provided in Paragraph 7(b) of these Articles are as follows:

Charles W. Daniel
c/o Dantract, Inc.
Suite 1200, 820 Shades Creek Parkway
Birmingham, Alabama 35209

Richard T. Darden
c/o Dantract, Inc.
Suite 1200, 820 Shades Creek Parkway
Birmingham, Alabama 35209

T. Charles Tickle
c/o Daniel Realty Company
3595 Grandview Parkway, Suite 400
Birmingham, Alabama 35243

M. Lewis Gwaltney
c/o Daniel Realty Company
4000 Greystone Drive
Birmingham, Alabama 35242

(b) **Election and Removal of Directors.** The members of the Board of Directors of the Association shall be elected and may be removed as follows:

(i) Until the occurrence of the Turnover Date, Developer shall have the sole and exclusive right to appoint and remove all members of the Board of Directors; and

(ii) From and after the Turnover Date, the Members of the Association shall be entitled to elect or remove any of the members of the Board in accordance with the terms and provisions of the Bylaws.

(c) **Powers.** Except as may be otherwise provided to the contrary in the Declaration, these Articles of Incorporation or the Bylaws of the Association, all powers of the Association shall be exercised by or under authority of, and the business and affairs of the Association shall be managed under the direction of, the Board of Directors.

(d) **Conflicts of Interest.** No contract or other transaction between the Association and one or more of its Directors or any other corporation, firm, association or entity in which one or more of its Directors are directors or officers or are financially interested, shall be either void or voidable because of such relationship or interest. Any Director of the Association or any corporation, firm, association or entity of which any Director of the Association is a director or officer or is financially interested may be a party to, or may be pecuniarily or otherwise interested in, any contract or transaction of the Association, provided that such relationship or interest in such contract or transaction shall be disclosed or known to the Board of Directors at the meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction and, if such fact shall be disclosed or known, any Director so related or interested may be counted in determining a quorum at such meeting and may vote on such matter or action with the same force and effect as if he were not so related or interested. Any Director of the Association may vote on any contract or other transaction between the Association and any affiliated corporation without regard to the fact that he is also a director of such affiliated corporation.

8. **INCORPORATOR.** The name and address of each incorporator is as follows:

Charles W. Daniel
Suite 1200, 820 Shades Creek Parkway
Birmingham, Alabama 35209

9. **DISTRIBUTION OF ASSETS UPON DISSOLUTION.**

(a) Upon dissolution of the Association, all of its assets remaining after provision for creditors and payment of all costs and expenses of such dissolution shall be distributed in the following manner:

(i) Real property contributed to the Association without the receipt of other than nominal consideration by Developer shall be returned to Developer, unless it refuses to accept the conveyance (in whole or in part); and

(ii) Unless otherwise agreed to the contrary in the plan of distribution, all remaining assets shall be distributed among the Members of the Association, as tenants in common, with each Member's share of the assets to be determined in accordance with their respective voting rights, as set forth in Paragraph 6 above.

(b) Dissolution of the Association shall be accomplished as set forth in the Alabama Nonprofit Corporation Act.

10. **POWER OF PRESIDENT AND VICE PRESIDENTS TO EXECUTE DOCUMENTS.**

The President and each Vice President of the Association shall each have authority to execute all instruments, documents and contracts on behalf of the Association.

11. **INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS.**

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

(b) The Association shall indemnify, defend and hold harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee or agent of the Association (including any person designated by the Board of Directors to serve as an agent and representative of the Association on the ARC) or is or was serving at the request of the Association as a director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association; provided, however, that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for willful, deliberate or wanton misconduct in the performance of his or her duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the

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

(c) To the extent that a Director, officer, employee or agent of the Association (including any person designated by the Board of Directors to serve as an agent and representative of the Association on the ARC) has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Paragraphs 11(a) and (b) above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, notwithstanding that such person has not been successful on any other claim, issue or matter in any such action, suit or proceeding.

(d) Any indemnification under Paragraphs 11(a) and (b) above (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Director, officer, employee or agent of the Association (including any person designated by the Board of Directors to serve as an agent and representative of the Association on the ARC) is proper in the circumstances because such person has met the applicable standard of conduct set forth in Paragraphs 11(a) or (b) above. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to, or who have been wholly successful on the merits or otherwise with respect to, such claim, action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, if a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (3) by a majority vote of the Members of the Association voting on such matters at an annual or special meeting of the Members of the Association or a ballot vote of the Members of the Association held, in either case, in accordance with the terms, provisions and requirements of the Bylaws.

(e) Expenses (including attorneys' fees) incurred in defending a civil or criminal claim, action, suit or proceeding may be paid by the Association in advance of the final disposition of such claim, action, suit or proceeding as authorized in the manner provided in Paragraph 11(d) above upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent of the Association (including any person designated by the Board of Directors to serve as an agent and representative of the Association on the ARC) to repay such amount if and to the extent that it shall be ultimately determined that such person is not entitled to be indemnified by the Association as authorized in this Paragraph 11.

(f) The indemnification authorized by this Paragraph 11 shall not be deemed exclusive of and shall be in addition to any other right to which those indemnified may be entitled under any statute, rule of law, provisions of these Articles of Incorporation, the Bylaws, or any other agreement, vote of members or disinterested Directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, employee or agent of the Association (including any person designated by the Board of Directors to serve as an agent and representative of the Association on the ARC) and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) The Association shall have power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Association (including any person designated by the Board of Directors to serve as an agent and representative of the Association on the ARC) or is or was serving at the request of the Association as a Director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify such person against such liability under the provisions of this Paragraph 11.

12. **AMENDMENT.** At any time prior to the Turnover Date, these Articles of Incorporation may be amended at any time and from time to time by Developer, without the consent and approval of any of the Members of the Association. From and after the Turnover Date, these Articles of Incorporation may be amended at any time and from time to time by the affirmative vote of both (a) a majority of the members of the Board of Directors and (b) a majority of the Members of the Association voting, either in person or by proxy, either (i) at a duly convened meeting of the Members held pursuant to the terms and provisions of the Bylaws or (ii) in a ballot vote held pursuant to the provisions of Section 2.09 of the Bylaws. Notwithstanding anything provided in this Paragraph 12 to the contrary, any amendments to Paragraphs 6, 7 and 12 of the Articles of Incorporation must also be approved by Developer for so long as Developer has any voting rights in the Association.

13. **INCORPORATION BY REFERENCE.** All of the terms, provisions, definitions, covenants and conditions set forth in the Declaration are hereby expressly incorporated herein by reference as if fully set forth herein. In the event of any conflict or ambiguity between the terms, provisions, definitions, covenants and conditions set forth herein in these Articles of Incorporation and the Declaration, then the provisions of the Declaration shall at all times control.

14. **APPROVAL OF ARTICLES OF INCORPORATION BY MEMBERS AND BOARD OF DIRECTORS.** As provided in the Original Articles, no Members of the Association are entitled to vote on or otherwise approve the adoption of these Articles of Incorporation. Furthermore, the Board of Directors of the Association have unanimously approved the adoption of these Articles of Incorporation at a duly constituted meeting of the Board of Directors of the Association held on October 5, 1998.

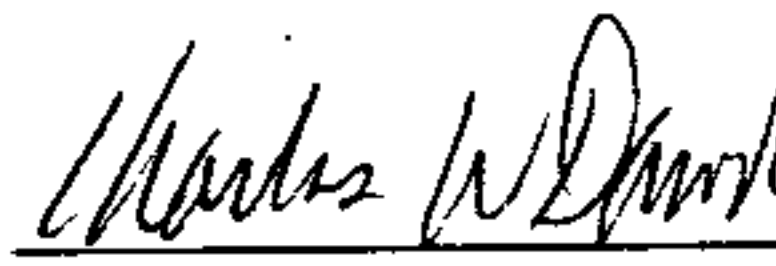
15. **AMENDMENT AND RESTATEMENT.** These Articles of Incorporation correctly set forth the provisions of the Articles of Incorporation for the Association, have been duly adopted as required by law and supersede and replace the Original Articles in their entirety. The undersigned do hereby declare and agree that the Original Articles have been amended and restated in their entirety and shall be of no further force or effect and that the terms and provisions of these Articles of Incorporation shall be deemed to supersede and replace in their entirety all of the terms and provisions of the Original Articles.

IN WITNESS WHEREOF, the Association has caused these First Amended and Restated Articles of Incorporation to be executed by its President and attested by its Secretary as of this the 5th day of October, 1998.

ATTEST:

**THE COVE OF GREYSTONE ASSOCIATION,
INC., an Alabama nonprofit corporation**

By: 
Richard T. Darden, Its Secretary

By: 
Charles W. Daniel, Its President

STATE OF ALABAMA)

COUNTY OF SHELBY)

Before me, a Notary Public in and for said county in said state, personally appeared Charles W. Daniel, who being duly sworn, does depose and say that: he is the president of The Cove of Greystone Homeowners' Association, Inc., an Alabama nonprofit corporation, and he has personal knowledge of the facts set forth in the First Amended and Restated Articles of Incorporation of The Cove of Greystone Homeowners' Association, Inc. and that the same are true and correct to the best of his knowledge and belief:

Charles W. Daniel

Charles W. Daniel
Affiant

Sworn to and subscribed before me this 5th day of October, 1998 by said Affiant.

June B. Allen

Notary Public

My commission expires: Oct. 23, 2000

[NOTARIAL SEAL]

Inst # 1998-38838

10/05/1998-38838
04:26 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE

009 CRH

28.50