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**DECLARATION OF CONDOMINIUM  
OF  
STERLING OAKS, A CONDOMINIUM COMMUNITY**

**This instrument prepared by  
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**“Board of Directors” or “Board” or “Directors”** means the representative body which is responsible for the administration of the Association’s affairs. Each Director must be a Unit Owner or the spouse of a Unit Owner.

**“Bylaws”** mean the Bylaws of the Association as attached hereto as Exhibit “D.”

**“Charge”** means any legal or equitable indebtedness to the Association incurred by, or on behalf of, a Unit Owner, other than assessments for Common Expenses.

**“Class A Members”** shall mean all Members except the Class B Members, if any.

**“Class B Members”** shall mean the Declarant, or any successor to whom Class B Membership has been specifically conveyed, through a written instrument filed of record in the Office of the Judge of Probate of Shelby County, Alabama, shall be the Class B Member.

**“Common Elements”** mean and includes all of the property submitted to condominium ownership that is not within the Unit boundaries set forth in Section 7 below. The Common Elements include, without limitation, the Limited Common Elements; the Land; the buildings and other improvements outside the Units; the fixtures and installation required for access and utility services to more than one Unit or to the Common Elements or Limited Common Elements; easements through Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing and servicing of utility and other services to Units and the Common Elements; an easement of support in every portion of a Unit that contributes to the support of the building, including but not limited to all load bearing interior walls within the Units; the property and installations required for the furnishing of utilities and other services to more than one Unit or to the Common Elements; and any other parts of the Condominium Property designated as Common Elements in this Declaration. Where the context permits, the term Common Elements shall include Limited Common Elements.

**“Common Expenses”** means those expenses for which Unit Owners are liable to the Association, including but not limited to expenses of administration, maintenance and operation, repair and replacement of Common Elements and such other expenses as may be declared expenses either by this Declaration, the Articles of Incorporation, the By-Laws or by the Association. Common Expenses include, but are not limited to, such items as cost of premiums for hazard and public liability insurance, repairs, replacements and expenses of upkeep, lawn service, utility bills, janitor service, accounting and legal fees, wages and fees for managerial and other services, and reasonable and adequate reserves, all as may be required in the maintenance and management of this Condominium. The expenses of any bulk cable television, if applicable, and bulk interior pest control are specifically considered a Common Expense, as are license fees to permit Unit Owners’ use of off-premises recreational facilities. Common Expenses also include reasonable insurance for directors and officers, road maintenance and operation expenses, master antenna television, and security services, which are reasonably

related to the general benefit of the Unit Owners even if such expenses do not attach to the Common Elements or property of the condominium.

**“Common Surplus”** means the excess of all receipts of the Association, including, but not limited to, assessments, rents, profits and revenues on account of the Common Elements, above the amount of the Common Expenses.

**“Condominium Documents”** means this Declaration; the Condominium Plat (Conceptual Site Plan) attached hereto as Exhibit “B”; Articles of Incorporation of Sterling Oaks Owners’ Association, Inc., attached as Exhibit “C”; and By-Laws attached hereto as Exhibit “D.”

**“Condominium Unit”** means a Unit together with the undivided share in the Common Elements which are appurtenant to said Unit and when the context permits, the term includes all of the appurtenances to the Unit.

**“Condominium Property”** means the land and personal property that are subjected to condominium ownership under this Declaration, all improvements on the land, and all easements and rights appurtenant thereto intended for use in connection with the Condominium.

**“County”** means the County of Shelby, State of Alabama.

**“Declarant”** means Sterling Oaks, LLC, an Alabama limited liability company.

**“Declaration”** or **“Declaration of Condominium”** means this instrument, and as it may be amended from time to time.

**“Family”** or **“Single Family”** shall refer to any one of the following: (a) one natural person, his spouse, if any, and their custodial children, if any; and (b) not more than two natural persons not meeting the requirement of (a) above, but who customarily reside together as a single housekeeping Unit, and the custodial children of said parties, if any.

**“Fixtures”** means those items of tangible personal property which by being physically annexed or constructively affixed to the Unit have become accessory to it and part and parcel of it, including but not limited to, interior partitions and walls, flooring above sub-flooring, appliances which have been built in or permanently affixed, and plumbing fixtures in kitchens and bathrooms.

**“Guest”** means any person who is not the Unit Owner or a lessee or a member of the owner’s or lessee’s family, who is physically present in, or occupies the Unit on a temporary basis at the invitation of the owner or other legally permitted occupant, without the payment of consideration.

**“Institutional Mortgagee”** means any bank, savings and loan association, credit union, insurance company or other commercial entity engaged in the business of making mortgage loans.

**“Limited Common Elements”** shall include property which is reserved for the use of a certain Unit to the exclusion of other Units as reflected on the

Condominium Plat or in this Declaration. Whenever a portion of the Condominium Property naturally and exclusively services a particular Unit, and where the area in question lies outside of the boundaries of the Unit, the delegation of maintenance responsibility for the area (e.g. air conditioning compressors) shall serve to define the area as a limited common element.

**“Period of Declarant Control”** shall mean the period of time commencing with the filing of this Declaration in the Public Records of Shelby County, Alabama, and continuing until the earliest of the following dates: (i) the last Unit is sold by the Declarant; (2) the Declarant notifies the Association in writing that Declarant relinquishes and terminates Declarant’s control over the Association; or (iii) two years from the date of execution of this Declaration.

**“Plans”** means the Construction Documents for Sterling Oaks Condominiums dated February 24, 2003, prepared by Simonson Germany Nonemaker & Associates, Inc., 3168 Mercer University Drive, Suite 201, Atlanta, Georgia 30341, which are incorporated herein by reference (Sterling Oaks Condominiums and Sterling Oaks, A CONDOMINIUM COMMUNITY, are one and the same).

**“Primary Occupant”** means a natural person designated by the owners when title to the Unit is held in the name of two or more persons who are not husband and wife, or by a trustee or a corporation or other entity which is not a natural person.

**“Rules and Regulations”** means those rules and regulations promulgated by the Board of Directors, governing the use, occupancy, alteration, maintenance, transfer and appearance of Units, Common Elements and Limited Common Elements, subject to any limits set forth in the Declaration of Condominium.

**“Unit”** means a part of the Condominium Property subject to exclusive ownership.

**“Unit Owner” or “Owner of a Unit”** means the Owner of a Condominium Unit.

**“Voting Interest”** means and refers to the arrangement established in the Condominium Documents by which the Owners of each Unit collectively are entitled to one vote in the Association matters. There are sixty (60) Units; so the total number of Class A voting interests is 60.

**3. CONDOMINIUM NAME.** The name by which this Condominium is identified is “STERLING OAKS, A CONDOMINIUM COMMUNITY.”

**4. GENERAL DESCRIPTION OF IMPROVEMENTS.** Improvements to the Condominium Property consist essentially of three (3) buildings, automobile parking area and landscaping. Each of the buildings contains twenty (20) Units on three (3) levels, including ground level. All levels contain Common Elements.

**5. UNIT IDENTIFICATION.** Each Unit is assigned a number which is indicated on the Plans and on the schematic of each building, attached as Exhibits E-1, E-2, and E-3, so that no Unit bears the same designation as any other Unit. The legal description

of each Unit shall consist of the identifying number, as shown on the Plans and the schematics, the name of the Condominium, the name of the County in which the Unit is situated, the name of the office in which this Declaration is recorded, and the instrument number where the Declaration is recorded. The description and location of the particular Units and the appurtenances are determined with the aid of the Plans and the schematics. The Unit boundaries are determined as follows:

A. Horizontal Boundaries. (Planes). The upper and lower boundaries extended to their planer intersections with the vertical boundaries of each Unit shall be:

(1) Upper Boundary. The horizontal plane of the unfinished lower interior surface of the uppermost ceiling.

(2) Lower Boundary. The horizontal plane of the unfinished upper interior surface of the sub-floor.

B. Vertical Boundaries. (Planes). The vertical boundaries of each Unit shall be the vertical planes of the interior surfaces of exterior windows and glass doors bounding a Unit and the unfinished interior surfaces of the walls and entry doors bounding the Unit, excluding paint, wall paper and light coverings, extended to their planer intersections with each other and with the upper and lower boundaries.

**6. TYPE OF UNITS.** There are three (3) types of Units more specifically shown on the Plans and are generally described as follows:

A. Condominium Residential Units - Type A Units are residential Units as provided herein and are designated on the Plans and schematic as Condominium Residential Units - Type A. Each Condominium Residential Unit - Type A has two (2) bedrooms, one (1) bathroom, a living/dining area and a kitchen and contains a gross area of approximately one thousand ninety-nine (1,099) square feet (of which approximately nine hundred eighty-four (984) square feet is heated area). Ten (10) of the sixty (60) Units are of Type A.

B. Condominium Residential Units - Type B Units are residential Units as provided herein and are designated on the Plans and schematic as Condominium Residential Units - Type B. Each Condominium Residential Unit - Type B has two (2) bedrooms, two (2) bathrooms, a living/dining area and a kitchen and contains a gross area of approximately one thousand two hundred thirty-three (1,233) square feet (of which approximately one thousand one hundred twenty-four (1,124) square feet is heated area). Forty (40) of the sixty (60) Units are of Type B.

C. Condominium Residential Units - Type C Units are residential Units as provided herein and are designated on the Plans and schematic as Condominium Residential Units - Type C. Each Condominium Residential Unit - Type C has three (3) bedrooms, two (2) bathrooms, a living/dining area and a kitchen and contains a gross area of approximately one thousand four hundred forty-five (1,445) square feet (of which approximately one thousand three hundred fifty-one (1,351) square feet is heated area). Ten (10) of the sixty (60) Units are of Type C.

**7. UNIT OWNERSHIP.** Each Unit Owner shall be entitled to exclusive possession of and access to and from the Unit owned, subject to rights reserved or granted herein. The private elements of each Unit shall consist of the following:

- A. The air space of the area lying within the Unit boundaries.
- B. The surfacing materials on the interior of the exterior walls and on interior walls separating one Unit from another Unit. This is not intended to include the sheetrock on any common party walls between Units. Such sheetrock is a Common Element.
- C. The structural components and surfacing materials of all interior walls located within the boundaries of the Unit.
- D. The structural components and surfacing materials of the floors and ceilings of the Unit.
- E. All doors, windows, bathtubs, toilets and sinks, the range, refrigerator, dishwasher, hot water heater, air conditioning and heating units, lighting fixtures and all hardware and interior and exterior wall fixtures except those exterior lighting fixtures assigned to the common use of the Condominium, and the power meter and its appurtenances.
- F. All interior trim and finishing materials.

The ownership of each Unit shall include, and there shall pass with each Unit as appurtenances thereto whether or not separately described, all of the rights, title and interest including but not limited to:

- A. An undivided share of the Common Elements, such undivided share to be that portion set forth in Section 11 hereof.
- B. Easements for the benefit of the Unit.
- C. Association Membership and interest in funds and assets held by the Association.
- D. An exclusive easement for the use of the air occupied by the Unit as it exists at any particular time and as the Unit may be altered or reconstructed from time to time.
- E. Easements from each Unit Owner to each other Unit Owner:
  - (i) Ingress and Egress. Easements through the Common Elements for ingress and egress.
  - (ii) Maintenance, Repair and Replacement. Easements through, over and beneath the Units and Common Elements for maintenance, repair and replacement of the Units and Common Elements. Such access to the Units shall be only during reasonable hours except that access may be had at any time in case of emergency.
  - (iii) Support. Every structural portion of a Unit contributing to the support of the Unit building shall be burdened with an easement of support for the benefit of all other Units and Common Elements in the building.

(iv) Utilities. Easements over, through, above and beneath the Units and other portions of the Condominium Property for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services to the Units and the Common Elements; provided, however, that such easements through a Unit shall be only according to the plans and specifications for the Unit building or as the building is constructed unless approved in writing by the Unit Owner.

**8. SURFACES.** A Unit Owner shall not be deemed to own the structural components of the perimeter wall and/or load-bearing walls, nor the windows and doors bounding the Units. A Unit Owner, however, shall be deemed to own and shall have the exclusive right and duty to repair and maintain, paint, repaint, tile, wax, paper or otherwise finish and decorate the surfacing materials on the interior of exterior walls and on interior walls separating a Unit from other Units, and the surfacing materials of the floors of his or her Unit; all window screens; and all appurtenant installations, including all pipes, ducts, wires, cables and conduits used in connection therewith, for services such as power, light, telephone, sewer, water, heat and air conditioning, whether located within the boundaries of the Unit or in common areas, which are for the exclusive use of the Unit, and all ceilings and partition walls. A Unit Owner shall have the exclusive right and duty to wash and keep clean the interior and exterior surfaces of windows and doors bounding his or her Unit.

**9. CHANGES.** The Declarant reserves the right to change the interior design and arrangement of any or all Units owned by Declarant. The Declarant further reserves the right to alter the boundaries between such Units, which said change shall be reflected by an amendment of this Declaration, which may be executed by the Declarant alone, notwithstanding the procedures for amendment described herein. However, no such change of boundaries shall increase the number of Units, or alter the boundaries of the Common Elements without amendment of this Declaration in the manner described herein. If the boundaries of more than one (1) Unit are altered, the Declarant shall appropriately reapportion the shares of the Common Elements which are allocated to the altered Units. PROVIDED, HOWEVER, the special Declarant rights granted by this paragraph must be exercised on or before five (5) years from the date of the recording of this Declaration in the Office of the Judge of Probate of Shelby County, Alabama.

**10. CONCEPTUAL SITE PLAN.** A conceptual site plan of the land submitted herewith to condominium ownership is attached as Exhibit "B."

**11. VOTING RIGHTS; OWNERSHIP OF COMMON ELEMENTS; LIABILITY FOR COMMON EXPENSES.** Each Unit Owner shall be a Member of the Association, with the right to vote a 1/60th interest in the Condominium (one voting interest per Unit). Each Unit Owner shall share equally with each other Unit in the ownership of Common Elements. Each Unit shall share in the Common Expenses and Common Surplus pro-rata, according to the ratio that the gross square footage of the Unit bears to the gross square footage of the sixty (60) Units, namely, 1.47% for Type A Units; 1.64927% for Type B Units; and 1.93285% for Type C Units. The undivided share of ownership of the Common Elements and Common Surplus appurtenant to a Unit cannot be conveyed or separately described. As long as the Condominium exists, the Common Elements cannot be partitioned. The shares in the funds and assets of the Association cannot be assigned, pledged or transferred except as an appurtenance to the Units.

**12. EASEMENTS.** Each of the easements and easement rights in this Section 12 and in Section 7 is declared and reserved through the Condominium Property and is a covenant running with the land of the Condominium, and notwithstanding any of the

other provision of this Declaration, may not be revoked and shall survive the exclusion of any land from the Condominium. None of these easements may be encumbered by any leasehold or lien other than those on the Condominium Units. Any lien encumbering these easements shall automatically be subordinate to the rights of the Unit Owners with respect to such easements.

A. Utility and other Easements. The Association, through the Board of Directors, has the power, without joinder of any Unit Owner, to grant, modify or move easements such as electric, gas, cable television, or other access, utility or service easements, or relocate any existing easements, in any portion of the Common Elements or Association property, as the Board shall deem necessary or desirable for the proper operation and maintenance of the Condominium. Such easements, or the relocation of existing easements, may not prevent or unreasonably interfere with the use of the Units. The Association, through the Board of Directors, may also transfer title to utility-related equipment, facilities or material, and may take any other action to satisfy the requirements of any utility company or governmental agency.

B. Ingress and Egress. A non-exclusive easement shall exist in favor of each Unit Owner and occupant, their respective guests, tenants, licensees and invitees for pedestrian traffic over, through, and across sidewalks, streets, paths, walks, and other portion of the Common Elements as from time to time may be intended and designated for such purpose and use, and for vehicular and pedestrian traffic over, through, and across such portion of the Common Elements as from time to time may be paved or intended for such purposes, and for purposes of ingress and egress to the public ways.

C. Encroachments. If any Unit encroaches upon any of the Common Elements or upon any other Unit for any reason other than the intentional act of the Unit Owner, or if any Common Element encroaches upon any Unit, then an easement shall exist to the extent of that encroachment as long as the encroachment exists.

D. Utility Easements. Easements over, through, above and beneath each Unit for conduits, ducts, plumbing, wiring and other facilities for furnishing utility services to other Units or Common Elements.

E. Support Easement. An easement of support in every portion of the Condominium which contributes to the support of the building.

F. Reservation by Declarant. The Declarant hereby reserves a blanket easement over the Condominium Property, for a period of 20 years from the date of this Declaration, for any and all lawful activities required or related to the exercise of the Declarant's rights hereunder or for the performance of any duty or obligation imposed on the Declarant under the provisions of the Condominium Documents, the Act or other applicable laws. The Declarant shall exercise the right reserved under this provision in a manner which does not unreasonably interfere with the use and enjoyment of the Condominium Property by any Unit Owner.

**13. MAINTENANCE, ALTERATION AND IMPROVEMENTS.** Responsibility for the maintenance of the Condominium Property, and restrictions upon the alteration and improvement thereof, shall be as follows:

A. Association Maintenance. The maintenance, repair and replacement of all Common Elements and Association property shall be performed by the Association,

and the cost is a common expense. Same shall include, but not be limited to, exterior painting, roofing, and maintaining portions of the Condominium Property exposed to the elements, but shall not include maintenance of screen frames or screening, balcony enclosures, or other portions of the Condominium Property which exclusively service or benefit a particular Unit unless otherwise provided in this section. The Association's maintenance responsibility includes, without limitation, all electrical conduits serving more than one Unit; plumbing fixtures and installations serving more than one Unit, other installations located within a Unit but serving another Unit, or located outside the Unit for the furnishing of utilities to more than one Unit or the Common Elements. The Association shall be responsible for the maintenance and repair of the drywall constituting the Common Elements of the Condominium, including the interior surface of the exterior boundary walls, as well as the drywall ceiling of the Unit. Decorations of such surfaces, (including but not limited to paint, wallpapering, "popcorn," paneling, etc.) are the responsibility of the Unit Owner. The Association's responsibility does not include interior electrical fixtures, switches or receptacles, plumbing fixtures, or other electrical, plumbing or mechanical installations that serve only one Unit, no matter where such installations are located. If, in connection with the discharge of its maintenance responsibilities, the Association must remove, disassemble, or destroy portions of the Condominium Property which the Unit Owner is required to maintain, repair, and replace, the Association shall be responsible for reinstallation or replacement of that item, to its unfinished state (i.e. excluding floor coverings, wall coverings, ceiling coverings, paint, wallpaper, paneling, etc.), provided that such items are part of the Condominium Property as originally installed by the Developer, or replacements thereof of like kind and quality. Replacement of all upgrades or additions, even if made by a predecessor in title, shall be the responsibility of the Unit Owner.

B. Unit Owner Maintenance. Each Unit Owner is responsible, at his own expense, for all maintenance, repairs, and replacements of his own Unit and limited Common Elements serving only his Unit, except as provided elsewhere herein, whether ordinary or extraordinary including, without limitation: interior partitions, the finishes thereof, the structural framing related thereto (assuming non-load bearing), and all electrical or plumbing facilities, which service only the individual Unit; maintenance, repair and replacement of window, screen door or balcony screens (including hardware and framing); windows, window encasements, and window glass (including sliding glass doors and other glass partitions and the structural components thereof including trim and caulking); Unit front entry door, except that the Association may paint entry doors when it is painting the entire buildings (but not at other times unless otherwise determined by the Association); all other doors and the framing and structural components thereof (including trim, caulking, locks and hardware) within or servicing the Unit; the electrical, mechanical and plumbing fixtures and outlets (including connections) within a Unit or serving only that Unit including sinks, toilets, tubs, showers, shower pans, and all related fixtures and installations; appliances; all portions of the heating and air conditioning equipment and utility installations and connections, wherever located, that serve an individual Unit; carpeting and other floor covering, floor tiles and hardwood floors (including balcony areas); door and window hardware and locks; all other facilities or fixtures located or contained entirely within a Unit or limited common element area which serve only one Unit. All said areas, if located outside of the boundaries of the Unit, are declared limited Common Elements. Parking facilities and storage areas, if any, shall be maintained by the Association. Any insurance proceeds paid to the Association with respect to any loss or damage within the Unit or limited Common Elements which is covered by the Association's casualty insurance, and which loss would otherwise be borne by the Unit Owner, shall be

paid to the Unit Owner, after the work has been completed and invoices have been submitted verifying the costs of repair.

C. Additional Unit Owner Obligations. In connection with his maintenance, repair and replacement obligations, the Unit Owner shall also have the responsibility to obtain the prior written approval of the Association, through the Board of Directors, before performing any maintenance, repair or replacement which requires: changes or alterations to the physical appearance of the Condominium Property; excavation; access to building roofs; removal or modification of any interior partitions walls, or cabinets, whether load-bearing or not; relocation of plumbing or electrical lines or fixtures; the use of heavy or noisy equipment; such other actions as may cause concern for the peace and safety of the Condominium and its residents or the aesthetics of the Condominium Property. The Association may condition such approval on criteria as the Board deems reasonable, including but not limited to, use of licensed and insured contractors; oversight by the Association or its agent; the Unit Owner submitting plans as to the scope of the contemplated repair; restrictions as to hours of work; imposition of time limits in which jobs must be completed and prohibitions against major renovations during certain times of year; restrictions regarding equipment that may be parked or stored on or near the Condominium Property during construction; and restrictions regarding the transport and storage of materials and supplies necessary for the construction to be performed. Nothing shall preclude the Association from acting as the owner's agent and obtaining the services of Contractors to perform Unit Owner maintenance responsibilities, provided that the Association and the Owner so agree and provided that the Owner is deemed to consent to reimbursement of expenses incurred, secured by such rights as exist for collecting common expenses under these Condominium Documents.

D. Balconies. Balconies are designated as Limited Common Elements. The Unit Owner who has the right to the exclusive use of said balcony shall be responsible for the maintenance, care and preservation of: balcony floor coverings (the Board may prohibit certain types of floor coverings or require the removal of existing coverings when necessary for the structural presentation of the building); the screens and frames; storm shutters and other enclosures; fixed and/or sliding glass doors and affiliated framing and hardware thereof; the wiring, electrical outlet(s) and fixture(s) on or servicing the balcony; ceiling fans; and the replacement of light bulbs. The Association shall be responsible for structural maintenance, repair and replacement of balcony floors, ceilings and exterior portions, and also the building walls enclosed by the balconies, provided that painting and regular maintenance (nonstructural) of building walls enclosed by balconies shall be done by the Unit Owners, subject to the uniformity of appearance (e.g. color) and other criteria set forth in these Condominium Documents, or as determined by the Board. However, the Association may, if it elects, paint balcony walls and ceilings in connection with the painting of the building as either a Common Expense, or on a voluntary participation basis, as determined by the Board of Directors. Unit Owners may not puncture (by nails, hooks, screws or otherwise) balcony floors, walls, or ceilings.

E. Alterations by Unit Owners. No Owner may make or permit the making of any modifications or alterations to his Unit, the Common Elements, or the limited Common Elements, or in any manner change the appearance of any portion of the condominium, or make any structural change within the Unit interior without first obtaining the written consent of the Board of Directors, which consent shall be denied if the Board determines that the proposed modifications or alterations would adversely affect, or in any manner be detrimental to, the Condominium in part or whole. The Board may, in appropriate circumstances, require sealed plans from an Architect or Professional

Engineer licensed to practice in Alabama as a condition of reviewing any requested modification, alteration or addition to the Condominium Property. The Board, in reaching its decision, may take into account uniformity of appearance, compatibility with architecture in Sterling Oaks, the quality of the proposed alteration, objections of neighboring residents, and such other criteria as the Board may reasonably adopt in reaching its decision.

F. Additional Unit Owner Responsibility for Alterations and Additions. If a Unit Owner makes any modifications, installations, or additions to the interior or exterior of the Unit, Common Elements, or limited Common Elements in accordance with Section 13E above, the Unit Owner (and his heirs, successors in title and assigns) shall be financially responsible for the insurance, maintenance, care, and preservation of the modifications, installations or additions and shall execute such documents as the Association may promulgate accepting said financial responsibility. Any modification, alteration, or addition to the Condominium Property made by a Unit Owner, and duly approved by the Board of Directors, may be required to be removed in connection with the Association's maintenance of the Condominium Property. In such cases, the Unit Owner who installs the alteration, addition, or improvement (and their successors in title) shall be obligated to reimburse the Association for any costs affiliated with removal and/or reinstallation of the item, with said obligation being secured by a right of lien for charges of equal dignity to the common expense lien created by this Declaration, or alternatively, said Owner may be required to remove and reinstall said additions, if so determined by the Board of Directors. Further, the Association, its contractors and agents, shall not be liable for any damage to the item arising out of its removal and/or reinstallation, unless occasioned by the gross negligence or willful misconduct of the Association or its contractor or agent.

G. Alterations by Association. There shall be no material alterations or substantial additions to the Common Elements or Association property by the Association, except as authorized by the Board of Directors. Provided, however, that if any such alterations or additions require the expenditure of more than Twenty-Five Thousand Dollars (\$25,000.00) aggregate in a fiscal year, the Board shall obtain approval of a majority of the voting interests present (in person or by proxy) and voting at an Association meeting, or by written agreement of a majority of the entire voting interests. Necessary maintenance of the Common Elements, or Association property regardless of the level of expenditure, is the responsibility of the Board of Directors.

H. Enforcement of Maintenance. If, after reasonable notice, the Owner of a Unit fails to maintain the Unit or other portions of the Condominium Property as required above, the Association shall have, without waiver of other remedies, the right to enter the owner's Unit and perform or cause performance of the necessary work, and/or institute legal proceedings at law or in equity to enforce compliance, and/or to take any and all other lawful actions to remedy such violation, in which event the Unit Owner shall be charged for the costs of such activities (including attorney's fees incurred by the Association) by the Association which shall be secured by a lien for charges.

I. Negligence, Damage Caused by Condition of Unit. Each Unit Owner shall be liable to the Association and/or other Unit Owners for the expenses of any maintenance, repair or replacement of the Condominium Property, made necessary by his act or negligence, or by that of any member of his family or his or their guests, employees, agents, or lessees. If any condition, defect or malfunction existing within a Unit, if caused by the owner's negligence, or is the result of any malfunction or circumstance occurring in the Unit but not caused by negligence, shall cause damage to the Common Elements

or to other Units, the Owner of the offending Unit shall be liable to the person or entity responsible for repairing the damaged areas for all costs of repair or replacement not paid by insurance (including the deductible). If one or more of the Units involved is not occupied at the time the damage is discovered, the Association may enter the Unit(s) without prior notice to the Owner(s) and take reasonable action to mitigate damage or prevent its spread, at the Unit Owner's expense. The Association may, but is not obligated to, repair the damage without the prior consent of the owner, in the event of an emergency, and the Owner shall be responsible for reimbursement of the Association, with the cost being secured by a lien for charges.

**14. ASSESSMENTS AND CHARGES; LIENS.** Assessments against Owners shall be made by the Board of Directors of the Association in the manner provided in the By-Laws, and as follows, and shall be borne by the Unit Owners as set forth in Section 11. Initially, the monthly assessments shall be as follows:

- (a) \$168.00 per month for Type A Units;
- (b) \$189.00 per month for Type B Units;
- (c) \$220.00 per month for Type C Units.

At the time of purchase from Declarant, the purchaser will pay two (2) months' advance assessment, plus the pro-rated portion of one month's assessment through the end of the month of closing.

A. Liability for Assessments. A Unit Owner, regardless of how title is acquired, shall be personally liable for all assessments coming due while that Unit Owner holds title, which liability is unaffected by any transfer of title to the Unit. Any grantee, if not an Institutional Mortgagee, shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor for his/her/its share of the common expenses including attorney's fees and other costs of collection incurred by the Association up to the time of the conveyance, without prejudice to any right the grantee may have to recover from the grantor the amounts paid by the grantee. The liability for assessments may not be avoided by waiver of the use or enjoyment of any Common Elements or by the abandonment of the Unit for which the assessments are made.

B. Default in Payment of Assessments for Common Expenses; Lien. Assessments and installments thereof not paid within ten (10) days from the date when they are due shall incur a late fee and bear interest in an amount as determined by the Board of Directors up to the maximum allowed by law. The Association has a lien on each Condominium Unit for any unpaid assessments, fees, charges, interest and late charges, together with a reasonable attorney's fee and costs incurred by the Association incident to the collection of the assessment or enforcement of the lien. The Association may bring an action in its name to foreclose a lien for assessments in the manner permitted under Alabama law for mortgages of real property containing provisions for non-judicial foreclosure through power of sale, and may also bring an action to recover a money judgment for the unpaid assessments without waiving any claim of lien.

C. Notice of Intention to Foreclose Lien. The Association shall give written notice of not fewer than thirty (30) days to the Unit Owner of its intention to foreclose its lien to collect the unpaid assessments. The notice must be given by certified mail, return receipt requested, addressed to the Unit Owner using the most recent address provided to the Association by the Unit Owner, if any.

D. Lien Subordinate to a First Mortgage to An Institutional Mortgagee. The lien of any Assessments shall be subordinate to the lien of any Mortgage bearing a recording date in the Probate Office of Shelby County, Alabama prior to the date of recording the Association's claim of lien. Where a Mortgagee obtains title to a Unit as a result of foreclosure of its mortgage, such acquirer of title, its successors and assigns, shall not be liable for more than six (6) months' Assessments pertaining to such Unit or chargeable to the former owner which became due prior to the acquisition of such Mortgagee's Unit. Nothing herein contained shall be construed as releasing the party originally liable for such delinquent Assessments from the payment thereof, which liability shall continue until such delinquent Assessment shall have been paid or satisfied.

E. Possession of Unit. Except for Institutional Mortgagees who obtain title by foreclosure of a first mortgage of record or by deed in lieu thereof, any person who acquires an interest in a Unit shall not be entitled to occupancy of the Unit or enjoyment of the Common Elements until such time as all unpaid assessments and other charges due and owing by the former Owner, if any, have been paid.

F. Certificate of Unpaid Assessments. Any Unit Owner has the right to require from the Association a certificate showing the amount of unpaid assessments against the Unit Owner's Unit.

G. Lien for Charges. There is hereby created a lien to secure any service which the Association provides for an Owner which is not otherwise secured by the statutory lien for common expenses created herein. By way of example, but not limitation, a lien for charges exists to secure repayment to the Association when it must remove or reinstall Unit Owner alterations or items of Unit Owner maintenance responsibility in connection with the Association's discharge of its Common Element maintenance responsibilities. The lien for charges shall be of equal priority to, shall be secured as to interest, late fees and attorney's fees and the like, and shall be foreclosed in the same manner as the common expense lien, provided, however, that no such lien for charges shall be superior to the lien of a Mortgagee, except as may be provided under the Alabama Uniform Condominium Act.

**15. ADMINISTRATION AND MANAGEMENT OF CONDOMINIUM.** The administration and management of the Condominium shall be by the Condominium Association, which shall have by and through its officers and directors, such powers, authority and responsibilities as are vested in the officers and directors of a corporation not-for-profit under the laws of the State of Alabama, including but not limited to those set forth more specifically elsewhere in the Condominium Documents. The Association shall have authority to enter into management and other agreements concerning the matters of common interest through its officers. The management of the Association and election of the members to the Board of Directors shall be as set forth in the By-Laws. Without limiting the foregoing, the Association shall have the following powers and duties:

A. Access. The irrevocable right of access to each Unit during reasonable hours as may be necessary for the maintenance, repair or replacement of any Common Elements therein, or at any time for making emergency repairs therein necessary to prevent damage to the Common Elements or to any other Unit or Units, or to determine compliance with the terms and provisions of this Declaration, the exhibits annexed hereto, and the Rules and Regulations adopted pursuant to such documents, as the same may be amended from time to time.

B. Assessments. The power to make and collect regular and special assessments and other charges against Unit Owners and to lease, maintain, repair and replace the Common Elements.

C. Recordkeeping. The duty to maintain accounting records according to good accounting practices, which shall be open to inspection by Unit Owners or their authorized representatives at reasonable times.

D. Delegation. The power to enter into contracts with others, for valuable consideration, for maintenance and management of the Condominium Property and in connection therewith, or to its officers and agents, to delegate the powers and rights herein contained, including, without limitation, the making and collecting of assessments and other charges against Unit Owners, and perfecting liens for non-payment thereof.

E. Regulations. The power to adopt and amend Rules and Regulations covering the details of the operation of the Association and use of the Condominium Property and to enforce compliance with the Rules and Regulations as the Association deems appropriate.

F. Enter Into License Agreement. To enter into on behalf of the Association that certain License Agreement ("License") among Royal Oaks, LLC, JWS, LLC and the Association, as Licensee, granting Association members the privilege to use the swimming pool, tennis courts, exercise room and club house located on the premises of Royal Oaks Apartments (the "Recreational Facilities"), dated May 27, 2003, and recorded as Instrument Number 20030528000328750 in the Probate Office of Shelby County, Alabama, and as amended and restated, which License is hereby confirmed as an authorized act of the Association.

G. Suspend or Withdraw License Privileges. The Association is expressly granted the authority to suspend or withdraw the License privileges of Unit Owners who fail or refuse to follow published rules or who engage in destructive or unseemly conduct.

H. Membership Agreements. The power to enter into agreements to acquire leaseholds, memberships, and other possessory or use interests in lands or facilities such as country clubs, golf courses, marinas, and other recreational facilities with the same approval of Unit Owners as needed to amend the Declaration.

I. Limitation upon Liability of Association. Notwithstanding the duty to maintain and repair parts of the Condominium Property, the Association is not liable to Unit Owners for injury or damage, other than for the cost of maintenance and repair, caused by any latent condition of the Condominium Property. Further, the Association shall not be liable for any such injury or damage caused by defects in design or workmanship or any other reason connected with any alterations or improvements done by or on behalf of any Unit Owners, regardless of whether or not same shall have been approved by the Association pursuant to the provisions hereof. **NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE CONDOMINIUM DOCUMENTS OR ANY OTHER DOCUMENT GOVERNING OR BINDING THE ASSOCIATION, THE ASSOCIATION SHALL NOT BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER BE A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR WELFARE OF ANY OWNER, OCCUPANT OR USER OF ANY PORTION OF THE CONDOMINIUM PROPERTY, INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES,**

GUESTS, INVITEES, AGENTS, SERVANTS, CONTRACTORS OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, (a) IT IS THE EXPRESS INTENT OF THE CONDOMINIUM DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF WHICH ARE ENFORCEABLE BY THE ASSOCIATION, AND WHICH GOVERN OR REGULATE THE USE OF THE CONDOMINIUM PROPERTY, HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF THE CONDOMINIUM PROPERTY AND THE VALUE THEREOF; AND (b) THE ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN ENTITY WHICH ENFORCES OR ENSURES THE COMPLIANCE WITH THE LAWS OF THE UNITED STATES, STATE OF ALABAMA, SHELBY COUNTY, AND/OR ANY OTHER JURISDICTION OR THE PREVENTION OF TORTIOUS ACTIVITIES; AND (c) ANY PROVISIONS OF THE CONDOMINIUM DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO HEALTH, SAFETY AND OR WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF THE ASSOCIATION TO PROTECT OR FURTHER THE HEALTH, SAFETY OR WELFARE OF ANY PERSON(S), EVEN IF ASSESSMENT FUNDS ARE CHOSEN TO BE USED FOR ANY SUCH REASON. EACH UNIT OWNER (BY VIRTUE OF HIS ACCEPTANCE OF TITLE TO HIS UNIT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF THE CONDOMINIUM PROPERTY (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USES) SHALL BE BOUND BY THIS PROVISION AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST THE ASSOCIATION ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF THE ASSOCIATION HAS BEEN DISCLAIMED IN THIS PROVISION. AS USED IN THIS SECTION, "ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING ALL OF THE ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES), SUBCONTRACTORS, SUCCESSORS AND ASSIGNS.

J. Restraint upon Assignment of Shares in Assets. The share of a Unit Owner in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the Unit.

**16. INSURANCE.** The insurance which shall be carried upon the Condominium Property, including the Units, Common Elements and Association Property shall be as follows:

A. Authority to Purchase Insurance. All insurance policies shall be purchased by the Association for the benefit of the Association and the Unit Owners and their mortgagees as their respective interests may appear.

B. Coverage.

(i) Casualty. Except as otherwise provided herein, the Association shall obtain and maintain fire and extended coverage insurance with a responsible insurance company, or through alternate sources as may be available, upon all of the insurable improvements of the entire Condominium, including Association Property, the Common Elements, the Units, and the personal property of the Association, for the full replacement or insurable value thereof, less a commercially reasonable deductible,

provided the Board may exclude foundation and excavation costs in its discretion. The original policy of insurance shall be held by the Association, and Institutional Mortgagees shall be furnished, upon request, mortgage endorsements covering their respective interests. Each Unit Owner shall be responsible for insuring personal property located within the Unit; ceiling and floor coverings, wall coverings, and electrical fixtures and appliances, to the extent these items are located within the Unit boundaries; and any improvements made within the Unit which are not covered by the Association policy.

(ii) *Liability Insurance.* The Association shall obtain and maintain public liability insurance covering all of the Common Elements and Association Property and insuring the Association and the Unit Owners as their interest may appear in such amount as the Board of Directors may deem appropriate. The Board of Directors shall have authority to compromise and settle all claims against the Association or upon insurance policies held by the Association. The Unit Owners shall have no personal liability upon such claims, except as may be otherwise provided by law, and nothing herein contained shall in any way be construed as imposing upon the Association a duty to assess Unit Owners for the purpose of raising sufficient funds to discharge any liability in excess of insurance coverage. Each Unit Owner will be responsible for procuring and maintaining liability insurance covering losses which may occur in and about the Owner's Unit, as the Owner may deem appropriate.

(iii) *Worker's Compensation.* Such worker's compensation coverage as may be required by law.

(iv) *Other Insurance.* Such other insurance as the Board of Directors may from time to time deem to be necessary, including but not limited to Errors and Omissions Officers and Directors Liability insurance coverage, flood insurance, and insurance for the benefit of its employees.

C. Deductible and Other Insurance Features. The Board of Directors shall establish the amount of the deductible under the insurance policies, and other features, as it deems desirable and financially expedient, in the exercise of their business judgment.

D. Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense.

E. Insurance Shares or Proceeds. Insurance proceeds of policies purchased by the Association covering property losses shall be paid to the Association, and all policies and endorsements thereon shall be deposited with the Association. The duty of the Association shall be to receive such proceeds as are paid and to hold and disburse the same for the purposes stated herein and for the benefit of the Unit Owners and their mortgagees in the following shares:

(i) *Common Elements.* Proceeds on account of damage to Common Elements - an undivided share for each Unit Owner, such share being the same as the undivided share in the Common Expenses appurtenant to the Unit.

(ii) *Unit.* Proceeds on account of damage to Units shall be held in the following undivided shares:

(a) When a Condominium Building is to be restored for the Owners of damaged Units in proportion to the costs of repairing the damage suffered by each Unit Owner, which cost shall be determined by the Association.

(b) When a Condominium Building is not to be restored - an undivided share for each Unit Owner, such share being the same as the undivided share in the Common Expenses appurtenant to the Unit.

(iii) *Mortgages.* In the event a mortgage endorsement has been issued with respect to a Unit, the share of that Unit Owner shall be held in trust for the Mortgagee and the Unit Owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds, except those proceeds paid to the Unit Owner and mortgagee, pursuant to the provisions of this Declaration.

F. Distribution of Proceeds. Proceeds of insurance policies received by the Association shall be distributed in the following manner:

(i) *Reconstruction or repair.* If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial Owners, remittances to Unit Owners and their mortgagee's being payable jointly to them. This is a covenant for the benefit of any mortgagee of any Unit and may be enforced by such mortgagee.

(ii) *Failure to Reconstruct or Repair.* If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial Owners, remittances to Unit Owners and their mortgagee 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.

(iii) *Association as Agent.* The Association is irrevocably appointed agent for each Unit Owner and for each Owner of a mortgage or other lien upon any Unit and for each Owner of any other interest in the Condominium Property or any property in which the Association owns an interest, to adjust all claims arising under insurance policies by the Association, and to execute and deliver releases upon the payment of such claim.

**17. RECONSTRUCTION AFTER CASUALTY.** If any part of the Condominium Property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

A. Common Elements. If the damaged improvement is any of the Common Elements, the damaged common element shall be reconstructed or repaired by the Association.

B. The Building.

(i) *Lesser damage.* If the damage renders less than 50% of the Units untenable in the condominium, as determined by the Board of Directors or governmental agencies of jurisdiction, the damaged property shall be reconstructed or repaired.

(ii) *Major damage.* If the damage renders more than 50% of the Units untenable, as determined by the Board of Directors or governmental agencies of jurisdiction, the damaged property will be reconstructed or repaired, unless 75% of the entire voting interests agree in writing that such reconstruction or repair shall not take place. The decision whether or not to reconstruct or repair shall be made within one hundred eighty (180) days after the casualty, provided however that the Board of Directors shall have the authority to extend this period for decision-making, not to exceed two (2) years, to deal with exigencies in communication with Unit Owners caused by natural disasters or other significant casualties.

(iii) *Plans and specifications.* Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original buildings, as set forth in the Surveyor's Plats, or if not, then according to plans and specifications approved by the Board of Directors.

C. Responsibility. If the damage includes those parts of a Unit for which the responsibility of maintenance and repair is that of the Unit Owner, then the Unit Owner shall be responsible for the expense of reconstruction and repair after casualty of said portion of the work, although the Association may perform the work on behalf of the Owner. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Association.

D. Estimates of Costs. Immediately after a determination is made to rebuild or repair damage to property for which the Association or Unit Owner has the responsibility of reconstruction and repair, the Association or Unit Owner shall obtain reliable and detailed estimates of the cost to rebuild or repair.

E. Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association (including shortfalls occasioned by a deductible), or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, assessments shall be made against the Unit Owners who own the damaged Units, and against all Unit Owners in the case of damage to Common Elements, in sufficient amounts to provide funds for the payment of such costs. Such assessments on account of damage to Common Elements shall be in proportion to the Owner's share in the Common Expenses.

F. Termination of Condominium If Not Reconstructed. If the Owners do not vote to reconstruct the Condominium by vote of sixty-six and two-thirds (66 2/3) of the Voting Interests, the Condominium shall be terminated in accordance with the procedures set forth in Section 20 hereof.

**18. USE RESTRICTIONS.** Use of the property submitted for condominium ownership shall be in accordance with the following use restrictions and reservations:

A. Occupancy of Units; Single Family Residence. A Condominium Unit shall be used only as a single family residence. As used in the Condominium Documents, "single family" means one natural person, a group of two or more natural persons who customarily reside together as a single family housekeeping Unit, each of whom is related to each of the others by blood, marriage or adoption, or not more than two persons not so related, who customarily reside together as a single housekeeping Unit. No more than three (3) persons may permanently occupy a Type "A" Unit. No more than four (4) persons may permanently occupy a Type "B" Unit. No more than six (6) persons may permanently occupy a Type "C" Unit. For purposes of these Condominium Documents, "permanently occupy" means to sleep in the Unit for more than thirty (30) nights during a calendar year. No Unit may be divided or subdivided into a smaller Unit nor any portion sold or otherwise transferred.

B. Restrictions on Leasing Units. No Unit may be rented or leased except under the following conditions:

(i) *Grant of Open Leasing Status By Association Prerequisite to Lease.* No Unit may be Leased unless and until the Association shall have given its consent in writing. Written consent by the Association shall constitute the grant of "Open Leasing Status" to such Unit.

(ii) *Applications for Permission To Lease Made to the Association.* A Unit Owner who desires to lease his Unit must make application in writing to the Association, and the Association shall accept or reject the application within thirty (30) days of receipt of the application.

(iii) *Limited Number of Units (15) Eligible for Open Leasing Status at any One Time.* The authority of the Board of Directors of the Association to grant Open Leasing Status is limited to consenting to no more than fifteen (15) of the total of sixty (60) Units at any one time. Applications for Open Leasing Status must be denied if granting such requests will cause the number of Units with Open Leasing Status to exceed 25% of the total number of Units comprising the Condominium.

(iv) *Reversion to Restricted Status If Unit With Open Leasing Status Not Leased Within 90 days of Grant of Open Leasing Status.* Units not leased within ninety (90) days after receipt of permission to lease by the Association (grant of Open Leasing Status), or which, once leased, become free of lease and remain so continuously for a 90-day period, shall automatically lose their Open Leasing Status and revert to Restricted Leasing Status at midnight on the 90<sup>th</sup> day. It shall be the responsibility of the owner of the Unit granted Open Leasing Status to give the Association notice (and copy of the lease) within five (5) business days after entering into a lease of a Unit and after the termination or expiration of a lease.

(v) *Minimum Initial Term of Leases.* All leases shall have a minimum initial lease term of thirty (30) days.

C. Nuisance. The Condominium Units shall not be used for any immoral, improper or unlawful purpose and no use or behavior shall be allowed which will create a public or private nuisance, unreasonably interferes with the quiet possession or enjoyment of the Condominium Property, or become a source of annoyance to the Condominium residents. All property shall be kept in a neat and orderly manner. The Common Elements shall be used for the purpose of furnishing services and facilities as

herein provided for the welfare and enjoyment of such residents. The Unit Owner shall not place or allow to be placed any personal property within the Common Elements.

D. Boats, Trucks, etc. No trucks with a cargo capacity of greater than three-fourths (3/4) of a ton, and no boats, trailers or recreational vehicles shall be parked upon the Common Elements.

E. Rollerblades and Skateboards. No rollerblades or skateboards shall be used on the Condominium Property.

F. Hanging of Items. No garments, rugs, towels, hanging plants and flowers, or other items may be hung on or from the windows, balconies, or from portions of the Units. No rugs or mops may be dusted from the windows or balconies of the Units. No Owner or occupant of a Unit shall store or place on the balconies or patios any items other than patio furniture and accessories, excluding plants and flowers. These items must be kept within the confines of the balcony or patio. No item shall be hung from the ceiling or sidewalls or from a mounting anchored to the ceiling or sidewalls.

G. Additional Restrictions. The Board of Directors is authorized to make, publish and enforce additional use restrictions from time to time.

**19. METHOD OF AMENDMENT OF DECLARATION.** Except as elsewhere provided otherwise, this Declaration of Condominium may be amended in the following manner:

A. Proposal of Amendments. An amendment may be proposed by either a majority of the Directors or by not fewer than fifteen (15) Voting Interests.

B. Proposed Amendment Format. Proposals to amend the existing Declaration of Condominium shall contain the full text of the Section to be amended. New words shall be underlined and words to be deleted shall be lined through with hyphens. If the proposed change is so extensive that this procedure would hinder rather than assist understanding, a notation must be inserted immediately preceding the proposed amendment saying, "SUBSTANTIAL REWORDING OF DECLARATION OF CONDOMINIUM. SEE SECTION NUMBER \_\_\_\_ FOR PRESENT TEXT."

C. Notice. Copies of proposed amendments shall be included in the notice of any meeting at which a proposed amendment is to be considered or in connection with documentation for action without a meeting.

D. Adoption of Amendments. A resolution for the adoption of a proposed amendment may be adopted by the affirmative vote of not fewer than forty (40) Voting Interests of the Association.

E. Effective Date. An amendment when adopted shall become effective upon being recorded in the Shelby County Probate Office according to law.

F. Amendments by Declarant. The Declarant reserves the right to amend the Condominium Documents as provided below, but in each case, subject to the prior approval by the Department of Housing and Urban Development (HUD) of such amendment:

(i) Amendments to Bylaws. The Declarant reserves the right to amend the Bylaws at any time during the Period of Declarant Control.

(ii) Lender Requirements. The Declarant reserves the right at any time to amend this Declaration, without the consent of other Unit Owners, as required to meet the requirements of any lender engaged in the business of guaranteeing, insuring or purchasing residential mortgage loans (including, without limitation, Fannie Mae, Freddie Mac and HUD); provided that any such amendments shall not materially affect the rights of the Unit Owners or the value of their Units.

(iii) Other Amendments to the Declaration. The Declarant reserves the right to amend this Declaration so long as there is no Unit Owner other than the Declarant.

G. Certain Limitations. No amendment to this Declaration shall (i) change any Unit or its voting rights, without the prior written approval of the Unit Owner so affected and such Unit Owner's mortgage holder; or (ii) change, impair or prejudice the rights of Declarant or change the provisions of this Declaration with respect to the Declarant's rights hereunder without Declarant's prior written approval.

**20. TERMINATION.** The Condominium shall be terminated in the following manner:

A. Owner Approval. By the agreement of 100% of the Owners and the holders of liens, or such other percentage as may be specified in the Act, which agreement shall be evidenced by an instrument or instruments executed in the manner required for conveyance of land. The termination shall become effective when such agreement has been recorded in the public records.

B. Shares of Unit Owners after Termination. After termination of the Condominium, the Owners shall own the property as tenants-in-common in undivided shares, and the holders of mortgages and liens against the Unit or Units formerly owned by such Owners shall have mortgages and liens upon the respective undivided shares of the Owners. Such undivided shares of the Owners shall be as set forth in Section 11 hereof. All funds of the Condominium held by the Association, except for the reasonably necessary expenses of winding up, shall be disbursed to the Unit Owners and mortgagees as their interests may appear in the shares set forth in Section 11. The costs incurred by the Association in connection with a termination shall be a common expense.

C. Following Termination. The property may be partitioned and sold upon the application of any Owner. Provided, however, that if the Board of Directors following a termination determines to accept an offer for the sale of the Condominium Property, each Owner shall, by his acceptance of a deed to his Unit, be deemed to have granted power of attorney to the Board of Directors to execute such deeds and other documents required to effect sale. In such event, any action for partition shall be held in abeyance pending sale, and upon the consummation thereof shall be discontinued by all parties thereto.

**21. CONDEMNATION.**

A. Awards. The taking of all or any part of the Condominium Property by the condemnation or eminent domain shall be deemed to be a casualty to the portion taken, and the awards for that taking shall be deemed to be proceeds from insurance on

account of the casualty. Even though the awards may be payable to Unit Owners, the Unit Owners shall deposit the awards with the Association, and if any fail to do so, a special assessment shall be made against a defaulting Unit Owner in the amount of this award, or the amount of the award shall be set off against any sums payable to that owner.

B. Determination Whether to Continue Condominium. Whether the Condominium will be continued after condemnation will be decided in the same manner as repair after casualty as set forth in Paragraph 17 hereof.

C. Distribution of Funds. If the Association is terminated after condemnation, the proceeds of all awards and special assessments will be deemed to be Association property and shall be owned and distributed in the manner provided for insurance proceeds when the condominium is terminated after a casualty. If the Association is not terminated after condemnation, the size of the Association may be reduced. The Owners of condemned Units, if any, will share in awards and special assessments as provided below.

D. Association as Agent. The Association is hereby irrevocably appointed as each Unit Owner's attorney-in-fact for purposes of negotiating or litigating with the condemning authority for the purpose of realizing just compensation for the taking.

E. Units Reduced but Tenantable. If the taking reduces the size of a Unit and the remaining portion of the Unit can be made tenantable, the awards for the taking of a portion of that Unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the condominium.

(i) *Restoration of Unit.* The Unit shall be made tenantable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be assessed against the Owner of the Unit.

(ii) *Distribution of Surplus.* The balance of the award, if any, shall be distributed to the Owner of the Unit and to each mortgagee of the Unit, the remittance being made payable jointly to the Owner and mortgagees.

(iii) *Adjustment of Shares in Common Elements.* If the floor area of a Unit is reduced by the taking, the number representing the share in the Common Elements appurtenant to the Unit shall be reduced in the proportion by which the floor area of the Unit is reduced by the taking, and then the shares of all Unit Owners in the Common Elements shall be restated as percentages of the total of the numbers representing their original shares as reduced by the taking.

F. Units not Tenantable. If the taking is of any entire Unit or so reduces the size of a Unit that it cannot be made tenantable, the award for the taking of the Unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the condominium:

(i) *Payment of Award.* The condemnation award immediately prior to the taking shall be paid to the Owner of the Unit and to each mortgagee of the Unit, the remittance being made payable jointly to the Owner and mortgagee(s).

(ii) *Addition to Common Elements.* If possible and practical, the remaining portion of the Unit shall become a part of the Common Elements and shall be

placed in condition for use by all Unit Owners in the manner approved by the Board of Directors.

(iii) Assessments. If the amount of the award for the taking is not sufficient to pay the fair market value of the condemned Unit to the Unit Owner and to recondition the remaining portion of the Unit, the amount required for those purposes shall be raised by special assessment against all of the Unit Owners who will continue as owners of any Unit after the changes in the Condominium effected by the taking. The assessments shall be made in proportion to the shares of those owners in the Common Expenses after the changes effected by the taking.

G. Taking of Common Elements. Awards for the taking of Common Elements shall be used to make the remaining portion of the Common Elements usable in the manner approved by the Board of Directors. The balance of such awards, if any, shall be distributed to the Unit Owners in the shares in which they own Common Expenses after adjustment of these shares on account of the condemnation. If a Unit is mortgaged, the remittance shall be paid jointly to the Owner and mortgagee(s) of the Unit.

## **22. COMPLIANCE AND DEFAULT.**

A. Duty to Comply; Right to Sue. Each Unit Owner, his tenants and guests, and the Association shall be governed by and shall comply with the provisions of the Condominium Act, this Declaration, and the documents creating the Association, the By-Laws and the Rules and Regulations. Action for damages or for injunctive relief, or both, for failure to comply may be brought by the Association or by a Unit Owner against:

- (i) The Association;
- (ii) A Unit Owner; or
- (iii) Anyone who occupies a Unit as a tenant or is a guest in a Unit.

B. Waiver of Rights. The failure of the Association to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association to enforce such right, provision, covenant or condition in the future. A provision of the Condominium Act may not be waived if the waiver would adversely affect the rights of the Owner or defeat the purpose of the provision, except that Unit Owners or Directors may waive notice of specific meetings as provided in the By-Laws.

C. Attorney's Fees. In any legal proceeding arising out of an alleged failure of a Unit Owner, tenant, guest, or invitee or the Association to comply with the requirements of the Condominium Act or the Condominium Documents, as they may be amended from time to time, the prevailing party shall be entitled to recover the costs and expenses of the proceeding and a reasonable attorney's fee before trial, at trial and on appeal. The Association may also recover attorney's fees it incurs because of noncompliance with the Condominium Documents in cases where no court action is filed including, but not limited to, arbitration and pre-litigation fees incurred in the collection of delinquent assessments, and fees reasonably incurred by the Association in obtaining compliance with the Condominium Documents. Said costs and fees shall be secured by a lien for charges, as provided in Section 14 hereof.

D. No Election of Remedies. All rights, remedies and privileges granted to the Association or Unit Owners under any terms, provisions, covenants, or conditions of the Condominium Documents shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party from exercising such other additional rights, remedies, or privileges as may be granted by the Condominium Documents, or at law or in equity.

E. Notice of Lien or Suit.

(i) *Notice of Lien.* A Unit Owner shall give to the Association written notice of every lien upon his Unit other than for permitted first mortgages, taxes and special assessments, within five (5) days after the Unit Owner receives actual notice of the attachment thereof.

(ii) *Notice of Suit.* A Unit Owner shall give notice, in writing, to the Association of every suit or other proceeding which may affect the title to his Unit, such notice to be given five (5) days after the Unit Owner receives actual knowledge thereof.

(iii) *Failure to Comply.* Failure of an Owner to comply with this Section 22E will not affect the validity of any judicial suit; however, the failure may render the Owner liable to any party injured by such failure.

**23. PROVISIONS CONCERNING MORTGAGEES.**

A. Particular Provisions. It is the intent of the Declarant to promote and facilitate financing for the purchase of Units, for any addition, alteration or renovation of Units permitted under the terms of the Condominium Documents, and the refinancing from time to time of any such financing. Therefore, each mortgage holder of a Unit shall have the right to examine the books and records of the Association from time to time and to inspect the Condominium Property. In addition, each mortgage holder shall be entitled, upon written request, to receive within a reasonable time after request, and free of charge, a copy of the most recent financial statement of the Association available and a copy of the then current annual budget.

B. Other Condominium Provisions. In the event of any conflict between Section 23 of this Declaration and any other provision of the Condominium Documents, the provisions of this Section 23 shall control, provided that the provisions of this Section shall not operate to deny or delegate control by the Board or Unit Owners over the general administrative affairs of the Association, to prevent the Board or Association from commencing, intervening in or settling any litigation or proceeding, or to permit any mortgage holder to receive any insurance proceeds in any manner except as provided in the Act and shall not be construed to reduce the percentage vote that must be obtained from mortgage holders or Unit Owners where a larger percentage vote is otherwise required by the Act or other provisions of the Condominium Documents.

C. Provisions Concerning Certain Mortgagees. From and after the first date on which any Unit is encumbered by any mortgage guaranteed or insured by the Federal Housing Administration, the United States Department of Housing and Urban Development or the Veterans' Administration (herein "Agency"), the following provisions apply in addition to, and not in lieu of, the foregoing. Unless the written consent of each

such Agency which has guaranteed or insured any such mortgage is first obtained, the Association shall not, so long as there is a Class B Member:

- (i) Subject additional property to the terms of the Declaration;
- (ii) Merge or consolidate with any corporation or other entity;
- (iii) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (provided that the granting of easements for utilities or other similar purposes consistent with the intended use of the Common Area shall be deemed a transfer within the meaning of the paragraph);
- (iv) Dissolve; or
- (v) Amend these Articles.

The necessary approval shall be deemed given by a particular Agency if such Agency fails to deliver written notice of its disapproval of any such action to the Association within twenty (20) days after a request for such approval is delivered to such Agency by certified mail, return receipt requested, or equivalent delivery, and such approval may be conclusively evidenced by a certificate of the Association that the approval was given or deemed given.

#### **24. MISCELLANEOUS PROVISIONS.**

A. The covenants and restrictions as herein contained, or forming a part of the Condominium Documents, shall be deemed to run with the land.

B. So long as there is a Class B Membership in the Association, annexation of additional properties, dedication of common areas, dissolution, and amendment to the Declaration require HUDVA prior approval.

C. The Class B Membership in the Association ceases and converts to Class A Membership upon the earliest of the following:

- (i) One hundred twenty (120) days after the date by which 75% of the Units (45) have been conveyed to Unit Purchasers; or
- (ii) The Declarant notifies the Association in writing that Declarant relinquishes and terminates Declarant's control over the Association; or
- (iii) Two years from date of sale of the first Unit.

D. If any provision of the Condominium Documents hereto, as the same now exist or as may be later amended or any portion thereof, shall be held invalid by any Court, the validity of the remainder of said Condominium Documents shall remain in full force and effect.

E. These Condominium Documents shall be binding upon the heirs, nominees, successors, administrators, executors and assigns of all Unit Owners.

F. All notices shall be given as provided in the By-Laws.

G. **There shall be no limitation upon sale, lease or occupancy of any Unit based upon race, creed, color, sex, religion, national origin, handicap or familial status.**

H. The Board of Directors of the Association shall be responsible for interpreting the provisions of this Declaration and of any exhibits attached hereto.

I. The headings and captions used in the Condominium Documents are solely for convenience sake and shall not be considered a limitation of any nature, in interpreting the Condominium Documents.

**IN WITNESS WHEREOF**, the Declarant has executed this Declaration on the day and year first above written.

**STERLING OAKS, LLC, an Alabama limited liability company**

Betty A. Mikes  
Witness

By: Ingram D. Tynes  
Ingram D. Tynes, as its Manager

STATE OF ALABAMA )  
  :  
JEFFERSON COUNTY )

I, the undersigned, a notary public in and for said county and state, hereby certify that Ingram D. Tynes, whose name as Manager of Sterling Oaks, LLC, an Alabama limited liability company, 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 said instrument, he, in his capacity as such Manager and with full authority, executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 4th day of March, 2004.

Kathy F. Dickinson  
Notary Public

My Commission Expires: June 17, 2007

[NOTARIAL SEAL]

STATE OF ALABAMA  
JEFFERSON COUNTY

)  
:  
)

The undersigned, AmSouth Bank, as the holder of a first mortgage covering the property submitted to the condominium form of ownership pursuant to this Declaration, does hereby join in the execution of and consent to this Declaration.

AMSOUTH BANK

By: [Signature]  
As its: Vize President

STATE OF ALABAMA  
JEFFERSON COUNTY

)  
:  
)

I, the undersigned, a notary public in and for said county and state, hereby certify that Steven R. Chester, whose name as Vize President of AmSouth Bank, 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 said 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 5 day of March, 2004.

[Signature]  
Notary Public

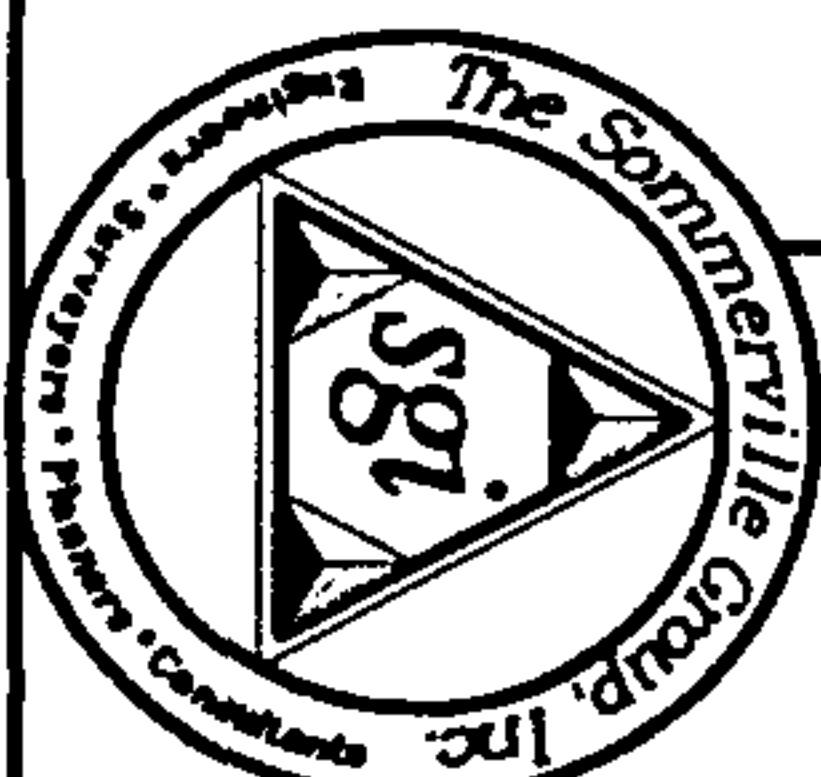
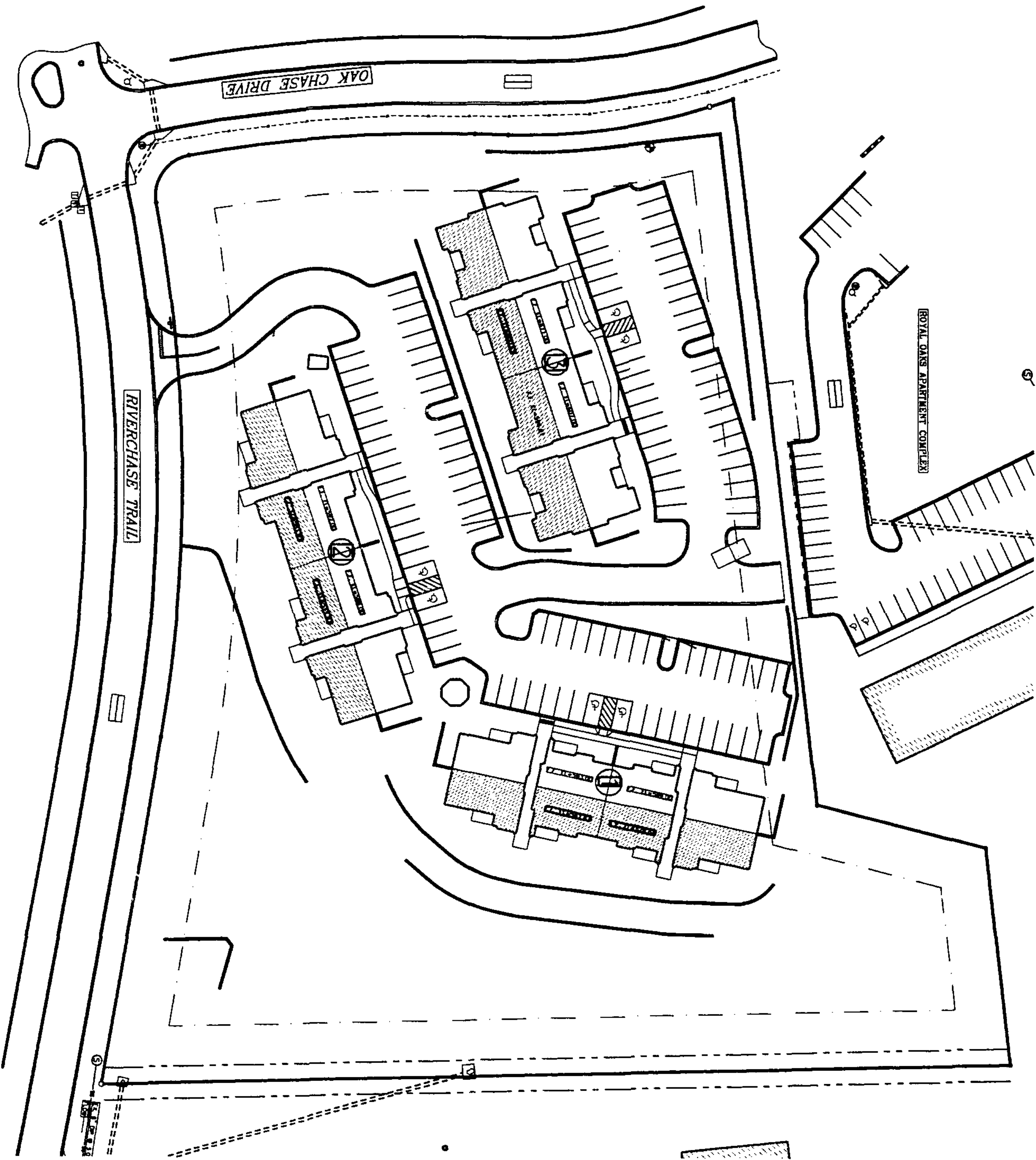
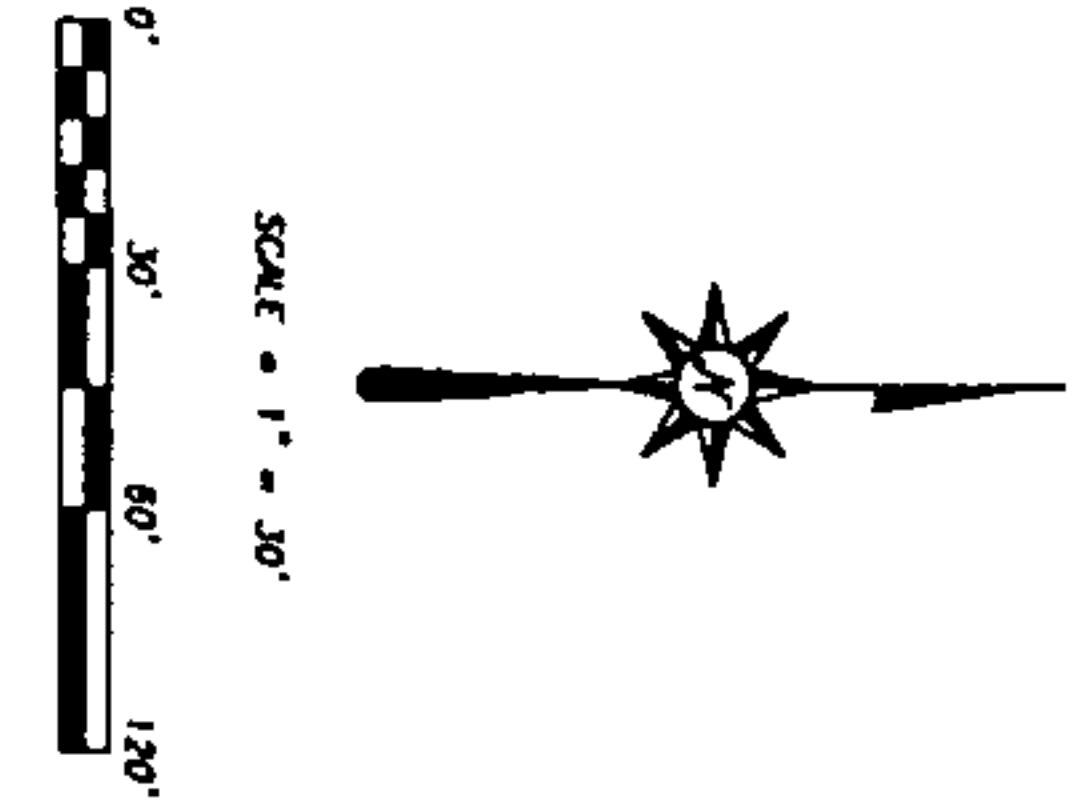
My commission expires: 11-18-04

[NOTARIAL SEAL]

## **EXHIBIT A**

**Lot 2, according to the Survey of Southwood Park Estates, First Addition to Hoover, as recorded in Map Book 17, Page 89, in the Probate Office of Shelby County, Alabama; TOGETHER WITH easement rights granted in that certain Amendment No. 3 to the Declaration of Protective Covenants, Agreements, Easements and charges and Liens recorded in Misc. Book 19, Page 633, in the Probate Office of Shelby County, Alabama.**

# Exhibit B



**The Sommerville Group, Inc.**  
 Engineers • Surveyors • Planners • Consultants  
 2320 7th Avenue South  
 Birmingham, Alabama 35233  
 Office: (205) 252-8965 Fax: (205) 320-1504

CONCEPTUAL SITE PLAN				
CLIENT		STERLING OAKS RIVERCHASE TRAIL HOOVER, ALABAMA		
APPROVED JRS	DESIGNED AFM	DRAWN AFM	CHECKED JRS	PROJECT NO. 02-491
DATE	06/10/03	SCALE 1"=30'	SHEET 1 OF 1	

REVISIONS		
NO.	DESCRIPTION	DATE

**ARTICLES OF INCORPORATION**  
**OF**  
**STERLING OAKS OWNERS' ASSOCIATION, INC.**

THE UNDERSIGNED, for the purpose of forming a corporation pursuant to the provisions of the Alabama Nonprofit Corporation Act (Code of Alabama (1975), Sections 10-3a-1, et seq.) hereby adopts the following Articles of Incorporation and certify as follows:

1. **NAME.** The name of the corporation is "STERLING OAKS OWNERS' ASSOCIATION, INC." (hereinafter referred to as 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 an entity pursuant to the Alabama Uniform Condominium Act, which is Title 35, Chapter 8A, Code of Alabama (1975), as amended, for the operation, management, maintenance, and control of Sterling Oaks, a Condominium Community. The Association shall make no distribution of its income to its members, directors, or officers as compensation for their serving solely in those capacities.
  - (b) To own, operate, maintain, manage, repair and replace common areas as are defined in the Declaration of Condominium of Sterling Oaks, a Condominium Community (the "Declaration").
  - (c) To the extent provided in the Declaration, to control the specifications, architecture, design, appearance, siting and landscaping of all improvements to be constructed, placed or permitted to remain on any of the Condominium Property referred to in the Declaration.
  - (d) To perform and carry out the acts, duties, responsibilities and conditions delegated to the Association in the Declaration, these Articles, the Bylaws of this Association and all amendments thereto.
  - (e) 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.

- (f) 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 Condominium Property.**
- (g) To make, levy, collect and enforce assessments provided for under the Declaration, and to use and expend such assessments as provided under the Declaration.**
- (h) To employ personnel and contract for services, material and labor, including contracting for the management of the Common Areas as defined in the Declaration and all other portions of the Condominium Property.**
- (i) 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.**
- (j) To enforce any of the provisions of the Declaration by legal and equitable actions as may from time to time be necessary.**
- (k) 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.**
- (l) To operate without profit for the sole and exclusive benefits of its members.**
- (m) To carry on any other business in connection with the forgoing, 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 purpose 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:

Boothby Realty Incorporated  
4 Office Park Circle, Suite 106  
Birmingham, Alabama 35223

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 its Members thereof. No part of the earnings of the Association shall inure to 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.** 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 Unit. The Association shall have two classes of membership, Class A and Class B. The Class A Members shall be all Owners except the Class B Members, if any. The Declarant, or any successor to whom Class B membership has been specifically conveyed through an instrument filed of record in the Office of the Judge of Probate of Shelby County, Alabama, shall be the Class B Member. The Class B Member's rights are specified in the Declaration and the By-Laws. The Class A Members shall be entitled to one vote per Unit. The voting rights of any Member may be limited and suspended in accordance with the provisions of the Declaration. Any change of membership shall be evidenced by filing for the record a deed or other appropriate instrument in the Office of the Judge of Probate in Shelby County, Alabama, which deed or other instrument shall establish record title to a Unit or other real property subject to the Declaration, which deed or other instrument shall be deemed to qualify as written notice to the Association of such change in ownership. The grantee designated in such deed or other instrument automatically becomes a member of the Association, with the membership of the prior owner being contemporaneously terminated.

7. **BOARD OF DIRECTORS.**

- (a) **Number of Directors.** The affairs of the Association shall be managed by a Board of Directors. The number of Directors constituting the initial Board of Directors shall be one (1). At such time that there are no Class B Members, the number of Directors shall be fixed by amendment to or in the Bylaws and may thereafter be increased or decreased from time to time by amendment to or in the manner provided in the Bylaws; provided, however, that (i) the number of Directors shall in no event consist of fewer than three (3) Directors and (ii) no decrease in the number of Directors shall have the effect of

shortening the term of any incumbent Director. A Director must be the owner of a Unit, or, if the owner is an artificial entity, then a nominee of that entity may serve as a Director. The name and address of the initial Director of the Association until his successor is elected and qualified is as follows:

Ingram D. Tynes  
820 Shades Creek Parkway, Suite 2300  
Birmingham, Alabama 35209

b) 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.

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

James J. Odom, Jr., Esq.  
Post Office Box 11244  
Birmingham, AL 35202-1244

9. DISTRIBUTION OF ASSETS UPON DISSOLUTION. 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 dedicated to a public body or conveyed to a non-profit organization with similar purposes.

10. AMENDMENT. These articles of incorporation may be amended, subject to the terms and provisions of the Declaration, by the affirmative vote of at least two-thirds (2/3) of the total votes in the Association.

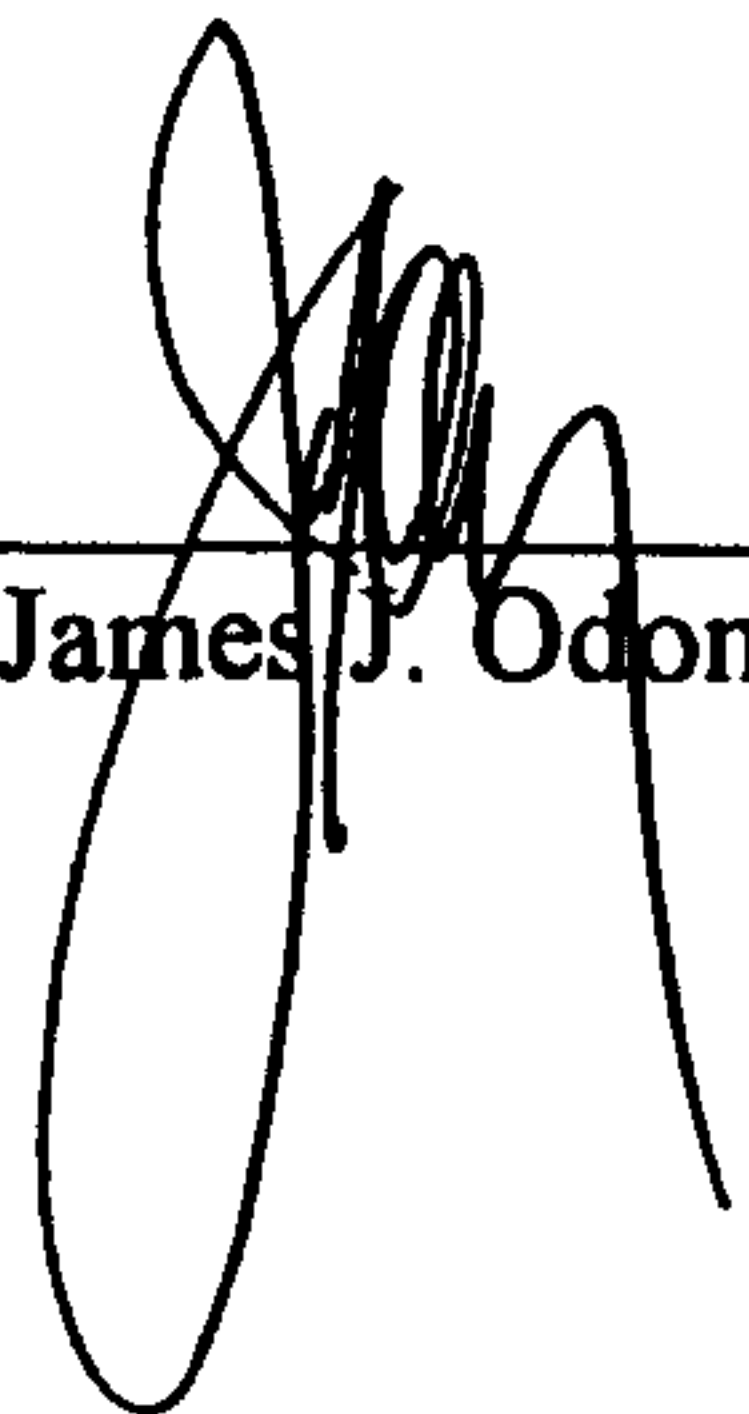
11. INCORPORATION BY REFERENCE. All of the terms, provisions, definitions, covenants and conditions set forth in the Declaration are hereby expressly incorporated herein by reference as if fully set forth herein. In the event of any conflict or ambiguity between the terms, provisions, definitions, covenants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

12. PROVISIONS CONCERNING CERTAIN MORTGAGEES. From and after the first date on which any Unit is encumbered by any mortgage guaranteed or insured by the Federal Housing Administration, the United States Department of Housing and Urban Development or the Veterans' Administration (herein "Agency"), the following provisions apply in addition to, and not in lieu of, the foregoing. Unless the written consent of each such Agency which has guaranteed or insured any such mortgage is first obtained, the Association shall not, so long as there is a Class B Member:

- (a) Subject additional property to the terms of the Declaration.
- (b) Merge or consolidate with any corporation or other entity;
- (c) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (provided that the granting of easements for utilities or other similar purposes consistent with the intended use of the Common Area shall be deemed a transfer within the meaning of the paragraph);
- (d) Dissolve; or
- (e) Amend these Articles.

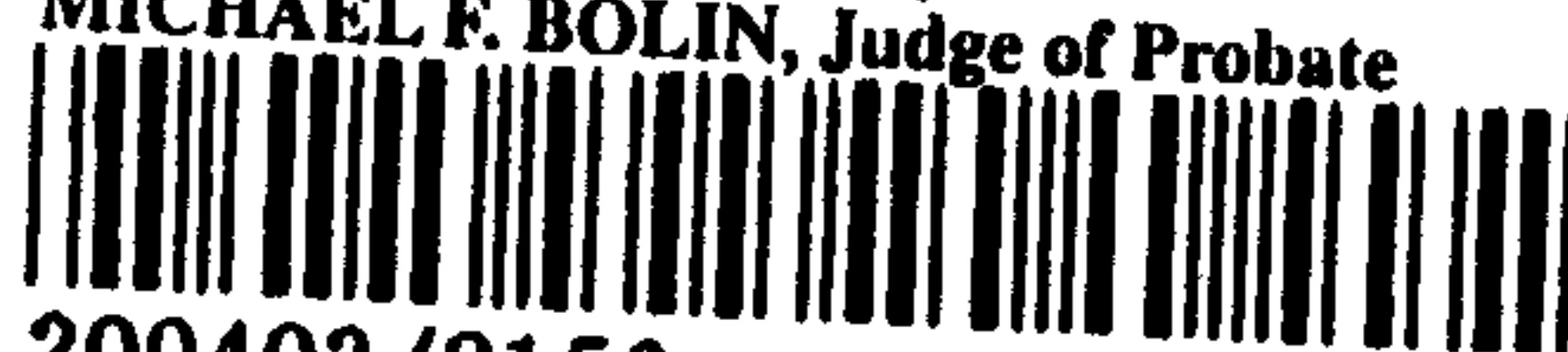
The necessary approval shall be deemed given by a particular Agency if such Agency fails to deliver written notice of its disapproval of any such action to the Association within twenty (20) days after a request for such approval is delivered to such Agency by certified mail, return receipt requested, or equivalent delivery, and such approval may be conclusively evidenced by a certificate of the Association that the approval was given or deemed given.

**IN WITNESS WHEREOF**, the undersigned Incorporator has hereunto subscribed his name to these Articles of Incorporation as of this the 4<sup>th</sup> day of March, 2004.

  
 \_\_\_\_\_  
 James J. Odom, Jr. - Incorporator

State of Alabama - Jefferson County  
 I certify this instrument filed on:  
 2004 MAR 04 P.M. 12:25

Recorded and \$		Mtg. Tax
and \$	26.00	Deed Tax and Fee Amt.
\$		Total \$ 26.00

MICHAEL F. BOLIN, Judge of Probate  
  
 200403/8156

**BYLAWS**  
**OF**  
**STERLING OAKS OWNERS' ASSOCIATION, INC.**

**ARTICLE I.**  
**OFFICES**

- Section 1. Principal Office. The principal office of Sterling Oaks Owners' Association, Inc., (herein, the "Association") shall be located at 4 Office Park Circle, Suite 106, Birmingham, AL 35223.
- Section 2. Registered Office. The registered office of the Corporation is also located at 4 Office Park Circle, Suite 106, Birmingham, AL 35223.
- Section 3. Other Offices. The Corporation may have offices at such other places, either within or without the State of Alabama, as the Board of Directors may designate or as the affairs of the Corporation may require from time to time.

**ARTICLE II.**  
**MEMBERSHIP AND VOTING RIGHTS**

- Section 1. Eligibility for Membership. Every person or entity who is an Owner of any Unit included in the Condominium Property, as those terms are defined in the Declaration of Condominium of Sterling Oaks, a Condominium Community, dated as of MARCH 4, 2004, and recorded as Instrument \_\_\_\_\_ in the Office of the Judge of Probate of Shelby County (the "Declaration"), shall be a Member of the Association, subject to the provisions of these Bylaws and the Articles of Incorporation of the Association. It is specifically understood that no person or entity who has an interest in any Unit solely as security for the performance of an obligation shall be entitled to Membership in the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit.
- Section 2. Classes of Membership and Voting. The Association shall have the following two classes of Membership:
- Class A Membership - Class A Members shall be all Members except the Class B Members, if any.
- Class B Membership The Declarant, or any successor to whom Class B Membership has been specifically conveyed, through a written instrument filed

of record in the Office of the Judge of Probate of Shelby County, Alabama, shall be the Class B Member.

The votes of each Membership class for each calendar year shall be determined as follows:

Each Class A Member shall have one vote for each Unit owned by such Member, provided there shall be only one vote per Unit.

The class B Members shall have one more vote than the aggregate number of votes which the Class A Members are collectively entitled to cast.

(c) Termination of B Membership. The Class B Membership shall terminate at the time and under the circumstances provided for in the Declaration.

### ARTICLE III. MEETINGS OF MEMBERS

- Section 1. Annual Meeting. The first annual meeting of the Members shall be held on the third Wednesday in January, 2004, or at such other time as may be designated by the Board of Directors and specified in the notice of such meeting. Successive annual meetings of the Members of the Association shall be held on the third Wednesday in January in succeeding years, if not a legal holiday and, if a legal holiday, then on the next succeeding Wednesday.
- Section 2. Special Meeting. Special meetings of the Members may be called at any time by the President or by the Board of Directors, and shall be called upon written request of the Members who are entitled to vote one-fourth (1/4) of all votes of any class of Membership.
- Section 3. Substitute Annual Meeting. If the annual meeting shall not be held on the day designated by these Bylaws, a substitute annual meeting may be called in accordance with the provisions of Section 2 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.
- Section 4. Notice of Meetings. Not fewer than seven nor more than sixty days before the date fixed for a meeting of the Members of the Association, written notice stating the time, place and purpose of such meeting shall be given by or at the direction of the Secretary or any other person or persons required or permitted by these Bylaws to give such notice, provided, however, in the case of an annual or substitute annual meeting, the notice of meeting need not specifically state the business to be transacted thereat, unless it is a matter, other than election of Directors, on which the vote of Members is expressly required by applicable provisions of Alabama law. The notice shall be given by personal delivery or by United States Mail to each Member of the

Association. If mailed, the notice shall be addressed to the Members of the Association at their respective addresses as the same appear on the records of the Association. Notice of the time, place and purpose of any meeting of Members may be waived in writing, either before or after the holding of such meeting, by any Member, which writing shall be filed with or entered upon the records of the meeting. The attendance of any Member at any such meeting without protesting lack of proper notice, prior to or at the commencement of such meeting, shall be deemed to be a waiver of notice by such Member of such meeting. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty (30) days in any one adjournment, it is not necessary to give any notice of the adjourned meeting other than by announcement at the meeting in which the adjournment is taken.

Section 5. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, fifty percent (50%) of the votes of the Membership shall constitute a quorum for any action except as otherwise provided in the Declaration, the Articles of Incorporation or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote shall have power to adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented, so long as said adjournment is for less than thirty (30) days. For meetings called to approve the annual budget the presence of thirty per cent (30%) of the votes of the membership shall constitute a quorum to act on a motion to approve the budget.

The Members at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of Members to leave less than a quorum. In the absence of a quorum in the opening, of any meeting of Members, such meeting may be adjourned from time to time by a vote of the majority of the Members voting on the motion to adjourn; and at any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting.

Section 6. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Unit or interest therein. A proxy shall be valid for one (1) meeting, only; this limitation shall not prohibit the use of a Durable Power of Attorney valid for more than one meeting.

Section 7. Voting by Members. Voting on all matters, except election of Directors, shall be by voice vote or by a show of hands unless one tenth (1/10) of the votes represented at the meeting shall, prior to the voting on any matter, demand a ballot vote on that particular matter.

Section 8. **Informal Action by Members.** Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the persons who would be entitled to vote upon such action at the meeting and filed with the Secretary of the Association to be kept as part of the corporate records. The Members shall be deemed to have adopted an action upon the affirmative vote of a majority of the outstanding votes of the Members permitted to vote on the subject issues unless otherwise provided herein.

#### ARTICLE IV BOARD OF DIRECTORS

Section 1. **General Powers.** The business and affairs of the Association shall be managed by its Board of Directors.

Section 2. **Number and Term.** The number of Directors constituting the initial Board of Directors shall be one (1). Each Director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor shall have been elected and qualified.

Section 3. **Initial Board.** From the time of incorporation until the initial meeting of Members of the Association, the Board of Directors shall consist of the person (the "Initial Director") listed in the Articles of Incorporation of the Association. A Director must be the Owner of a Unit, or, if the Owner is an artificial entity, then a nominee of that entity may serve as a Director.

Section 4. **Number and Qualification.** At such time that Class B Membership ceases, the Board shall consist of not fewer than three nor more than seven persons, the exact number of Directors required from time to time to be fixed by Resolution of the Board of Directors. Except for the individual who is the Initial Director, each person nominated or elected to the Board shall be an Owner or holder of an ownership interest in an Owner.

Section 5. **Election of Board; Vacancies.** Board Members shall be elected at the annual meeting of Members of the Association or at a special meeting called for such purpose. At a meeting of Members of the Association at which Board Members are to be elected only persons nominated as candidates in accordance with the provisions of Section 17 of Article IV shall be eligible for election as Board Members and the candidates receiving the greatest number of votes shall be elected. In the event of the occurrence of any vacancy or vacancies in the Board, however caused, the remaining Board Members, though less than a majority of the total authorized number of Board Members, may, by vote of a majority of their number, fill any such vacancy for the unexpired term.

Section 6. Term of Office; Resignations; Compensation.

- (a) Term. Each Board Member shall hold office for the term stated below or until his successor is elected, or until his earlier resignation, removal from office or death.
- (b) Staggered Terms. At the first annual meeting the Members shall elect one-third (1/3) of the Directors for a term of one year, one-third (1/3) of the Directors for a term of two years and one-third (1/3) for the remaining number of Directors for a term of three years; and at each annual meeting thereafter the Members shall elect one third (1/3) of the Directors for a term of three years. In the event of any increase in the number of directors, the additional Directors shall be elected so that each respective "third" of Directors shall be increased equally, as nearly as may be, and, in the event of any decrease in the number of Directors, each respective "third" of directors shall be decreased equally, as nearly as may be.
- (c) Term for Initial Elections. Because the first annual meeting of Members of the Association is scheduled for the third Wednesday in January, 2004, and succeeding annual meetings of Members of the Association are scheduled for the third Wednesday of January in succeeding years, it is necessary that the terms of the Board Members elected at the first annual meeting of Members of the Association be reduced sufficiently to accommodate scheduling of the annual meetings.
- (d) Resignation. Any Board Member may resign at any time by oral statement to that effect made at a meeting of the Board, or in a writing to that effect delivered to the Secretary of the Association, such resignation to take effect immediately or at such other time as the resigning Board Member may specify.
- (e) Compensation. Members of the Board shall serve without compensation.

Section 7. Organizational Meetings. Immediately after each annual meeting of Members of the Association, the newly elected Board Members and those Board Members whose terms hold over shall hold an organizational meeting for the purpose of electing officers and transacting any other business. Notice of such meetings need not be given.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined by a majority of the Board and provided by resolution, but at least four such meetings shall be held during each fiscal year. Regular meetings may be held without notice.

- Section 9. **Special Meetings.** Special meetings of the Board of Directors shall be held at any time upon call by the President or any two (2) Board Members. Notice of the time and place of each such meeting shall be given to each Board Member either by personal delivery or by mail, telegram or telephone at least two (2) days before the meeting, which notice need not specify the purpose of the meeting; provided, however, that attendance of any Board Member at any such meeting without protesting lack of proper notice, prior to or at the commencement of the meeting, shall be deemed to be a waiver by him or her of notice of such meeting. Such notice may be waived in writing either before or after the holding of such meeting, by any Board Member, which writing shall be filed with or entered upon the records of the meeting. Unless otherwise indicated in the notice thereof, any business may be transacted at any organizational, regular or special meeting.
- Section 10. **Quorum; Adjournment.** A quorum of the Board of Directors shall consist of a majority of the Board Members then in office; provided that a majority of the Board Members present at a meeting duly held, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned for lack of a quorum or without completing the business scheduled to come before the meeting, notice of the time and place to which such meeting is adjourned need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting. At each meeting of the Board at which a quorum is present, all questions and business shall be determined by a majority vote of those present, except as may be otherwise expressly provided in the Declaration, Articles of Incorporation or these Bylaws.
- Section 11. **Presumption of Assent.** A Director of the Association who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent is otherwise entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association within three (3) business days after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.
- Section 12. **Informal Action by Directors.** Action taken by a majority of the Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.
- Section 13. **Committees of the Board.** The Board of Directors, by resolution adopted by a majority of the number of Directors fixed by these Bylaws, may designate three or more Directors to constitute an Executive Committee and other committees, each of which, to the extent authorized by law and provided in such resolution, shall have and

may exercise all of the authority of the Board of Directors in the management of the Association. The designation of any committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any Member thereof, of any responsibility or liability imposed upon it or him by law.

**Section 14. Powers, Duties and Authority.**

(a) **Exercise by Board.** Except as otherwise provided by law, the Declaration, Articles of Incorporation or these Bylaws, all power and authority of the Association shall be exercised by the Board of Directors.

(b) **General Power and Authority.** In carrying out the purposes, and subject to the limitations prescribed by law, the Declaration, Articles of Incorporation or these Bylaws, the Board, for and on behalf of the Association, may:

- (i) purchase or otherwise acquire, lease as lessee, hold, use, lease as lessor, sell, exchange, transfer, and dispose of property of any description or any interest therein;
- (ii) make contracts;
- (iii) effect insurance;
- (iv) borrow money, and issue, sell and pledge notes, bonds, and other evidences of indebtedness of the Association;
- (v) levy assessments against Owners;
- (vi) employ lawyers and accountants to perform such legal and accounting services as the Board may authorize;
- (vii) do all things permitted by law and exercise all power and authority within the purposes stated in these Bylaws, the Declaration or Articles of Incorporation or incidental thereto; and
- (viii) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration.

(c) **Particular Duties.** The Board of Directors shall have the following particular duties:

- (i) to cause to be kept a complete record of all its acts and to present a statement thereof to the Members at the annual meeting, when such statement is requested in writing by one fourth (1/4) of the Members who are entitled to vote; and

(ii) as more fully provided in the Declaration and these Bylaws, to

(A) establish the annual assessment period and fix the amount of the annual assessment against each Member at least thirty (30) days in advance of each annual assessment period; and

(B) to send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period.

(d) **More Specific Power and Authority.** In addition to the foregoing, and without limiting the generality of Sections 14(a) and 14(b) of this Article, the Board of Directors shall have the following specific powers:

(i) to adopt and publish rules and regulations governing the use of the facilities of the Association, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(ii) to suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association (Such rights may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations.);

(iii) to institute, pursue and settle, compromise or conclude actions to enforce the collection of assessments, foreclosure of liens, and enforcement of the Declaration;

(iv) to issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. If a certificate states an assessment has been paid; such certificate shall be conclusive evidence of such payment;

(v) to procure and maintain liability and hazard insurance on the Properties;

(vi) to declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

- (vii) to employ such agents and independent contractors as it shall deem necessary, and to prescribe theft duties.

Section 15. Removal of Members of the Board. At any regular or special meeting of Members of the Association duly called, at which a quorum shall be present, any one or more of the Board Members may be removed with or without cause by the affirmative vote of Members of the Association holding at least 75 % of the votes held by all Members of the Association, and a successor or successors to such Board Member or Members so removed shall then and there be elected to fill the vacancy or vacancies thus created. Any Board Member whose removal has been proposed by the Members of the Association shall be given an opportunity to be heard at such meeting.

Section 16. Fidelity Bonds. The Board may, but shall not be required, to require that all officers and employees of the Association who shall handle or be responsible for Association funds to furnish adequate fidelity bonds. The premiums for such bonds shall be paid by the Association.

Section 17. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. All nominations shall be subject to Section 4 of this Article.

Section 18. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## ARTICLE V. OFFICERS

Section 1. Election and Designation of Officers. The Board of Directors shall elect a President and a Vice President, each of whom shall be a Member of the Board. The Board shall appoint a Secretary and a Treasurer who may or may not be Members of the Board but who shall be Members of the Association, and the Board may also appoint an Assistant Treasurer and Assistant Secretary and such other officers as in their judgment may be necessary, any of whom may or may not be Members of the Board of Directors but who are Members of the Association.

- Section 2. **Term of Office; Vacancies.** The Officers of the Association shall hold office until the next organizational meeting of the Board and until their successors are elected, except in cases of resignation, removal from office or death. The Board may remove any Officer at any time with or without cause by a majority vote of the Board Members then in office. Any vacancy in any office may be filled by the Board.
- Section 3. **President.** The President shall be the chief executive officer of the Association. He shall preside at all meetings of Members of the Association and shall preside at all meetings of the Board. Subject to directions of the Board, the President shall have general executive supervision over the business and affairs of the Association. He may execute all authorized deeds, contracts and other obligations of the Association and shall have such other authority and shall perform such other duties as may be determined by the Board or otherwise be provided for in the Declaration, the Articles of Incorporation or these Bylaws.
- Section 4. **Vice President.** The Vice President shall perform the duties of the President whenever the President is unable to act and shall have such other authority and perform such other duties as may be determined by the Board.
- Section 5. **Secretary.** The Secretary shall keep the minutes of meetings of Members of the Association and of the Board. He shall keep such books as may be required by the Board, shall give notices of meetings of Members of the Association and of the Board required by law, the Declaration, the Articles of Incorporation or these Bylaws, and shall have such authority and shall perform such other duties as may be determined by the Board of Directors or otherwise provided for in the Declaration, the Articles of Incorporation or these Bylaws.
- Section 6. **Treasurer.** The Treasurer shall receive and have charge of all money, bills, notes and similar property belonging to the Association, and shall do with the same as may be directed by the Board of Directors. He shall keep accurate financial accounts and hold the same open for the inspection and examination of the Board of Directors and shall have such authority and shall perform such other duties as are determined by the Board of Directors.
- Section 7. **Other Officers.** The Assistant Secretaries and Assistant Treasurers, if any, and any other Officers whom the Board may appoint shall, respectively, have such authority and perform such duties as may be determined by the Board.
- Section 8. **Delegation of Authority and Duties.** The Board is authorized to delegate the authority and duties of any Officer to any other Officer and generally to control the action of the Officers and to require the performance of duties in addition to those mentioned herein. The office of Treasurer may be held by any other officer of the Association, except that the President shall not also hold the office of Treasurer.

## ARTICLE VI.

### INDEMNIFICATION OF BOARD MEMBERS AND OFFICERS

- Section 1. **Indemnity by Association.** Each Director and Officer of the Association, and each former Director and former Officer of the Association, shall be indemnified by the Association against the costs and expenses reasonably incurred by him in connection with the defense of any pending or threatened action, suit or proceeding, criminal or civil, to which he is or may be made a party by reason of his being or having been such Director or Officer of the Association (whether or not he is a Director or Officer at the time of incurring such costs and expenses), except with respect to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for misconduct or negligence in the performance of his duty as such Director or Officer.
- Section 2. **Settlement of Claims.** In case of the settlement of any action, suit or proceeding to which any Director or Officer of the Association, or any former Director or Officer of the Association, is made a party or which may be threatened to be brought against him by reason of his being or having been a Director or Officer of the Association, he shall be indemnified by the Association against the costs and expenses (including the cost of settlement) reasonably incurred by him in connection with such action, suit or proceeding (whether or not he is a Director or Officer at the time of incurring such costs and expenses), if (a) the Association shall be advised by independent counsel that, in such counsel's opinion, such Director or Officer did not misconduct himself or was not negligent in the performance of his duty as such Director or Officer with respect to the matters covered by such action, suit or proceeding, and the cost to the Association of indemnifying such Director or Officer (and all other Directors and Officers, if any, entitled to indemnification hereunder in such case), if such action, suit or proceedings were carried to a final adjudication in their favor, could reasonably be expected to exceed the amount of costs and expenses to be reimbursed to such Directors and Officers as a result of such settlement, or (b) disinterested Members of the Association entitled to exercise a majority of the voting power of all disinterested Members shall, by vote at any annual or special meeting of the Association, approve such settlement and the reimbursement to such Director or Officer of such costs and expenses.
- Section 3. **Disinterested Members.** The phrase "disinterested Members," as used in Section 2 of this Article, shall mean all Members of the Association other than (i) any Director or Officer of the Association who at the time is or may be entitled to indemnification pursuant to the foregoing provisions, (ii) any Association or organization of which any such Director or Officer owns of record or beneficially ten percent (10%) or more of any class of voting securities, (iii) any firm of which such Director or Officer is a partner, and (iv) any spouse, child, parent, brother or sister of any such Director or Officer.

Section 4. **Cumulative Nature.** The foregoing rights of indemnification shall inure to the benefit of the heirs and legal representatives of each such Director or Officer, and are cumulative of, and shall not be exclusive of other rights to which any Director or Officer may be entitled as a matter of law under the Declaration, any vote of the Members of the Association or any other agreement

Section 5. **Directors and Officers Insurance.** The Board may purchase and maintain such Directors' and Officers' Liability Insurance as it shall deem appropriate, and premiums for such insurance policies shall be deemed for all purposes proper expenses of the Association.

#### ARTICLE VII. AMENDMENTS TO BYLAWS

Section 1. **Procedure.** These Bylaws may be amended, at a regular or special meeting of the Members of the Association, by the affirmative vote of Members holding at least seventy-five per cent (75%) of the votes held by all Members of the Association.

Section 2. **Conflict.** In the case of any conflict between these Bylaws and the Articles of Incorporation or the Declaration, the Articles or Declaration, as the case may be, shall control.

#### ARTICLE VII. FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December of every calendar year, except that the first fiscal year shall begin on the date of Incorporation.

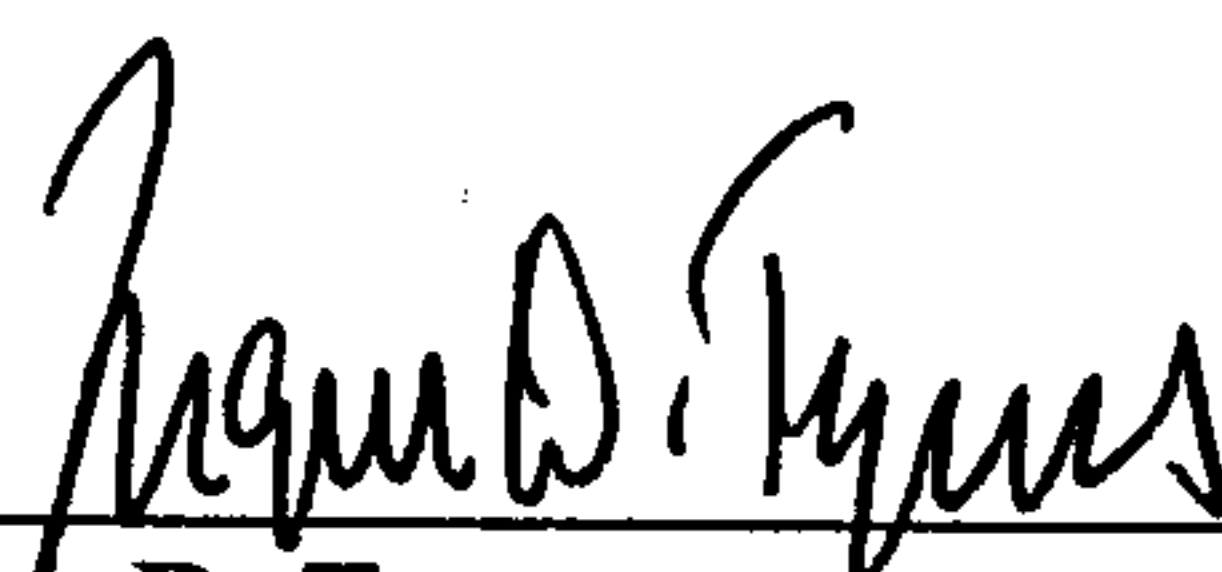
#### ARTICLE IX. DEFINITIONS

The terms used in these Bylaws (except as herein otherwise expressly provided or unless the context otherwise required) for all purposes of these Bylaws and of any amendment hereto shall have the respective meanings set forth in the Declaration.

#### ARTICLE X PROVISIONS CONCERNING CERTAIN MORTGAGEES

From and after the first date on which any Unit is encumbered by any mortgage guaranteed or insured by the Federal Housing Administration, the United States Department of Housing and Urban Development or the Veterans' Administration (herein, an "Agency"), the provisions of this Article X shall apply in addition to, and not in lieu of, the foregoing. Unless the written consent thereto of each such Agency, which has guaranteed or insured any such mortgage, is first obtained,

no amendment of the Bylaws, proposed or made while there is a Class B Member, shall be effective. Approval of any such amendment shall be deemed given by a particular Agency if such Agency fails to deliver to the President written notice of its disapproval thereof within twenty (20) days after a request for such approval is delivered to such Agency by certified mail, return receipt requested or equivalent delivery, and such approval may be conclusively evidenced by a certificate of the Board of Directors that the approval was given or deemed given.

  
\_\_\_\_\_  
Ingram D. Tynes  
Developer/Declarant

STERLING OAKS CONDOMINIUMS

Unit Type B	109	Unit Type A	110	119	Unit Type A	120	Unit Type B
Unit Type B	107	Unit Type A	108	117	Unit Type A	118	Unit Type B
Residential Unit		Residential Unit		Residential Unit		Residential Unit	
		Breakroom				Breakroom	

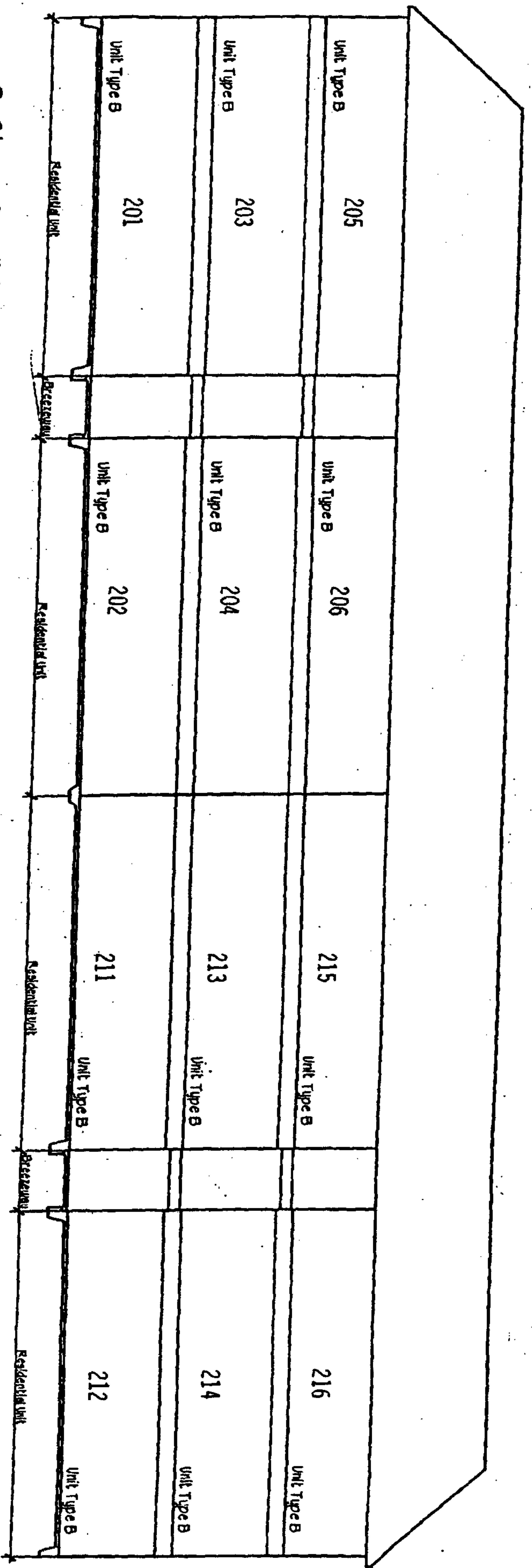
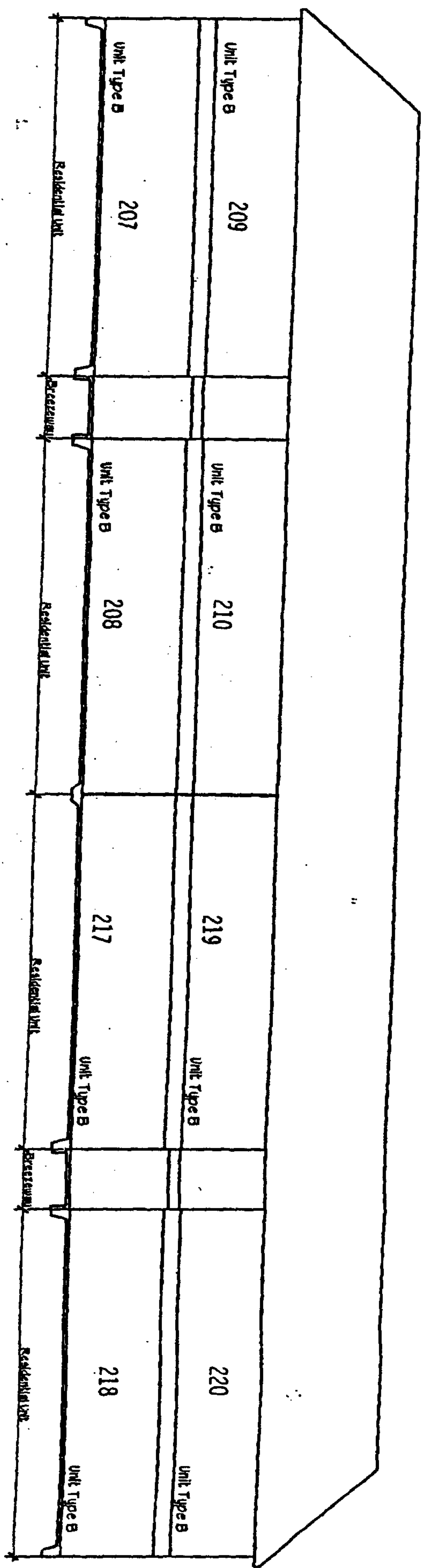
2-Story Condition

Unit Type B	105	Unit Type A	106	115	Unit Type A	116	Unit Type B
Unit Type B	103	Unit Type A	104	113	Unit Type A	114	Unit Type B
Unit Type B	101	Unit Type A	102	111	Unit Type A	112	Unit Type B
Residential Unit		Residential Unit		Residential Unit		Residential Unit	
		Breakroom				Breakroom	

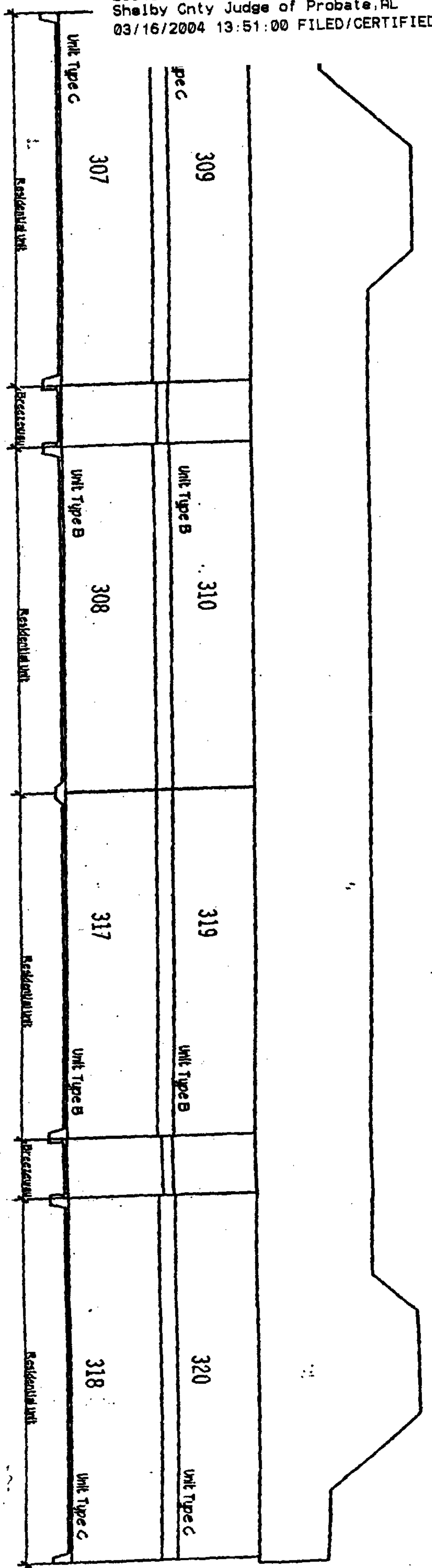
3-Story Condition

Exhibit E-1

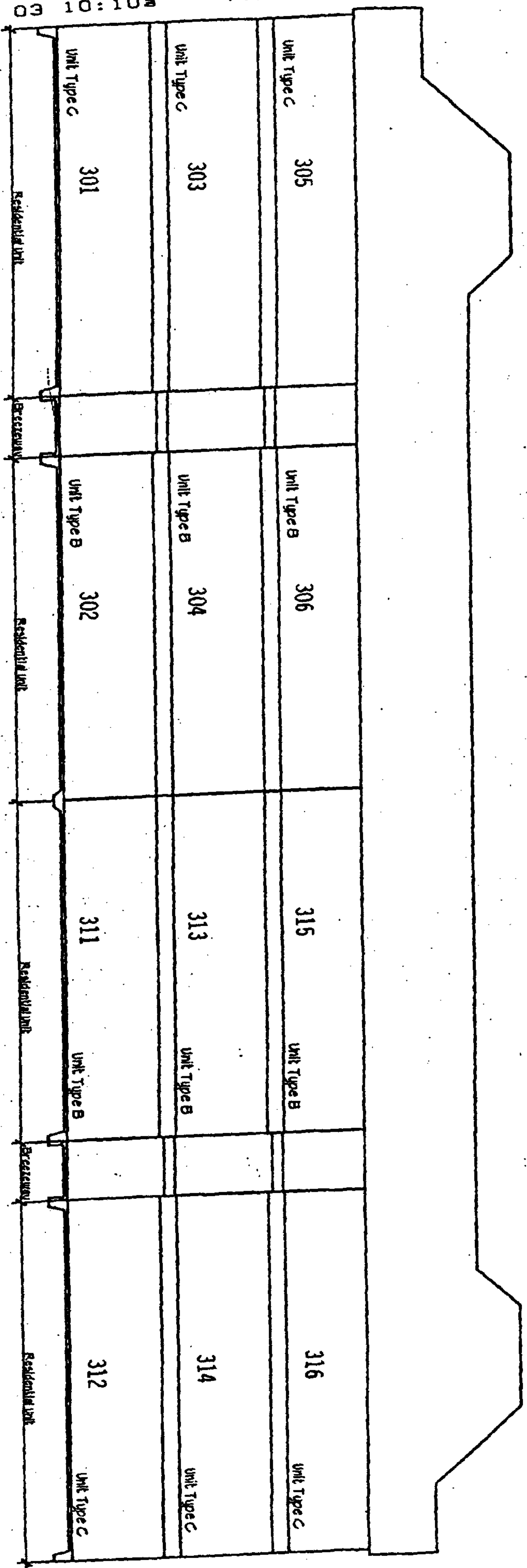
Building # 1 (B/A)



Building #2/B/B1



2-Story Condition



3-Story Condition

Building #3 (C/B)