

**FOURTH AMENDMENT TO THE BYLAWS OF
SADDLE LAKE FARMS ASSOCIATION, INC.**

The Bylaws of Saddle Lake Farms Association, Inc. (hereafter referred to as SLFAI) were originally filed with the Shelby County Judge of Probate in 1995 as Exhibit D to the Declaration of Condominium, Instrument Number 1995-17530 by the Developer (known as Envirobuild). The Declaration of Condominium ("Declaration") has been amended four times since then (all by the Developer) to support a variety of necessities and requests as evidenced in these Amendments.

The "Control Period" as described in the Declaration was ended by the sale or otherwise transfer of the required percentage of units from Envirobuild to owners on or about November 16, 2004 at which time SLFAI members conducted an election to choose a Board of Directors. In keeping with the conditions outlined within the Declaration, Envirobuild elected to transfer control of SLFAI and all finances in accordance with their letter of January 11, 2005. A copy of this letter was filed with the County Judge of Probate as an attached document associated with the First Amendment to the Bylaws of SLFAI. The instrument number of the First Bylaw Amendment is 20050816000420310, dated and received by the Judge on August 16, 2005.

Further, the Second Amendment to the Bylaws of SLFAI was approved by the SLFAI Board of Directors and signed and dated by the SLFAI Secretary on April 23, 2007, and deals with vehicular and pedestrian issues and is know as "Rules for Use of Roadways". The instrument number of the Second Bylaw Amendment is 20070425000191120, dated and received by the County Judge of Probate on April 25, 2007.

Further, the Third Amendment to the Bylaws of SLFAI was approved by the SLFAI Board of Directors and signed and dated by the SLFAI Secretary on July 11, 2007, and provides for Annual Election Voting Reform, allowing for Ballot Box voting and the additional voting privacy that affords, and provides guidelines for the election process. The instrument number of the Third Bylaw Amendment is 20070711000325910, dated and received by the County Judge of Probate on July 11, 2007.

At the time of this Fourth Amendment, the members of the SLFAI Board of Directors are:

Larry Rowland (currently President)
Jon Butler (currently Vice President)
Sam Munyer (currently Treasurer)
Gene Talley (currently Secretary)
Isaac Prentice

RECITALS

As provided for under Article X of the existing Bylaws (Amendments), the Board has duly voted on and approved by majority vote a number of revisions, additions and deletions to these Bylaws, these votes being recorded in the written minutes of the meeting of the Board of Directors. Also, as provided in this section of the Bylaws, the Secretary of the Board of Directors has signed this Amendment in order for it to be recorded in the Shelby County Probate Office.

WITNESSETH

NOW THEREFORE, in consideration of which is acknowledged by all parties hereto, it is hereby agreed as follows:

Article V, Section 8 shall be replaced in its entirety, to read as follows:

8. **Assessment Payment and Collection Policy.** *The Board of Saddle Lake Farms Association, Inc. (SLFAI) is charged with the setting and collection of an annual (calendar year) assessment for each lot/unit. The assessment covers the annual period from January 1st of a year to December 31st of the same year. Assessments are set and collected to pay for the maintenance and improvement of the overall community. Such maintenance and improvements are to benefit the community as a whole and should not be used for the sole benefit of an individual lot/unit. It shall be the duty of every Unit Owner to pay his/her proportionate share of the Common Expenses assessed in the manner herein provided. If any Unit Owner shall fail or refuse to make any such payments when due, the Association and the Board of Directors shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Alabama Uniform Condominium Act of 1991, the Declaration, or these Bylaws, or otherwise available at law or in equity, for the collection of all unpaid assessments. This policy contains several provisions already present in the Declaration and Bylaws, as well as additional provisions, and strives to provide a comprehensive and collective account of the process.*

Assessments are payable on an individual lot/unit basis (owners of multiple lots/units must pay an assessment on each lot/unit). Lot/unit owners are responsible for the payment of their assessments, in a timely fashion, based on the following:

- a) *Assessments are payable in full, without penalty, no later than March 15th of each year. The annual assessment amount is \$347.50, and the total assessment due is this annual assessment (for current calendar year), plus any amount due from prior years. From here forward, the term "Total Assessment" refers to this sum (the annual assessment, plus any amount due from prior years). The Total Assessment is officially due 30 days prior to March 15th each year, but payable, without penalty, by March 15th. For these purposes, any payment received through U.S. Mail is considered to be paid on the date of the postmark, provided such payment is valid (that is, the check, or other payment instrument clears bank processing and is paid by the financial institution on which it is drawn).*
- b) *A notice, for the Total Assessment, will be sent by regular mail to all lot/unit owners during the month of January. Such notice will be sent to the last known name and mailing address of the unit owner. A sincere, best-faith effort will be made to keep such owner data current, but it is the responsibility of the unit owner to make such payment when due, regardless of receipt (or timeliness of receipt) of such notice. Each unit owner is requested to inform the Board when such data change, so as to avoid any difficulties in this area. The lack of receipt of such notice does not relieve the lot/unit owner from paying their assessments in a timely fashion, nor from any late-payment penalties.*

c) *All assessments should be paid via check or money order, payable to: SLFAI*

d) *All assessments should be paid by mailing to:*

SLFAI Treasurer

P.O. Box 161

Saginaw, AL 35137

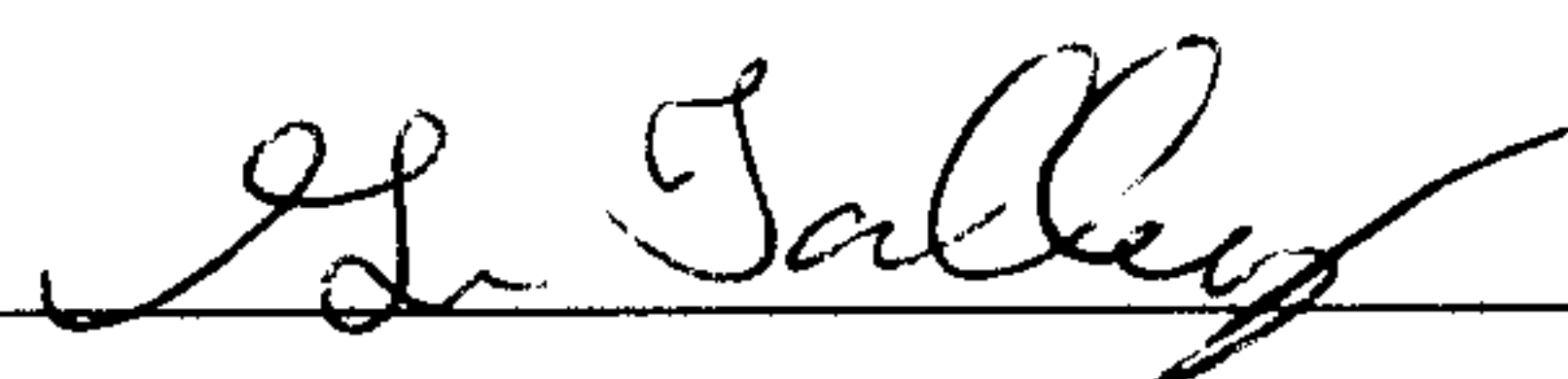
- e) *On or about March 15th, any lot/unit owners that are delinquent in their assessments (partial or full), will have a late penalty added to their account and a second notice will be sent, by regular mail, to their last known address of record. The Total Assessment (or remainder of such) and late penalty will be deemed to be immediately due and payable.*
- f) *On or about April 15th, any lot/unit owner that is still delinquent in their assessments (partial or full) will have a second late penalty added to their account. A third notice will be sent by Registered Mail to their address of record. The costs of the Registered Mail Postage will be added to their account, prior to such notice being sent. The Total Assessment (partial or full), the two late penalties and the pass-thru postage costs will be deemed to be immediately due and payable.*
- g) *On or about May 15th, any lot/unit owner that is still delinquent in their assessments (partial or full) will have a third late penalty added to their account, and their account will be turned over to the Board's Collection Attorney for further action. The delinquent account will also incur any charges thusly imposed by the Collection Attorney.*
- h) *The Collection Attorney will immediately send the required 30-day debt collection notice to the unit owner.*
- i) *In the event that an account remains unpaid beyond the 30-day collection notice, the attorney will file suit against the lot/unit owner. Such filing will incur additional court costs, attorney fees and interest permitted by law. These amounts also will be applied to the account. Upon receipt of a Judgment from the courts, a lien will be executed against said lot(s)/unit(s).*
- j) *A Late Penalty will be applied each month, throughout the year, until the Total Assessment is paid in full, whether or not the account has been turned over to the Collection Attorney. At the end of the year, any amount (assessment or penalty) still due (unpaid) will be considered to be the "amount due from prior years" for the next year.*
- k) *Late Penalties for a unit will be calculated as such:*
 - 1) *Base-Penalty-Amount, or BPA, is defined by subtracting all assessments payments (made Year-to-Date) from the Total Assessment. For example, if a unit has \$102.50 due from prior years, but has already paid \$50 towards the current year's assessment, then the BPA would be $\$347.50 + \$102.50 - \$50.00 = \400.00*
 - 2) *The Monthly Penalty is calculated as being 1.25% of BPA (1.25% of \$400 = \$5 penalty). Note that penalty will not apply before March 15th, and the Monthly Penalty Rate of 1.25% corresponds to 15% per annum.*
 - 3) *Also note, that there are no penalties on penalties, that is, the following month, if this example case had no transactions, then the 1.25% is against the same \$400 as in prior month, not the current balance of \$405. But further note, that, in this example, if the only transaction this following month was a payment of \$75, then now the BPA is $\$347.50 + \$102.50 - \$50 - \$75 = \$325$, and new penalty is \$4.06 (prior penalty was \$5). So, in this example, the current balance is $\$334.06 (= BPA + all penalties = \$325 + \$5 + \$4.06)$.*
 - 4) *However, if any balance is carried forward to the following year, even if it is just comprised of penalty amounts (in the case where payments have covered the original amount, but not all penalties), then that entire balance forward amount is part of the BPA for the following year, and subject to the 15% per annum penalty.*
 - 5) *Note that once total payments equal the Total Assessment, then all late penalty amounts (to the end of the year) will be zero – that is, there are no penalties on penalties.*



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Shelby Cnty Judge of Probate, AL
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- l) If the account has been turned over to the Collection Attorney, then payment may be made through the Collection Attorney (instead of the above P.O. Box).*
- m) If any check is returned unpaid (insufficient funds, invalid account, etc), then the assessment is considered to be unpaid, and will incur all penalties as if check were never received, and further, whatever cost is charged to SLFAI by any Bank or Financial Institution thereby (such as a "returned check" charge) will be added to the unit's assessment and will be due according to same terms as the assessment and any existing penalties.*
- n) In general, any expenses incurred by the Association as a result of Late Payment of Assessments for a particular unit, partial or full, will be added to that unit's assessment and will be due according to same terms as the assessment and any existing penalties.*
- o) Any deviation to the above stated policy must have the unanimous approval of the SLFAI Board. Further, if any unit owner requests any such deviation or exception in favor of their unit, such request must be formally presented to the SLFAI Board prior to March 15th of the year for which the exception is being requested.*
- p) Failure to exercise, or the invalidation of, any provision of this policy does not invalidate nor waive any other part of this policy. That is, if the Board decides to delay a particular collections action, this does not excuse payment of assessments and accumulated penalties. All assessments and penalties are due, and under same terms, regardless of the timeliness of the Association to exercise any particular collections option, or their decision to forgo such exercise.*

IN WITNESS THEREOF, and as required by these BYLAWS, the Secretary of the Board of Directors of SLFAI has acted at the direction of the Board to have this amendment executed on this date.

Gene Talley, SLFAI Secretary 

Date: 11-20-07