

INVERNESS MASTER HOMEOWNERS ASSOCIATION

AMENDED AND RESTATED BY-LAWS OF THE INVERNESS MASTER HOMEOWNERS ASSOCIATION AS AMENDED ON NOVEMBER 19, 2013

NOTICE:

THIS INSTRUMENT AMENDS THE BY-LAWS OF THE INVERNESS MASTER HOMEOWNERS ASSOCIATION FILED IN THE OFFICE OF THE JUDGE OF PROBATE OF SHELBY COUNTY, ALABAMA.

PREAMBLE

These Bylaws of the Inverness Master Homeowners Association, Inc. (hereinafter called "IMHA" of "Association"), a corporation not for profit incorporated under the laws of the State of Alabama. The intent of the Bylaws are to provide a fair and reasonable method for IMHA and its Member homeowners to interact and conduct Association business in a transparent manner.

ARTICLE 1: ASSOCIATION

1.1 **Office Location:** The office of the Association shall be located at such place as selected by a majority of the Board of Directors. Information such as the current office location, telephone number, and contact information will be maintained on the Association's website.

1.2 **Fiscal Year:** The fiscal year of the Association shall be the calendar year.

1.3 **Inspection of Records:** The books and records of the Association shall be available for review by the Members. Requests for information should be presented to the Association's agent during normal business hours. All requested information will be reviewed for privacy and confidentiality impacts before release or review by Members.

ARTICLE 2: DEFINITIONS

2.1 **Articles of Incorporation:** The Articles of Incorporation for the Association, which shall be recorded in the Probate Records of Shelby County, Alabama.

2.2 **Association:** The Association, its assigns, and successors which shall be a master homeowners association for Inverness.

2.3 **Association Property:** That property which may at any time be owned by the Association.

2.4 **Board:** The Board of Directors of the Association.

2.5 **By-Laws:** The duly enacted By-Laws of the Association.

2.6 **Declarations:** The Declaration of Protective Covenants for the member Inverness Subdivisions recorded in the Probate Office of Shelby County, Alabama. Also called for convenience, "Covenants."



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2.7 **Inverness or Inverness Property:** That part of the 1,650 acre Metropolitan Life Insurance Company development located in north Shelby County, which is subjected to the Declarations. Inverness is bounded on the north by U.S. Highway 280, on the east by Valleydale Road, on the south by Caldwell Mill Road, and on the west by the Cahaba River, more or less.

2.8 **Member:** A person (or entity, if applicable) who is a record owner of one or more Lots constituting Member's Property.

2.9 **Member's Property:** Any lot or unit in the Subdivision subject by the Declarations to a lien for assessments in favor of the Association.

2.10 **Resident:** Any person or persons occupying a Member's Property.

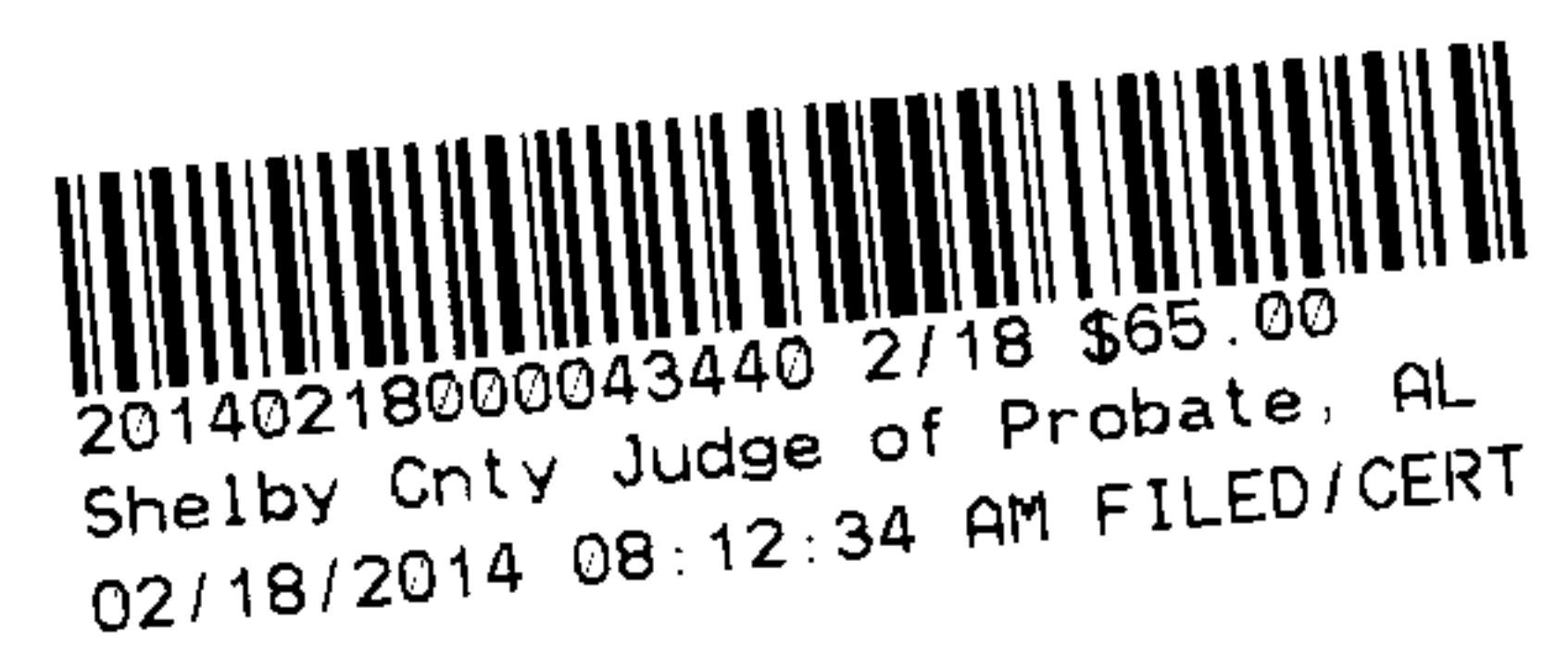
2.11 **Subdivision:** The following Inverness Subdivisions: Adam Brown, Inverness Green, Country Club Village, Kerry Downs/Heather Point, Inverness Point, Kirkwall, Selkirk, Summerwood, Woodford, and any additional Subdivisions or additions to Subdivisions, so long as the Declarations of such subdivisions subject property to a lien for assessments in favor of the Association.

ARTICLE 3: MEMBERSHIP

3.1 **Classes of Membership:** There shall be only one class of members of the Association: Members, with full voting rights. The Members of the Association shall consist of all record owners of Members Property and shall all those persons or other entities as set forth in Article V of the Articles of Incorporation.

3.2 **Rights and Obligations of Membership:** The Members shall have all the rights, privileges, duties, and obligations applicable to their membership as set forth in the Declarations, Articles of Incorporation, and elsewhere in the By-Laws. Membership of Members in the Association shall be appurtenant to, and may not be separated from, ownership of any Lot. Membership of Members shall attach automatically upon the acceptance of delivery of the instrument of transfer of such ownership interests, provided that such instruments are promptly recorded in the Offices of the Judges of Probate of Shelby County, Alabama and a true copy of such recorded instrument is promptly delivered to the Association. Membership of Members shall terminate automatically upon the tendering of delivery of an instrument of transfer (provided such tender is accepted) or upon such ownership interest being divested in some other manner.

3.3 **Assessments:** The rights of membership of Members in the Association are subject to the payment in full of the annual assessments, special assessments, as well as any charges, liens, attorney fees, administrative assessments, or other costs owed by the Member as a result of a covenant violation. The obligation of such assessments and charges is imposed against each owner of, and is a lien upon, the Member's Property against which such assessment or charges is made.



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3.3.1 Lien on Member's Property: All Member's Property shall be subject to a continuing lien for assessments levied by the Association in accordance with the provisions of the Declarations, the Articles of Incorporation, and the By-Laws. The annual assessments, administrative assessments, attorney fee assessments, and charges together with interest thereon and the costs of collection thereof (including reasonable attorney's fees, filing fees, cost of discovery, including but not limited to depositions, copies of records, and expert witness fees) as hereinafter provided, shall be a charge on and shall be a continuing lien upon, the Member's Property against which each such assessment or charge is made. All Member's Property shall be held, transferred, sold, conveyed, used, leased, occupied, mortgaged, and otherwise encumbered subject to all the terms and provision of the Declarations, the Articles of Incorporation, and the By-Laws applicable to the Member's Property, including but not limited to the continuing lien herein described.


3.3.2 Personal Obligation of Members: Unless otherwise provided in a deed or other conveyance, each Member, by acceptance of a deed or other conveyance to Member's Property, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association the annual assessments, administrative assessments, attorney fee assessments and charges, such assessments to be fixed, established, and collected from time to time as hereinafter provided. Each such assessment, together with interest and cost of collection, including reasonable attorney's fees, shall be the personal obligation of the person who is or was the owner of such Member's Property at the time the assessment falls or fell due.

3.3.3 Assessments. There shall be four types of assessments levied by the Association.

- (1.) Annual Assessments
- (2.) Administrative Assessments
- (3.) Attorney/Debt Collector Fee Assessments
- (4.) Special Assessments

3.3.3(a) Purpose of Assessments: There shall be four types of assessments levied by the Association: (1.) Annual Assessments and (2.) Administrative Assessments and (3.) Attorney Fee Assessments and (4.) Special Assessments. The Annual Assessments levied by the Association shall be used exclusively for the purpose of providing any and all of the services and activities as may be to the mutual benefit of the Members; maintaining, operating, and repairing the Open Spaces, common recreational and other facilities within Inverness, the common roadway areas, water, sewer and drainage systems within Inverness, and other areas and structures beneficial or useful to the Member's Property; the payment of taxes and insurance on all Association Property, and the repair, replacement, and additions thereto, and the cost of labor, insurance, equipment, materials, management, and supervision thereof, or other purposes beneficial to the Members, as determined by the Association; and for the purpose of carrying out the functions, purposes, responsibilities, and duties of the Association.

THE ASSOCIATION DOES NOT GUARANTEE OR WARRANT THAT SUCH SERVICES WILL BE PROVIDED AND NOTHING HEREIN SHALL BE CONSTRUED AS AN OBLIGATION TO PROVIDE ANY SUCH SERVICES.


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3.3.3(b) **Administrative Assessments:** Administrative Assessments will be assessed against each Member of the association who is found to be in violation of their subdivision's covenants and/or the IMHA By-Laws, and who subsequently fails to bring their property into compliance with the covenants after receiving notice from the IMHA or its management company. Every association Member who is found to be in violation of the subdivision's covenants or IMHA By-Laws shall receive a covenant compliance letter from the IMHA or its management company stating the violation in detail. The letter will provide that the Member has fourteen (14) days from the date the letter was post marked to remedy the compliance issue or contact the IMHA management company to request additional time. Failure to do so shall result in a FIFTY DOLLAR (\$50.00) Administrative Assessment being placed against that Member by the IMHA's management company. However, every Administrative Assessment must be approved by the IMHA President and the Member's subdivision Director before it shall be charged to the Member. If there is a disagreement between the IMHA President and the subdivision Director, then the matter must be brought before the IMHA Board of Directors for a vote. The assessment shall be approved by a majority vote of the Board of Directors with a quorum present. Thereafter, the Member shall have the right to appeal the assessment by sending a written request to the IMHA no later than sixty (60) days after assessment is charged. Upon receiving the request for an appeal a hearing shall be scheduled with the IMHA Board of Directors at which time the Member may appear and make his/her appeal. The assessment may be overturned by a majority vote of the IMHA Board of Directors with a quorum present. The Administrative Assessments levied by the Association shall be used exclusively to reimburse the Association for the money expended in efforts to obtain covenant compliance from the violating Member.

3.3.3(c) **Attorney/Debt Collector Fee Assessment:** The Attorney/Debt Collector Fee Assessment will be assessed against each Member of the association who is referred to the IMHA attorney/debt collector for covenant violations and non-compliance issues. Each association Member who fails to remedy a covenant violation, after receiving notice from the IMHA in accordance with Section 3.3.3(b) above, may be referred to the IMHA attorney/debt collector by a majority vote of the IMHA Board of Directors. Upon receiving the matter, the attorney/debt collector's office shall issue an initial demand letter to the Member regarding the compliance issue. The Member shall have ten (10) days from the date the letter is post-marked to bring the property into compliance. However, the Member will be assessed all attorney fees incurred by the IMHA as a result of the Member's non-compliance. The Attorney/Debt Collector Fee Assessment shall be used exclusively to reimburse the IMHA for attorney/debt collector fees incurred as a result of a Member's covenant violations. The assessments are solely for containing association costs, and are intended to hold violating members accountable for the costs the subdivision incurs as a result of their covenant violations. The Attorney/Debt Collector Fee Assessment is intended to make violating members accountable for their actions.

3.3.3(d) **Special Assessment:** A Special Assessment may be enacted by a majority vote of the IMHA Board to cover extraordinary costs that have not be budgeted for but are necessary to maintain the purpose and responsibilities of the Association.

3.3.4 **Amounts of Annual/Special Assessments:** The annual assessment applicable to Member's Property shall be set by the Board of the Association. The Board may set all or a part of

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the annual assessment applicable to Member's Property, and it may delegate to individual homeowners associations in Subdivisions, the power to set all or part of the assessment applicable to Member's Property within the Subdivisions.

3.3.5 Effect of Non-Payment of Assessments and Remedies of the Association: Any Annual, Administrative, or Attorney Fee Assessments not paid within thirty (30) days after the due date shall bear a fifteen dollar (\$15.00) late fee for each month said fees go unpaid, and shall accrue interest at the same rate of judicial interest set by the Alabama State Legislature. With regard to non-payment of assessments by Members, the Association may bring an action at law or in equity against any Member personally obligated to pay the same, or foreclose the lien against the Member's Property. In the event IMHA employs an attorney or otherwise takes any legal action in attempting to collect any Annual, Administrative or Attorney Fee Assessments from any Member, said Member agrees to pay all reasonable attorney's fees, court costs and other reasonable expenses paid or incurred by IMHA. No Member may waive or otherwise escape liability for the assessments provided for in the Declarations or in the By-Laws by non-use of the Open Spaces or other areas for which assessments are applied or by abandonment of the Member's Property owned by such Member.

3.3.6 Subordination of Lien to Mortgages. The lien of any assessment or charge, authorized by the Declarations or Article 3 of these By-Laws with respect to Member's Property, is subordinate to the lien of any bona fide mortgage on such Member's Property, but only if, all assessments and charges levied against such Member's Property falling due on or prior to the date such mortgage is recorded, have been paid. The foregoing subordination shall not relieve a Member, whose Member's Property has been mortgaged, of his personal obligation to pay all assessments and charges falling due during the time he or she is the owner of such Property. The Board may at any time, either before or after the mortgaging of any Member's Property, waive, relinquish or quitclaim in whole or in part the right of the Association with respect to the Property coming due during the period while such Property is or may be held by a mortgages or mortgages pursuant to such sale or transfer. A closing letter must be obtained from the Association attorney stating that all dues and fees have been collected and the property has no outstanding deviations from the Declarations applicable to that Subdivision.

3.4 Suspension of Membership Rights: The Association membership rights of any Member, including but not limited to, the right to vote and serve as a Director or Officer on the Board or Committee member, will be suspended for any period during which any assessment or charge owed to the Association by such Member remains unpaid, or that Member's property is found to be in violation of their subdivision's covenants or the IMHA By-Laws. Any such suspension shall not affect the Member's obligation to pay assessments coming due during the period of suspensions and shall not affect the permanent charge and lien on the Member's Property in favor of the Association. A Member whose rights have been suspended by the IMHA may appeal the suspension by sending a written request to the IMHA Board of Directors for a hearing regarding the same. The Member's suspension may be upheld or overturned by a majority vote of the IMHA Board of Directors with a quorum present.

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3.5 **Availability of Payment Plan for Assessments:** Any Member who owes assessments/fees to the Association, may petition the Board to make an agreement with the Member for repayment for good cause shown by the Member. Such arrangements shall not be unreasonably refused when a Member has shown true financial hardship. Any repayment plan shall be made in writing and approved by majority vote of the Board. The payment/collection of fees shall be handled through IMHA's Agent (or collection agency/attorney as provided for herein). Requests for repayment agreement may be made through a neighborhood Director, who shall bring in to Board for action. If Debt Collection Agency or Attorney have become involved, the Member can make request through the agency or attorney, who shall forward all such request to the Board for action. If a Member makes full repayment of unpaid assessments per an approved repayment plan, they shall not accrue any additional late fees or interest while said payments are being made pursuant to the repayment agreement with the Association. In the event that a Member stops repayment during an agreed upon repayment plan prior to paying all fees in full, the Member shall incur late fees and interest as provided for herein.

ARTICLE 4: VOTING RIGHTS

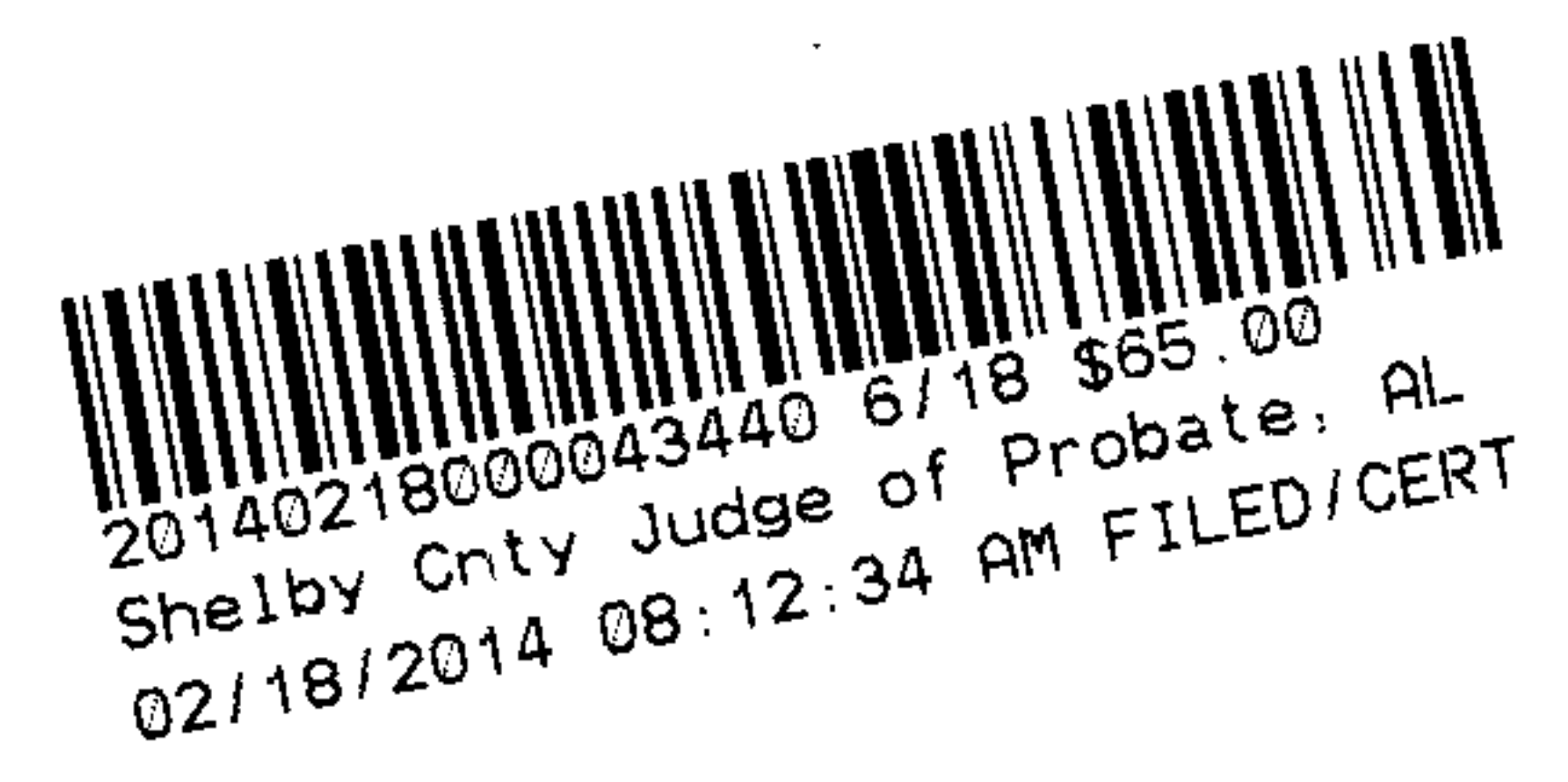
4.1 **Voting Rights of Members:** When entitled to vote, each Member shall have one vote for each Lot owned by such ownership interest or interests in any Lot, the vote for such Lot shall be exercised as the owners among themselves shall determine, but in no event shall more than one (1) person be entitled to cast the vote with respect to any Lot. In the event of a disagreement among such persons or other entities and an attempt by more than one to cast the vote of such Lot, such person or other entities shall not be recognized and the vote with respect to such Lot shall not be counted.

ARTICLE 5: ASSOCIATION POWERS

5.1 **Mortgages:** The Association shall have the power to mortgage or otherwise burden or encumber all or a part of the Association Property, provided that any such mortgaging or encumbering shall be authorized by an affirmative vote of one-fourth (1/4) of all of the Members.

5.2 **Dedication of Transfer of Properties:** The Association shall have the power to transfer the ownership of all or part of the Association Property, provided that any such transfer by dedication to a public authority, or otherwise, shall be authorized by an affirmative vote of one-fourth (1/4) of all of the Members.

5.3 **Association Property Title:** The Association shall maintain record of title for any Association Property, including any common areas as applicable.



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ARTICLE 6: BOARD OF DIRECTORS

6.1 **Composition:** The Board of Directors shall consist of at least one representative from each of the member Subdivisions. Additional representatives from member Subdivisions may participate in Board proceedings as Officers or committee members.

6.2 **Election of Directors:** The members of the Board of Directors shall be elected as described in Article 7. The incumbent Board shall hold office until the election of their successors by the Members.

6.3 Any Member who owns a Lot or Lots in a Subdivision is eligible to represent that Subdivision as a Director or Officer on the Board. The right to serve on the Board will be suspended due to unpaid assessments or covenant violations as described in Article 3 of these By-Laws (Section 3.4).

6.4 **Vacancies:** Vacancies on the Board of Directors shall be filled for the remainder of the current term by election and vote of the Members as described herein below.

6.5 **Removal of Directors:** Recall of Director: Upon the Presentation to the Board of a Petition signed by twenty percent (20%) of the Members entitled to vote at the time such written Petition is made. Said Petition shall contain the following title on each page "I Ask for a Recall Election for the Current Director from [insert name of Subdivision] to the IMHA Board of Directors" and shall contain the printed name, address, telephone number of the Member along with that Member's signature. If the required number of valid signatures is presented, a recall election shall occur by written ballot in the like manner as Directors are elected, where the Ballot contains the single question "Shall the [insert name of Subdivision] IMHA Board Director [insert Director's name] be removed as Director. The Member shall mark "yes" or "no." The Director shall be recalled if a majority (51%) of the eligible Members casting ballots vote "yes." A replacement Director shall be elected by a majority of the vote by the Members that own a Lot or Lots in the same subdivision in an election in the same manner as described in Article 7 within sixty (60) days of the vacancy occurring.

ARTICLE 7: ELECTION OF DIRECTORS

7.1 **Election:** The election of Directors shall be by written ballot as hereinafter provided. At such elections, the Members may cast one (1) vote with respect to each Lot in which they hold an interest required for membership in the Association. The person receiving the largest number of votes of the Members entitled to vote shall be elected as subdivision President and serve as a Director of the IMHA.

7.2 **Ballots:** All elections to the Board shall be made by a written ballot which shall (a) describe the vacancy or vacancies to be filled; (b) set forth the names of the declared candidates for such; and (c) contain a space for a written vote by the Members, if any, for each vacancy. Such ballots shall be prepared and mailed in conjunction with the annual assessment billing (except for special elections) .

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7.3 **Voting Procedures:** Each Member shall receive as many ballots as he or she has Lots in the Subdivision from which subdivision Board Member will be elected. Each Member shall place a mark next to the name of the candidate on the ballot or ballots for whom the Member wishes to cast his or her vote for the election of such candidate to the Board, or shall write in the name of the person not so listed in the space on the ballot or ballots provided for this purpose. Each signed ballot shall be returned to the Association. The Board shall make provisions for independent oversight of vote tallying including the following:

7.3.1 Establish either that the Member submitting the ballot owns a Lot or Lots in the subdivision from which the Directors are to be elected; and

7.3.2 Establish that the number of ballots turned in by each Member or his or her proxy identified on the ballot corresponds with the number of Lots owned by such Member in that particular Subdivision.

7.3.3 Said procedure shall be undertaken in such a manner that the vote of any Member shall not be disclosed to anyone except the Board, its Agent or its attorneys.

7.3.4 If any ballot is incomplete, or if the signature of the Member is not genuine, such ballot shall be disqualified and shall not be counted. All valid ballots shall be counted, and the candidates who have received the greatest number of votes shall be elected as Subdivision Directors. After tallying, unless a review of the procedure is demanded by twenty percent (20%) of the Members casting ballots in the election within ten (10) days after the election, the ballots shall be destroyed.

7.3.5 At least forty-five (45) days prior to election, the IMHA shall send a call for a declaration of candidacy letter to all Members. Any Member in good standing (as defined in Section 3.4) interested in running for office may submit a brief one half page biography to be included with the ballot.

ARTICLE 8: POWERS AND DUTIES OF THE BOARD OF DIRECTORS

8.1 Powers: The Directors of the IMHA Board of Directors shall have the following powers:

8.1.1 To call special meetings of the Members whenever the Board deems necessary, and the Directors shall call a meeting at any time upon written request of twenty-five percent (25%) of the Members entitled to vote, as provided in Article 9 hereof.

8.1.2 To appoint and remove at their pleasure all Officers (as hereinafter defined), agents, and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as the Board may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any Member, Officer, or Director, of the Association in any capacity whatsoever.

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8.1.3 To establish, levy, assess, and collect the Annual, Administrative, and Debt Collector/Attorney Fee assessments and charges as set forth in Article 3 (and the power to delegate the power to establish, levy, assess, and collect such assessments and charges to homeowners associations of individual Subdivisions).

8.1.4 To adopt and publish rules and regulations governing the use of the Open Spaces and the facilities of the Association, and the personal conduct of the Members and their guests thereon.

8.1.5 To exercise for the Association all powers, duties, and authorities vested in or delegated to the Association, except those reserved to Members in the Declarations, Articles of Incorporation, or elsewhere in these By-Laws.

8.1.6 To appoint such committees as the Board deems are in the best interest of the Association and to carry out the functions and duties of the Board.

8.2 **Director Absences:** In the event that any Director is absent from three (3) consecutive regular meetings of the Board, the Directors of the Board may by action taken at the meeting during which said third absence occurs, declare the office of said absent Director to be vacant, and the provisions relating to filling vacancies on the Board as set forth in Article 6 shall become operative.

8.3 **Duties:** It shall be the duty of the Board of Directors:

8.3.1 To cause to be kept a complete record of all its acts and corporate affairs including a detailed budget breakdown, and to present a summary thereof to the voting Members with the annual assessment package. A detailed review shall be supplied upon request at any special meeting when such is requested in writing by twenty-five percent (25%) of the Members entitled to vote, as provided in Article 9 hereof.

8.3.2 To supervise all Officers (as hereinafter defined), agents, and employees of the Association and to insure that their duties are properly performed.

8.3.3 As more fully provided in the Declarations and Article 3 of the By-Laws, to fix the amount of the assessment against each Lot owned by a Member and against each, if any, at least thirty (30) days in advance of the date any payment of such assessment is due.

8.3.4 To prepare a roster of the Lots and owners thereof, according to the Subdivisions in which they are located, and the lots, units, and parcels of Member's Property and owners thereof, and the assessments applicable thereto, which shall be kept in the offices of the Association and shall be open to inspection by any Member thereto, and to send written notice of each assessment to every Member subject thereto.

8.3.5 To issue, or cause an appropriate Officer (as hereinafter defined) or the Agent to issue demand by any person, a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

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8.3.6 To obtain and maintain a liability insurance policy for the protection of the Association covering the Open Spaces, if applicable, and covering such risks and with such deductible amounts as the Board shall determine.

8.3.7 To hire a bookkeeper to keep proper books of account. Directors shall be responsible to provide annual budgets for the Subdivision. The bookkeeper shall provide balance sheet statements at regular intervals. The balance sheet statements shall be reviewed by the Directors at regular Board meetings. The bookkeeper is not a member of the Board and does not possess voting rights.

8.3.8 To choose a secretary who will keep the minutes of all proceedings of the Board and Member's meetings. The Agent shall also maintain the names of all Members of the Association, the Subdivisions in which the Members own lots, the block and lot numbers of the lots they own, and their addresses as registered by such Members.

ARTICLE 9: MEETINGS

9.1 **Monthly Meetings of the Board:** The Board of Directors shall meet monthly on the third Tuesday of the month, except where holidays or other scheduling conflicts occur. In these cases, the meeting date shall be established by consensus of the Directors and Officers. All monthly meetings of the Board shall be open to all Members.

9.2 **Notice of Monthly Board Meetings:** The Board shall post the meeting agenda on the Association website at least five (5) days prior to each monthly meeting. Members entitled to vote may submit agenda items by contacting any Board member, preferably the Director representing their Subdivision, at least three (3) days prior to the meeting.

9.3 **Special Meetings of the Board:** Special meetings of the Board shall be held when called by any Officer or any two (2) or more Directors. Special meetings are generally used to conduct Board business where privacy or confidentiality concerns preclude discussion in an open meeting such as the monthly meetings. Notice of special meetings shall be placed on the Association website at least one (1) day prior to the meeting. The notice shall indicate whether the meeting is limited to Directors and Officers, or is open to Members.

9.4 The transaction of any business at any meeting of the Board, however called and noticed, or wherever held, shall be as valid provided a quorum of Directors is present. Business conducted shall be made a part of the minutes of the meeting.

9.5 **Quorum:** A majority of the Directors on the Board of Directors shall constitute a quorum thereof.

9.6 **Adjourned Meetings:** If at any meeting of the Board there is less than a quorum of Directors present, the majority of these present may adjourn the meeting from time to time until a

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quorum is present. After any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

9.7 **Resolutions:** A simple majority vote of the Directors present at a Board meeting shall be required to pass a resolution provided a quorum is present, unless otherwise specified in the By-Laws.

9.8 **Directors' Rights and Obligations:** Directors may attend all monthly and special meetings of the Board and are subject to the removal provision of Article 8 for excessive absences. Each Director has a voting right on any business conducted by the Board, however, only one vote per Subdivision shall be cast on any vote call.

9.9 **Annual Meeting of Members:** A regular annual meeting of the Members shall be held at a on the first Tuesday in February (except where holidays or other scheduling conflicts occur. In these cases, the meeting date shall be established by consensus of the Directors and Officers) at a time, and location to be determined each year by the Board. After a program, Association business may be conducted if identified on the agenda.

9.10 **Notice of Annual Member's Meeting:** The Board shall post the annual meeting agenda on the Association website at least ten (10) days prior to the meeting. Members entitled to vote may submit agenda items by contacting any Board member, preferably the Director representing their Subdivision, at least three (3) days prior to the meeting.

9.11 **Special Member's Meetings:** Special meetings of the Members for any purpose may be called at any time by any Officer or any two (2) or more Directors. In addition, special meetings of the Members must be called upon the written request of twenty-five percent (25%) of the Members entitled to vote at the time such written request is made.

9.12 **Quorum:** The presence at a meeting of Members entitled to cast, or of proxies entitled to cast, ten percent (10%) of the vote of the Members of the Association shall constitute a quorum of Members for any actions governed by the By-Laws, unless provided otherwise in the Declarations, Articles of Incorporation, or elsewhere in these By-Laws.

9.13 **Action by Members:** Members may transact business or take action with a majority vote by a quorum, unless provided otherwise in the Declarations, Articles of Incorporation, or elsewhere in these By-Laws.

9.14 **Form of Member Vote:** At all meetings of Members, each Member entitled to vote may vote in person or by proxy as defined below.

9.15 **Proxies:** All proxies shall be filed in writing with an Officer of the Association at least three (3) days prior to the meeting at which such proxy shall cast the Vote of the Member. No proxy shall extend beyond a specific meeting which must be designated on such proxy (i.e. for use at the Annual Members Meeting), and every proxy shall automatically cease upon the sale by the Member of his or her Lot or other interest in the Member's Property.

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9.16 **Conduct of Meetings:** The President or Vice-President will conduct meetings and other Association proceedings at their discretion; however, Roberts Rules of Order may be used as guidelines to govern the conduct of said proceedings.

ARTICLE 10: OFFICERS

10.1 **Officers.** The officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer (each an "Officer", collectively the "Officers"). The Officers shall be members of the Board of Directors but shall only enjoy voting rights if they are also an elected Director.

10.2 **Election.** The Officers of the Board shall be elected by a majority vote of the Directors at the first meeting of the Board of Directors each year and be announced at/or prior to the Annual Meeting.

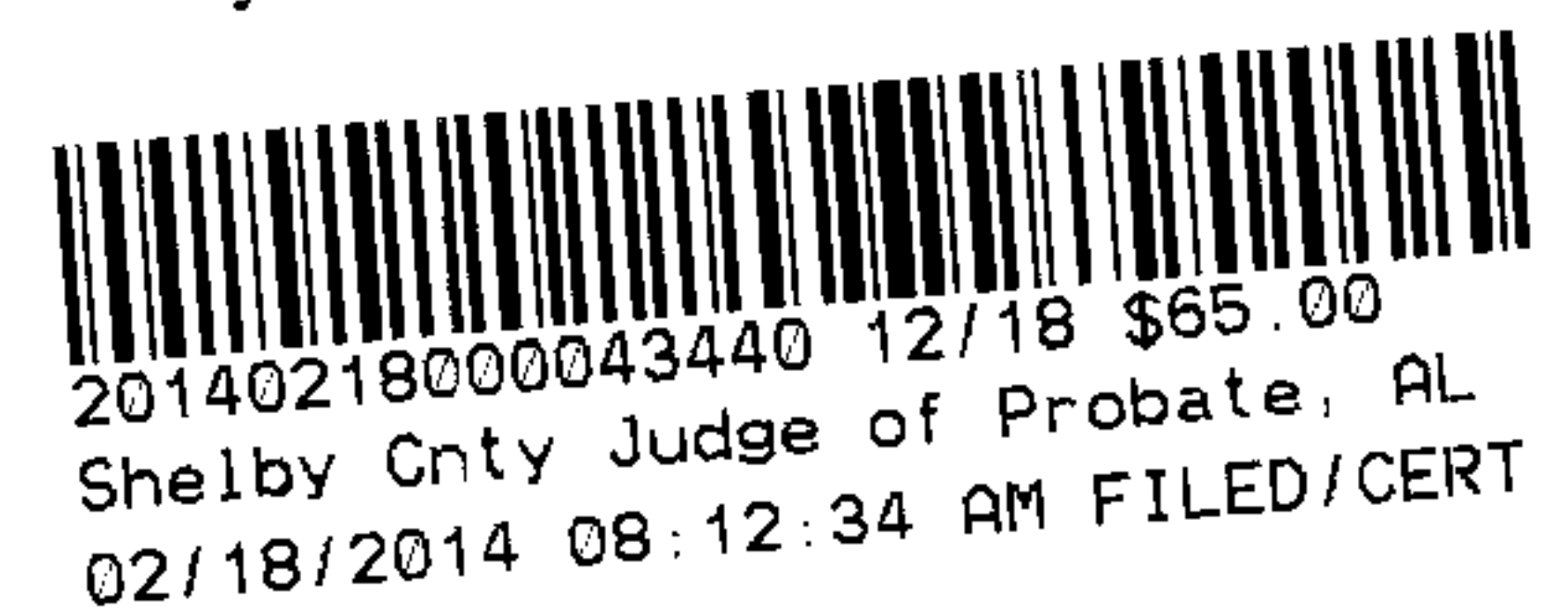
10.2.1 **Recall of Board President:** Upon the Presentation to the Board of a Petition signed by twenty percent (20%) of the Members entitled to vote at the time such written Petition is made. Said Petition shall contain the following title on each page "I Ask for a Recall Election for the Current President of the IMHA Board of Directors" and shall contain the printed name, address, telephone number of the Member along with that Member's signature. If the required number of valid signatures is presented, a recall election shall occur by written ballot in the like manner as Directors are elected, where the Ballot contains the single question "Shall the IMHA Board President [insert President's name] be removed as Board President. The Member shall mark "yes" or "no." The President of the Board shall be recalled if a majority (51%) of the eligible Members casting ballots vote "yes."

10.2.2 **Removal of Other Board Officers:** No other officers of the Board shall be subject to recall by Members, but said officers shall serve at the pleasure of the Board and any officer may be removed by majority vote of the Board of Directors.

10.3 **Term.** All Officers shall hold office at the pleasure of the Board from the date of his or her election until the next annual meeting of the Board and until his or her successor shall have been duly elected and qualified or until his or her death, resignation, or removal.

10.4 **President:** The President shall preside at all meetings of the Board and of the Members and shall see that orders and resolutions of the Board are carried out, and shall sign all notes, checks, leases, mortgages, deeds, and all other written instruments as may be incidental to the orders and resolutions of the Board. The President shall ensure that minutes of meetings are kept and filed in the Association records. The President also shall perform any duties as may be prescribed by the Board.

10.5 **Vice President.** The Vice President shall perform all of the duties of the President in his or her absence and any such duties as may from time to time be assigned by the President or the Board.



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10.6 **Treasurer:** The Treasurer shall coordinate and approve the activities of the bookkeeper including invoicing, receipts, bill payments, receipt and deposit in appropriate bank accounts all monies of the Association. The Treasurer shall provide oversight audits of the bookkeeper as he or she sees fit. The Treasurer may also, with the approval of a majority of the Board, cause an audit of the Association books to be made by a certified public accountant when, in the Treasurer's discretion, an audit is necessary. The Treasurer shall also prepare and present a financial report at the Annual Meeting.

10.7 **Secretary:** The Secretary will be responsible for the minutes and recording all legal documents on behalf of the IMHA Board of Directors.

ARTICLE 11: INDEMNIFICATION

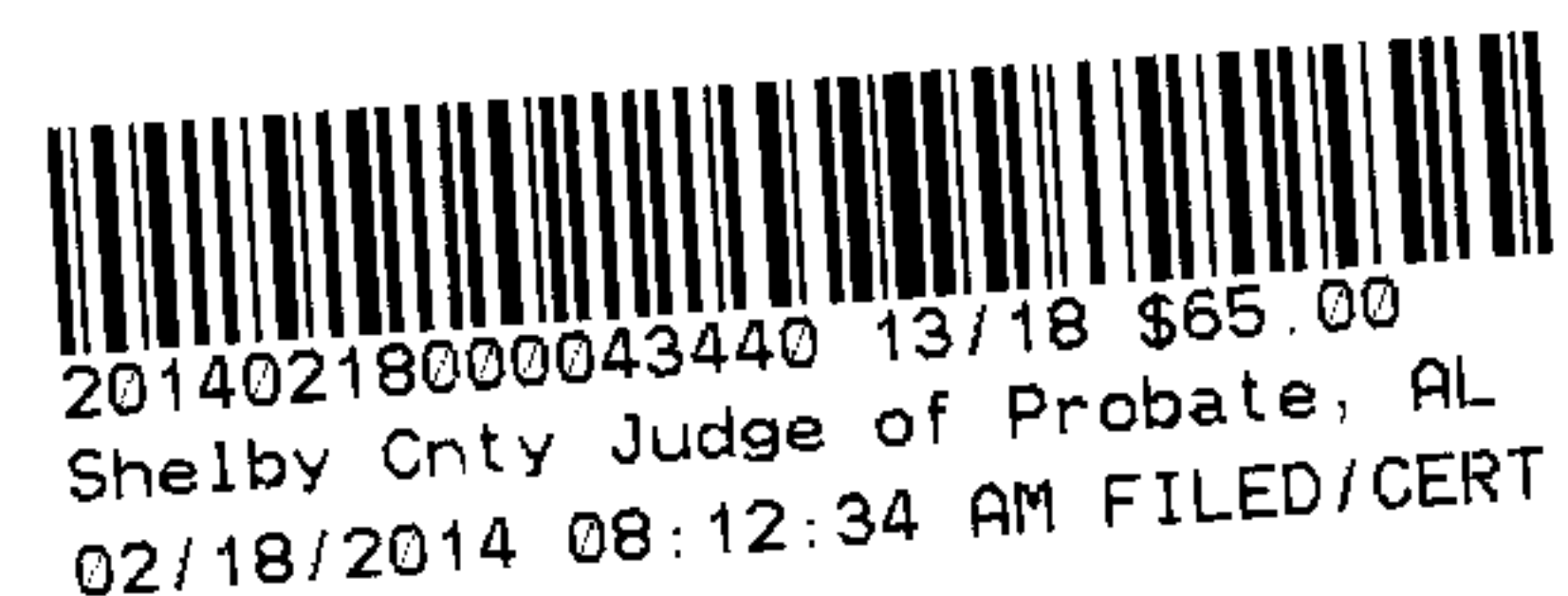
11.1 Every person who serves as a Director or Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including fees for legal counsel, reasonably incurred by or imposed upon such person in connection with any proceeding to which the person may be a party, or in which the person may become involved, by reason of his or her being or having been a Director or Officer of this Association, or any settlement thereof, whether or not the person is a Director or Officer at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged guilty of willful, reckless, or gross misfeasance or malfeasance in the performance of his or her duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights to which such Director or Officer may be entitled.

ARTICLE 12: COMMITTEES

12.1 **Creation of Committees:** The Board may create committees at its discretion; however, the Architectural Control Committee shall perform as a standing committee of the Association.

12.2 **Architectural Control Committee:** An Architectural Control Committee (hereinafter, "ACC") shall be established in each member Subdivision of the IMHA, as provided for herein, consistent with that Subdivision's recorded Declarations of Protective Covenants (hereinafter, "covenants"). The primary duty of the ACC shall be to examine and approve or disapprove all plans, including site plans, for construction or improvements or additions on lots within the Subdivision.

Each Subdivision ACC shall be composed of not less than three (3) members, and at all times, regardless of the number on the ACC, at least two-thirds (2/3) of the membership shall be composed of the Members (hereinafter in this section, "lot owners" to avoid confusion with committee "members") in the Subdivision. The Subdivision IMHA Director shall always be a



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member of the ACC, and said director shall count towards the requirement that the ACC have two-thirds (2/3) majority of lot owners from said Subdivision.

Each Subdivision shall elect or appoint non-director lot owner as a member to the ACC consistent with that Subdivision covenants and HOA bylaws. If a Subdivision fails to select its non-Director Member to the ACC, then the IMHA Board shall appoint from such interested lot owners after giving notice at its monthly Board meeting one (1) month prior to making the appointment. In the event that a Subdivision HOA is not active or does not select its ACC member as described herein, interested lot owners shall notify their Subdivision IMHA Director of their interest in serving on the ACC, and that Director shall place the lot owner's name before the IMHA for consideration. All lot-owners in good standing shall be eligible to serve.

Additionally, a second IMHA Director (and alternate) from a separate IMHA Subdivision shall be chosen by random drawing from the names of the Directors and appointed to each ACC (that is not their own Subdivision). The IMHA Board of Directors shall appoint this second Director to each Subdivision ACC.

Once the initial ACC is appointed under the terms of these Bylaws, it shall continue to serve until its re-composition, which shall occur annually. after the first monthly IMHA Board meeting upon the new IMHA Directors taking office each year. The ACC and its members continue to serve until successor members are named each year as has been provided for hereinabove.

The role of each ACC shall be as set forth in the Subdivision's covenants. Any lot owner, may appeal a decision of the ACC (dealing with that owner's lot) to the IMHA Board of Directors by filing a written appeal within seven (7) days of receipt of the ACC's decision with the IMHA's management company (agent). Additionally, any member of the ACC may request an appeal of a ACC decision to the IMAH Board of Directors by the same process.

Only the IMHA Board of Directors has the authority to grant a variance from Subdivision covenants. However, each Subdivision ACC shall provide the IMHA Board of Directors with a recommendation as to any request for a variance prior to a decision being made by the Board.

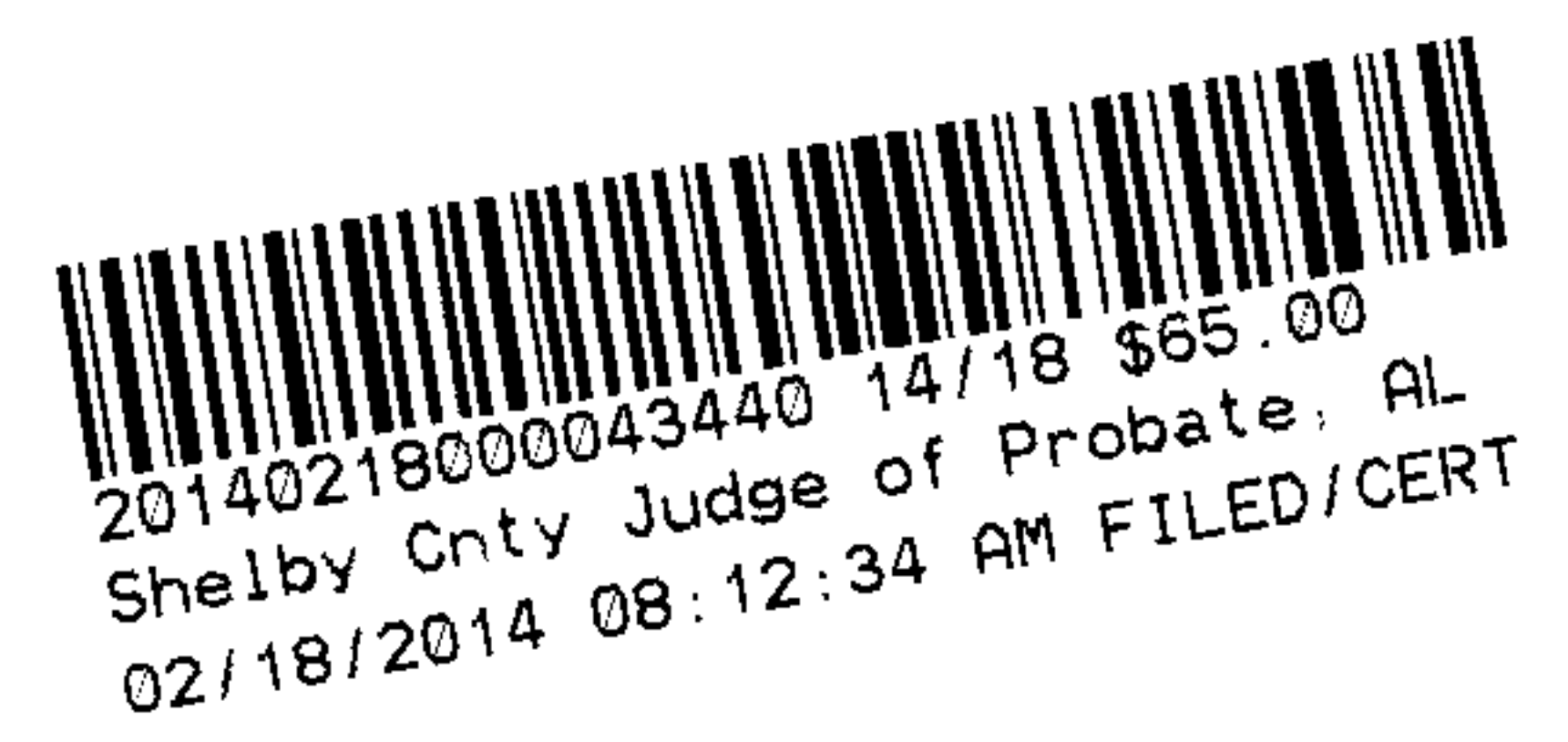
12.3 STANDING IMHA COMMITTEES: The following standing committees shall be appointed annually by the Board from interested Members:

Finance Committee: To assist Treasurer in internal audits and financial planning of IMHA.

Communications Committee: To promote better communication of IMHA and homeowners.

Welcoming Committee: To assist Subdivisions in welcoming new Members to Inverness and provide information to new Members about IMHA.

Mediation Committee: As described in section 14.1 below.



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12.4 **Subcommittees:** Each committee shall have the power to appoint a subcommittee from among the members and may delegate to any such subcommittee any of its powers, duties, and functions set forth in this Article and as delegated by the Board.

ARTICLE 13: RULES AND REGULATIONS

13.1 **Realty Signs Posted on Inverness Parkway:** Realtors may only post directional signs along the Inverness parkway between the hours of 4:00 p.m. on Friday and 4:00 p.m. on Sunday, at which time the signs must be removed by the realtor. Permission to post signs on the parkway not during those hours may be authorized upon request to the IMHA Board of Directors. All realty signs must comply with all local laws/ordinances, and meet the standards set forth by the covenants.

13.2 **Yard Sale Signs:** Members may post yard sale signs along the Inverness Parkway between the hours of 4:00 p.m. on Friday and 4:00 p.m. on Sunday, at which time the signs must be removed by the Member. Permission to post signs on the parkway not during those hours may be authorized upon request to the IMHA Board of Directors.

13.3 **Sign Standards:** Any sign other than real estate signs or yard sale signs as described herein, that are posted in Inverness must be approved by the Board in advance and be professional in appearance, be able to stand on its own, be in compliance with all local laws/ordinances, and meet the standards set forth by the covenants. Furthermore, attaching any sign to an Inverness street sign post is strictly prohibited, and will result in a \$50.00 fine being assessed to the responsible Member.

ARTICLE 14: ALTERNATIVE DISPUTE RESOLUTION

14.1 **MEDIATION COMMITTEE:** The Board shall annually appoint a committee of no less than three (3) Members to act as an internal mediation panel to help resolve conflicts between the IMHA and Members as set out herein below.

14.2 **REQUEST FOR MEDIATION:** To request mediation of a dispute between a Member and the IMHA, a Member must present a written statement to the Board, that they do not intend to abide by a decision of the Board within ten (10) days of a decision of the Board relating specifically to a lot owned by that Member (i.e. ACC issues, fines, other violation of covenants), then that Member may also request an opportunity to attempt to mediate the dispute by the Mediation Committee. If such request is timely made the Board shall insure that the mediation is scheduled within fourteen (14) days.

14.3 **FORMAL OUTSIDE MEDIATION:** If a Member requests internal mediation and such mediation does not produce an agreement between the IMHA and Member, the Member may (within five (5) days of the internal mediation being concluded) further request a formal outside mediation of the dispute with the IMHA with a private mediator (a Certified Mediator whose office is in Jefferson or Shelby County, found in the list of certified mediators kept by the State of Alabama Administrative Office of Courts). The Board shall keep a list of such mediators (who have

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previously informed the Board they would be available) for the Member to chose from. Such list of Mediators shall include their hourly rates. The Member and the IMHA shall equally divide payment for the Mediator.

14.4 The IMHA may not file suit against a Member if the Member has notified the Board of their request to go through mediation process as set out above. IMHA may then only file suit once mediation has concluded without reaching a successful agreement.

14.5 **REPAYMENT OF FEES:** The Board shall always attempt to reach a settlement for a reasonable re-payment plan of unpaid Member assessments for good cause shown (i.e. a Member/spouse's unemployment). Such an agreed upon repayment plan shall be made between the IMHA and the Member in writing. The Board may not file suit against the Member so long as the Member is complying with the agreed upon repayment plan.

ARTICLE 15: AMENDMENT OF BY-LAWS

15.1 The Bylaws made be altered, amended, repealed by vote of a two-thirds (2/3) majority vote of the Board after the following three (3) month process in this subsection as set out below.

15.2 A document with the Proposed changes must be emailed (mailed to all Members who chose not to receive emails from IMHA's Agent) in the first month. In addition to the proposed changes, notice of the Members ability to comment during the next two monthly Board meetings will be communicated to all Members.

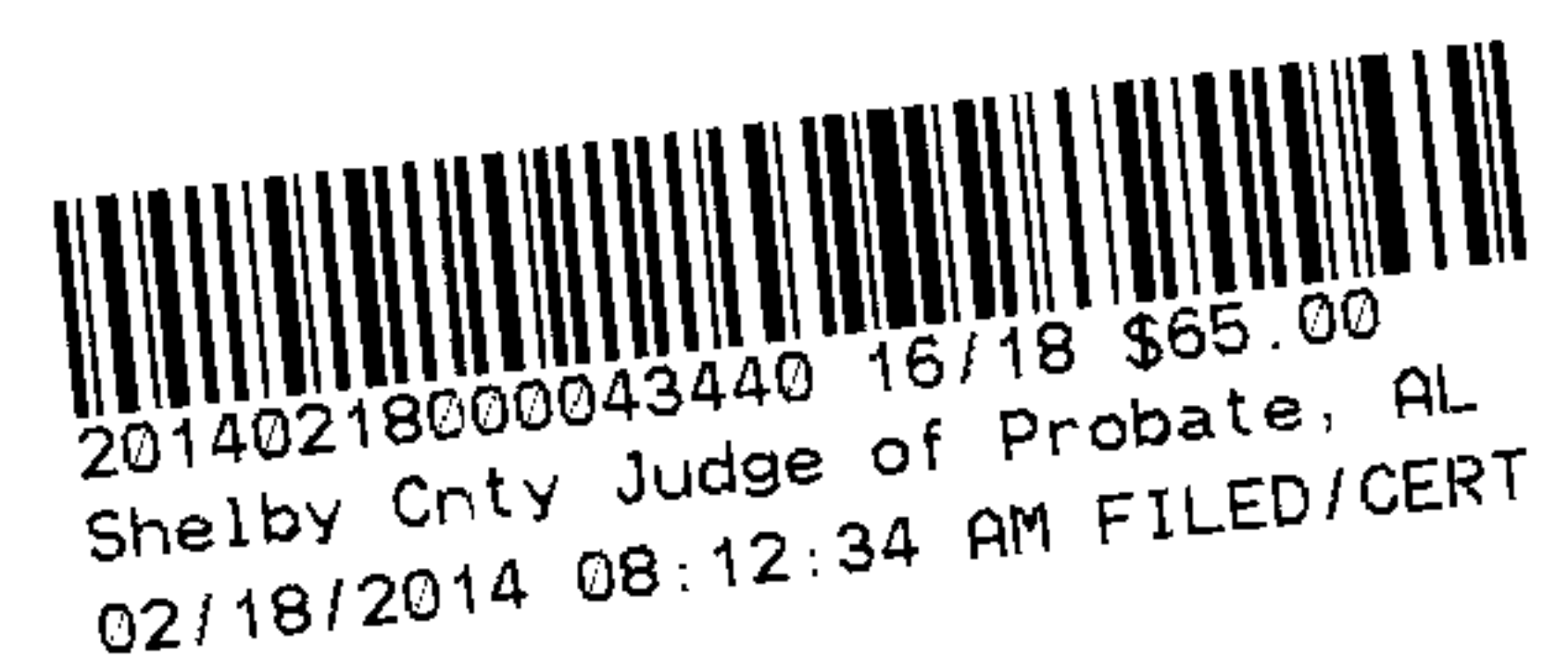
15.3 IMHA board meetings in months 2 and 3, after the month 1 mailing to Members, must set aside time for lot owners to express their comments for the Board to consider.

15.4 At the third (month 3) IMHA board meeting after Members have expressed their comments, the Board will vote. Vote results will be made public at that meeting.

15.5 All changes, amendments, and modifications to the Bylaws will be registered with the appropriate government entity. In addition, all changes, amendments, and modifications will be posted on the IMHA website within seven (7) days after their adoption by the Board.

ARTICLE 16: EFFECTIVE DATE

16.1 The Bylaws become effective upon the approval by the Board of Directors, however, the various provisions of the Bylaws may require sufficient time to carry out, especially with respect to the formation of committees. The Bylaws presuppose that all committees will be formed at the beginning of the calendar year after the new Board of Directors takes office. In the time between the adoption of these Bylaws and the new term of the next Board, the Board shall have the power if necessary to appoint interim committee members so that routine business may be carried out without needless delay. Said committee members shall serve only until the next Board fills the




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committees at the beginning of its term.

Documentation of motion passed in Inverness Master Homeowners Association Board Meeting on November 19, 2013. The attached amendment and revision to the IMHA By-Laws was passed by a majority vote of the IMHA Board of Directors with a quorum present.

Attested by:



President

1-21-14

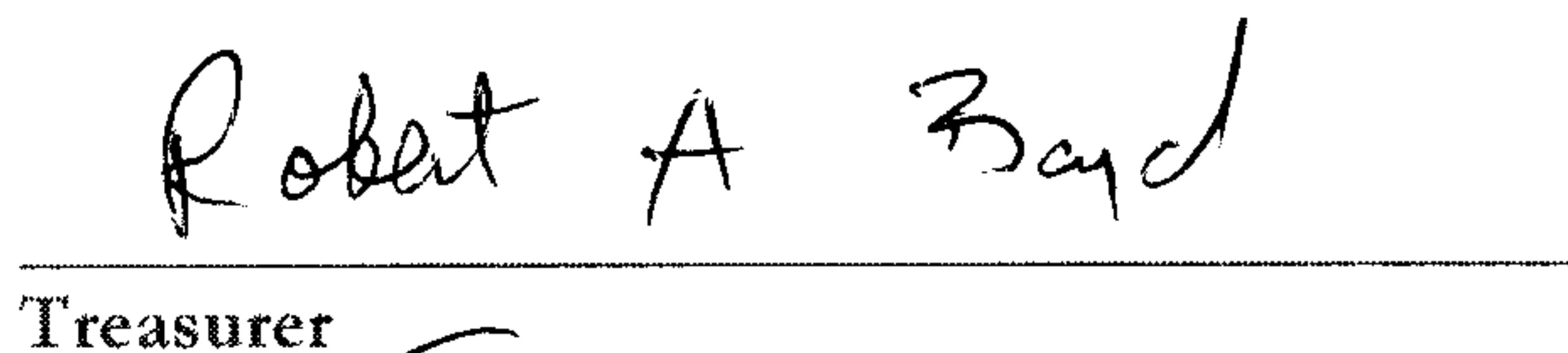
Date



Vice President

1-21-14

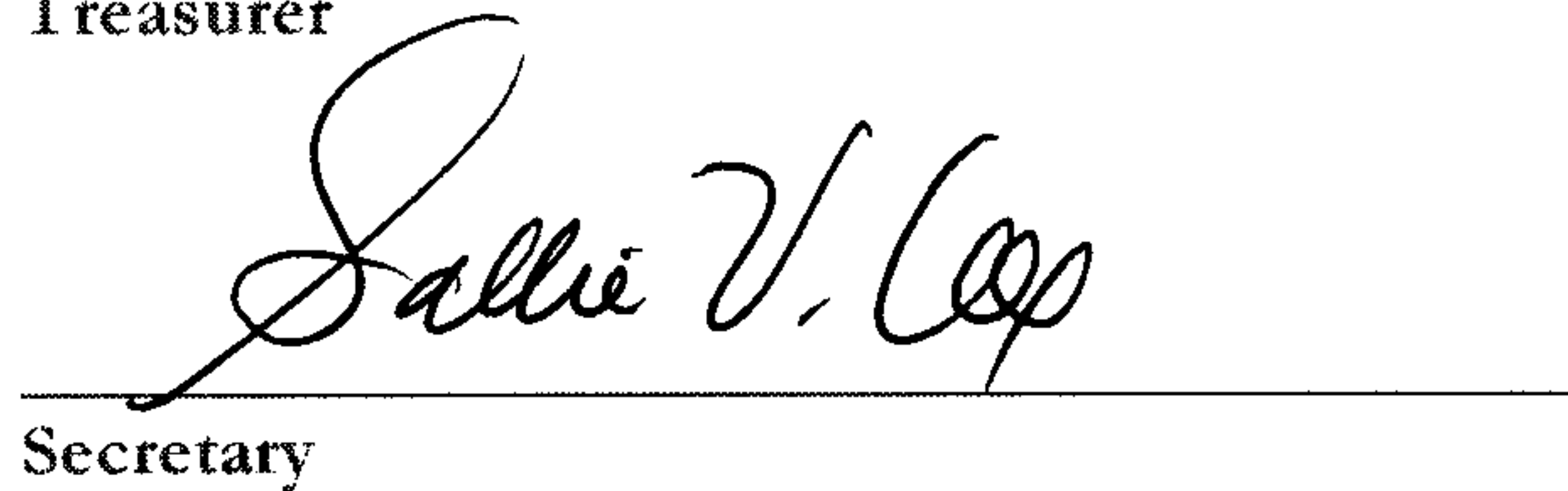
Date



Treasurer

1-21-14


Date



Secretary

1-21-2014


Date

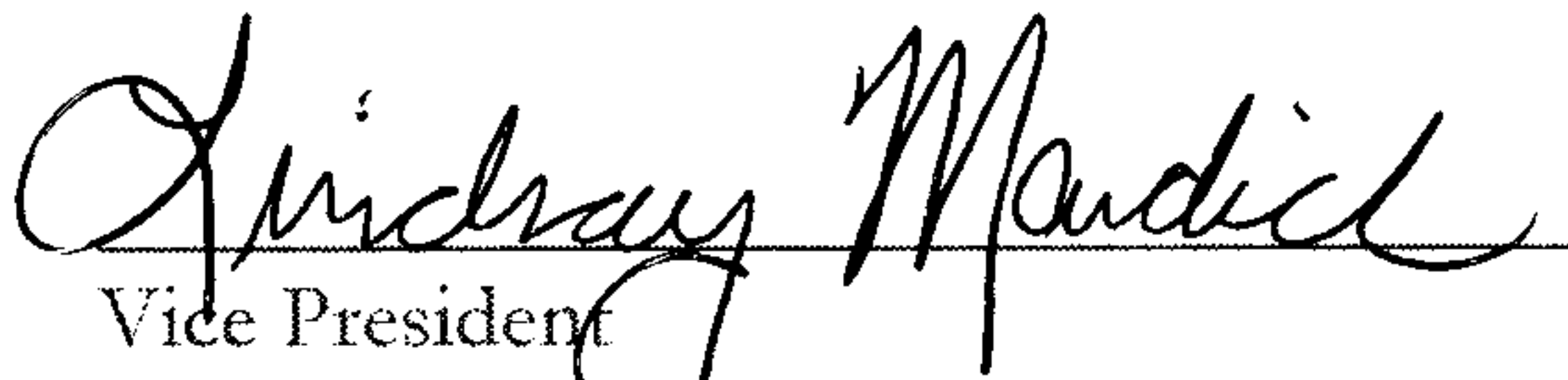

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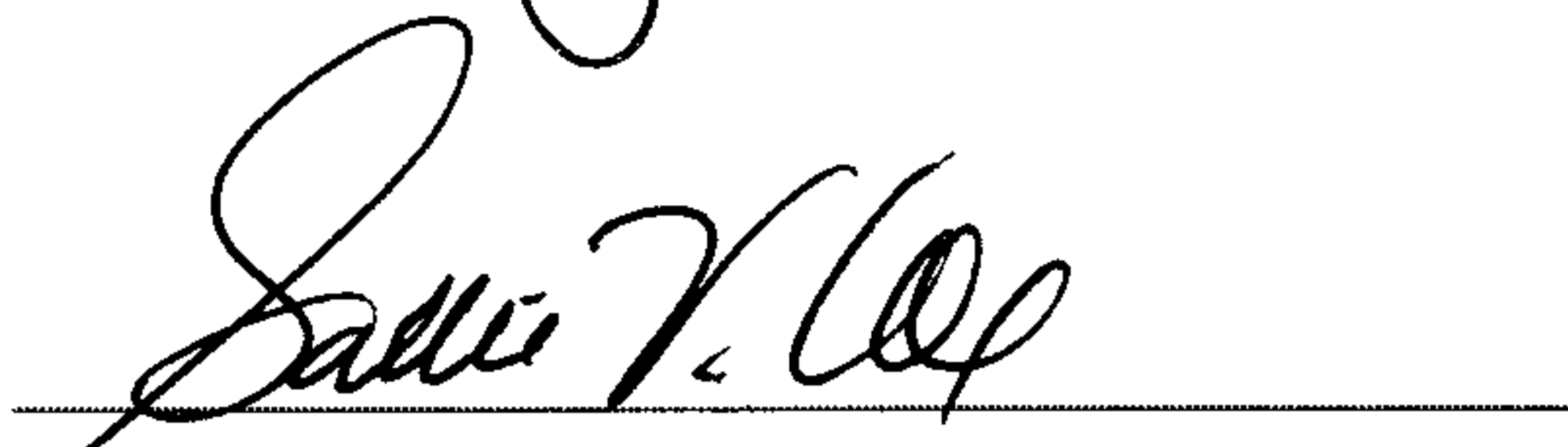
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RESOLUTION OF BOARD OF DIRECTORS
INVERNESS MASTER HOMEOWNERS ASSOCIATION

BE IT RESOLVED that at a duly held meeting of the Board of Directors of the Inverness Master Homeowners Association, Inc. ("Board") held on November 19, 2013 with a quorum in attendance, the IMHA Board hereby alters and amends its Bylaws. Furthermore it is the intent of the Board that the Amended and Restated By-Laws shall be effective immediately, and shall replace and/or supersede the previous Amended By-Laws of the Inverness Master Homeowners Association, which were recorded in the Office of the Judge of Probate of Shelby County, Alabama on February 1, 2013, to wit; document #20130201000044450.


President


Vice President


Secretary


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