

**BY-LAWS OF
CHANDALAR SOUTH TOWNHOUSE ASSOCIATION, INC.**

These Bylaws, which will supersede those original Bylaws of the Chandalar South Townhouse Association, Inc. is made by the owners of the Chandalar South Townhouse Association, Inc., each acting herein, have this 13th day August, 2012, voluntarily associated themselves together for the purpose of revising said Bylaws under the provisions as set forth within.

ARTICLE I

NAME AND LOCATION: The name of the corporation is Chandalar South Townhouse Association, Inc., hereinafter, referred to as the "Association". The principal office of the Association shall be located at the residence of the Treasurer of the Association, who will receive correspondence at P. O. Box 1162, Pelham, Alabama 35124. Meetings of members and the directors may be held at such places within the State of Alabama, County of Shelby, as may be designated by the Board of Directors.

ARTICLE II

Definitions

Section 1. "**Association**" shall mean and refer to Chandalar South Townhouse Association, Inc., its successors and assigns.

Section 2. "**Properties**" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions and such addition thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "**Common Area**" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "**Lot**" shall mean and refer to any plot of land included in "Properties" except the "Common Area".

Section 5. "**Owner**" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of these Properties but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "**Declarant**" shall mean and refer to all owners of a fee simple title to any Lot which is a part of the Properties and their successors and assigns.


Section 7. "**Declaration**" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the office of the Judge of Probate of Shelby County, Alabama.

Section 8. "**Member**" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 9. "**Due Date**" shall mean and refer to that date which the monthly Assessment shall be received by the Treasurer and that date shall be the first (1ST) day of the month in which the assessment is due.

Section 10. "**Default**" shall mean and refer to the failure of the Owner to pay the assessment within thirty (30) days of the Due Date.

**ARTICLE III
Meeting of members**


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Section 1. ANNUAL MEETINGS. The annual meeting of the members shall be held on the first (1) Monday in November at 7:00 p.m. If the day for the annual meeting of the membership is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. SPECIAL MEETINGS. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of one-third (1/3) of the members who are entitled to vote.

Section 3. NOTICE OF MEETINGS. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by electronic or regular mail of such notice, postage prepaid, at least thirty (30) days and not more than sixty (60) days before such meeting to each member entitled to vote thereat, addressed to the member's last known address (physical or electronic) appearing on the books of the Association, or supplied by such member to the Association for the purposes of notice, except as otherwise provided in the Declaration of Covenants or these By-laws. Such notice shall specify the place, day and hour of the meeting and the purpose of the meeting.

Section 4. QUORUM. A majority vote of those present at a meeting of members entitled to cast, or of proxies entitled to cast a vote, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these by-laws. If however, such quorum shall not be present or represented at any meeting, the members entitled to vote shall have the power to adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum shall be represented.

Section 5. PROXIES. At all meetings of members, each member may vote in person or by proxy. A proxy form shall be included in or with notice of the meeting to members. All proxies must be signed by the member and a person must be designated on the proxy to vote in behalf of the member.

Section 6. VOTING PRIVILEGES. Every owner of a townhouse and lot which is subject to assessment by Chandalar Townhouse Association, Inc. shall be a voting member of the Association. Homeowners are entitled to one (1) vote for each home owned. When more than one (1) person holds an interest in any townhouse, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any lot. Members and their households who are in default of their monthly Association dues will be deemed "not in good standing" and will be unable to vote until such time as they become current with their dues.

ARTICLE IV

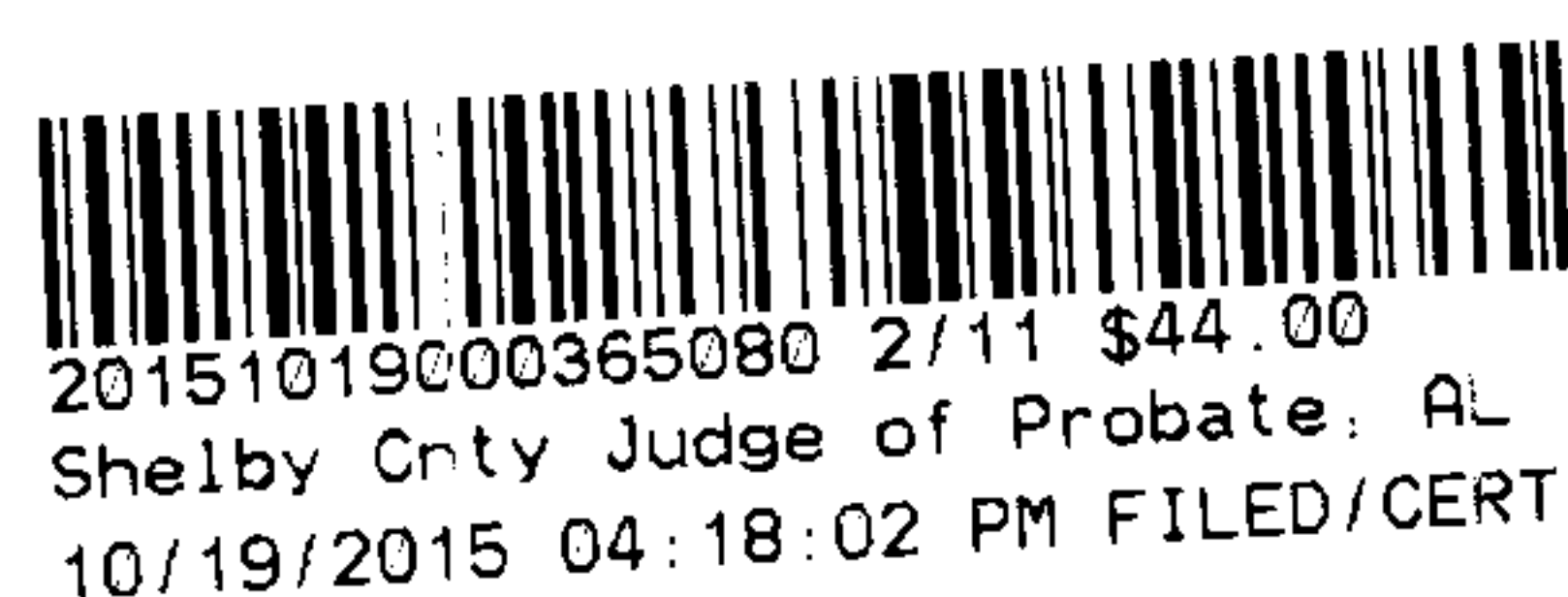
Board of Directors: Section and Term of Office

Section 1. NUMBER. The affairs of this Association shall be managed by a Board of five (5) directors who need not be members of the Association.

Section 2. TERM OF OFFICE. At the annual meeting the members shall elect five (5) Directors, who will serve a one (1) year term of office.

Section 3. REMOVAL. Any director may be removed from the Board, by any of the following three (3) methods:

- (A) Majority vote of the members of the Association,
- (B) Majority vote of the Board members,
- (C) Automatic removal is required if director becomes more than sixty (60) days delinquent in payment of assessments.



In case of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve the unexpired term of his predecessor.

Section 4. COMPENSATION. The directors may receive compensation for service rendered to the Association, no more than one-twelfth (1/12) of his regular annual assessment and may be reimbursed for actual expenses incurred in the performance of his/her duties.

Section 5. ACTION TAKEN WITHOUT A MEETING. The Board shall have the right to take any action in the absence of a meeting that they could take at a meeting by obtaining the approval of a majority of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Board.

ARTICLE V

Nomination and Election of Directors

Section 1. NOMINATION. Nomination for election of 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 Chairperson, 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 at least sixty (60) days prior to 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. Such nominations must be made only from members in good standing and the name of the nominee must be included in the notice of the annual meeting.

Section 2. ELECTION. Election to the Board of Directors shall be by written ballot. At such elections 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 person receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

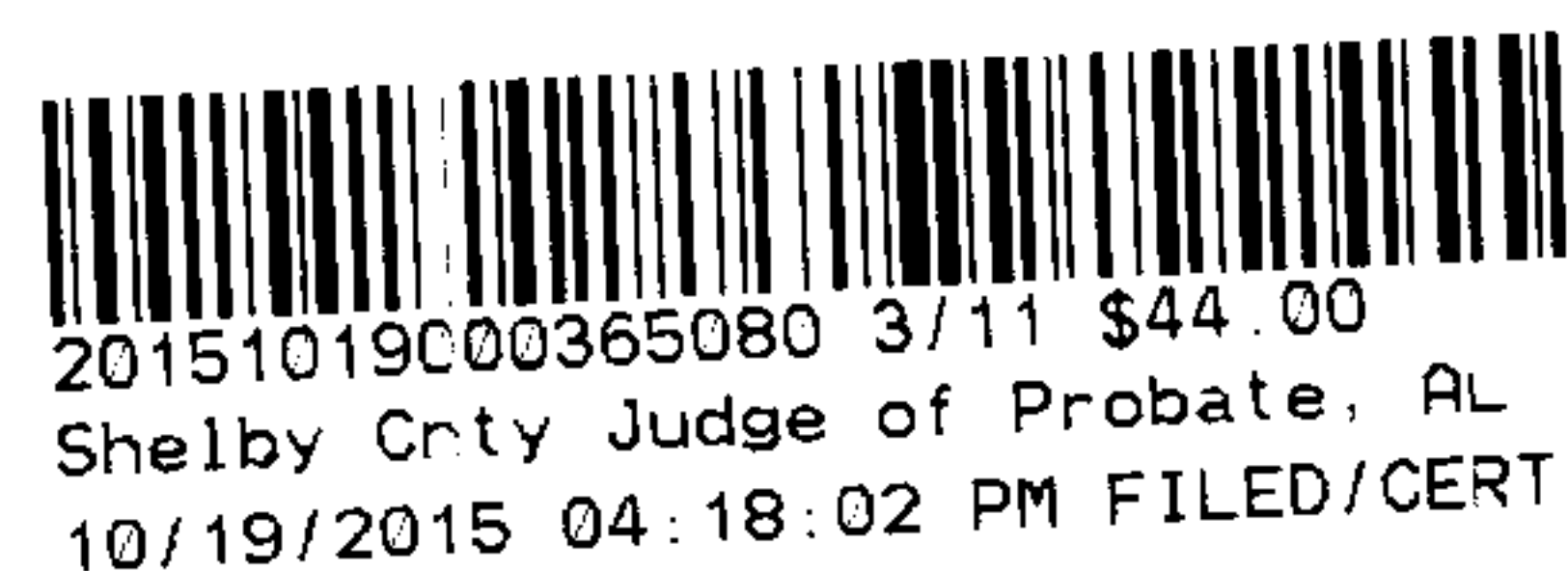
ARTICLE VI

Meetings of Directors

Section 1. REGULAR MEETINGS. Regular meetings of the Board of Directors may be held without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2. SPECIAL MEETINGS. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three-(3) days notice to each Director.

Section 3. QUORUM. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.



ARTICLE VII
Powers and Duties of the Board of Directors

Section 1. POWERS The Board of Directors shall have the power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to

establish penalties for the infraction thereof;

(b) Suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association.

(c) 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

by-laws, the Articles of Incorporation, or the Declaration;

(d) To require the officers to maintain a management agreement with a third party, specifically not an owner or lessee of an owner, for the purposes of bookkeeping, receipt and disbursement of monies and other general administrative duties, all as prescribed by the Board. Further, such third party must be bonded or insured and shall not have the authority to issue or sign any checks for the Association without authorization of the Board. This third party will cause proper books of account information to be kept, cause an annual review of the Association books to be made by a public accountant at the completion of each fiscal year, shall initiate the preparation of an annual budget and a statement of income and expenditures to be presented to the membership at its regular Annual Meeting and will deliver a copy of each to the members; and

(e) To require the officers to maintain one or more management agreements with third parties or corporations in order to facilitate efficient and amicable operation of the Properties. These duties shall minimally include providing for the administration, management, repair, and maintenance of the Properties, all improvements included therein and designated as common areas, the roof and exterior walls of the dwellings, and the receipt and disbursement of all funds involved with and required for said duties.

(f) Any additional duties to be included in said management agreement (s) shall be determined by the Board of Directors as deemed to be in the best interest of the corporation, and shall be subject in all respects to the Articles of Incorporation, these BY-Laws and the Declarations.

(g) It shall be the duty of the Association or the Board of Directors to effect a new management agreement prior to the expiration of any management contract.

Section 2. DUTIES. It shall be the duty of the Board of Directors to:

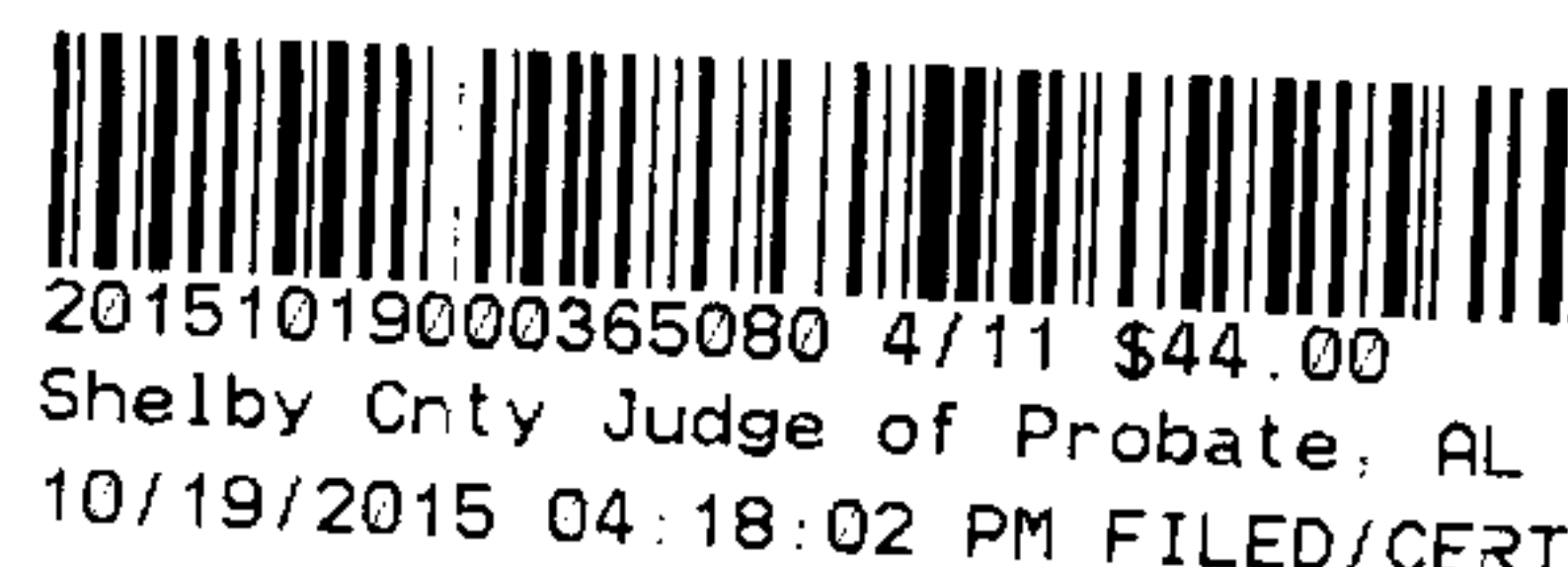
(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to members at the annual meeting, or any special meeting when such statement is requested in writing by one fourth (1/4) of the members who are entitled to vote;

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration of Covenants, to:

(1) Fix the amount of the monthly assessment against each lot at least sixty (60) days in advance of each fiscal year;

(2) Send notice of each assessment to every owner at least thirty (30) days in advance of each annual assessment period;



(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring action at law against the owner personally obligated to pay same;

(4) On the fifteenth (15th) day of delinquency of assessment, the Board of Directors shall cause a letter to be sent to the delinquent owner notifying the owner that appropriate legal action will be taken if payment is not received by the thirtieth (30) day of delinquency; and

(5) The Board of Directors of the Association shall cause a lien to be placed against any property for which assessments are forty-five (45) days past due and said lien should be placed as close to the forty-fifth (45th) day of delinquency as is reasonably possible;

(6) Issue, or to cause the appropriate officer to issue, upon demand by any person, for a reasonable fee, a certificate setting forth whether or not any assessment has been paid, such certificate shall be conclusive evidence of such payment.

(7) To procure adequate hazard and liability insurance on property owned by the Association, in accordance with the Declaration of Covenants, Conditions and Restrictions.

(8) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

(9) Cause the common area to be maintained.

(10) Cause the exterior of the dwellings and the exterior of the patio fences to be maintained.

(d) Assess an appropriate fine by the Association, not to exceed 1/12 of that year's annual dues, as a financial penalty for each covenant and/or by-law violations, so long as the Association has shown due diligence in the following:

(d) Assess an appropriate fine by the Association, not to exceed 1/12 of that year's annual dues, as a financial penalty for each covenant and/or by-law violations, so long as the Association has shown due diligence in the following:

1) Provided the member a warning letter by electronic, regular mail, or hand delivery, citing the violation and requesting that it be corrected within fifteen (15) business days.

2) If the violation as described above is not corrected and a written response not received by CSTA or its management company postmarked within the fifteen (15) business days, then a second letter must be sent informing the member of the following:

- A. Stating that they have failed to correct the violation of the covenant or by-law
- B. Citing the exact covenant or by-law that was broken
- C. Specifying the amount of the fine, when it is due and where it should be sent
- D. Outlining the procedure by which a homeowner may contest a fine
- E. Providing a deadline date by which their response must be postmarked

3) CSTA must give the homeowner no less than ten (10) business days and no more than (30) business days to pay the fine and respond in writing as to how the violation was corrected or to dispute the violation in writing and present a written request for an audience before the Board. Only written requests for an audience before the Board will be accepted. If the homeowner wishes to dispute the fine, all contestations must be received in writing and postmarked no later than the deadline date stated in the letter.

4) Should the homeowner opt for the right to dispute the violation at a board meeting, the time and date of the Board Meeting must be provided to the homeowner in writing no less than five



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business days before that Board Meeting, which must occur no more than sixty (60) business days after the homeowner's written request to address the Board was postmarked. Failure of the Board to meet within this time frame will render the alleged violation of the homeowner null and void.

5) If at the prescribed Board Meeting, a member has been granted the right to address the board regarding his or her alleged violation, by way of their written request as outlined above, the Board must allow the member at least 10 minutes to state their case and the Board must vote to determine the validity of the fine. Should a homeowner be unable to attend the prescribed Board Meeting, they can present their objection to the violation in writing. The objection must be read aloud at the prescribed Board Meeting and included in the minutes, after which time the Board will then vote to determine the validity of the fine. The results of the Board's vote must be recorded in the meeting minutes. Should the Board vote that the fine was assessed in error, no payments shall be due by the homeowner. The Board must inform the member in writing no more than ten (10) days following the meeting of the result of the vote.

If the Board votes by majority that the fine is valid, the homeowner must pay the fine within ten (10) business days of the said Board Meeting. If payment is not received by the Association and postmarked by the eleventh (11th) business day following the Board Meeting, the Board must suspend the right to use the recreational facilities until the time the payment has been made in full and the member is subject to all forms of late payment penalties as prescribed in CSTA's By-laws for delinquent dues.

6) Failure of a homeowner who has requested an audience with the Board in writing to attend the prescribed Board meeting in person or present their case in writing shall be deemed an admission of violation and will render the fine valid and due.

7) Late fees, judgments and liens for fines related to violations of the covenants and by-laws shall be the same as for Association dues.

8) Members who have been fined for a violation may again be cited and fined for the same violation, if the violation has not been corrected within the fifteen (15) to thirty (30) day deadline they were afforded for the previous offense. If the offense was contested once and deemed valid, the member will not have the right to contest the validity of the fine again. If the violation is a new, previously uncontested violation, the homeowner may contest the fine in the manner prescribed above. Failure by the Association or by an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so hereafter.

ARTICLE VIII

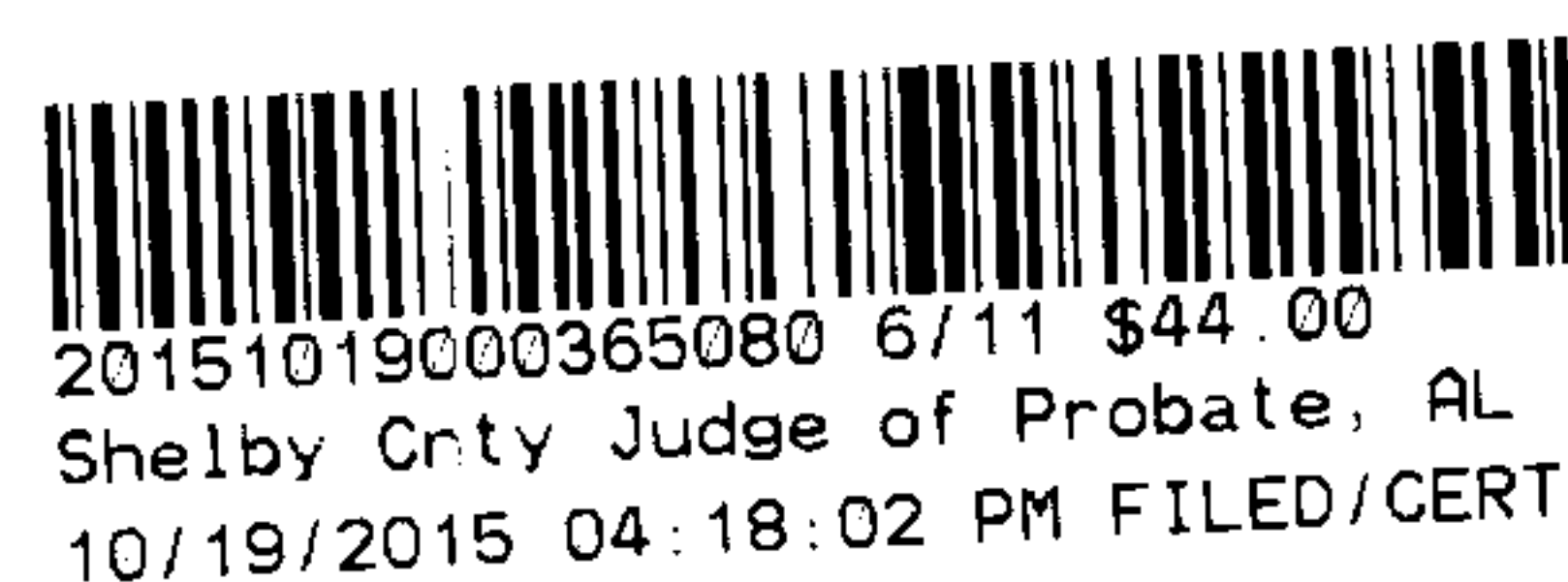
Officers and Their Duties

Section 1. ENUMERATION OF OFFICES. The officers of this Association shall be President, Vice President, Secretary and Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. ELECTION OF OFFICERS. The election of officers shall take place at the annual meeting of the members.

Section 3. TERM. The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he shall resign, or shall be removed, or otherwise disqualified to serve.

Section 4. SPECIAL APPOINTMENTS. The Board may elect such officers as the affairs of the Association may require, each of who shall hold office for such



period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. RESIGNATION AND REMOVAL. Any officer may be removed from office with cause by the Board. Any officer may resign at any time giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein.

Section 6. VACANCIES. A vacancy in any office may be filled by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. MULTIPLE OFFICES. No person shall simultaneously hold more than one of any of the other offices at a time, except in the case of Secretary/Treasurer, and special offices created pursuant to Section 4 of this Article.

Section 8. DUTIES The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board are carried out, shall sign all written instruments and sign all promissory notes.

Vice-President

(b) The Vice President shall act in the place of the President in the event of absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all the meetings and proceedings of the Board and of the members, keep the corporate seal of the Association and affix it to all papers requiring said seal, serve notice of meetings of the Board and of the members, keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall work in conjunction with the current management company in the role of an oversight agent whose duties are limited to supervision and review of any financial work done by a third party under conditions set forth herein. The treasurer may also initiate disbursements of funds as directed by the Board of Directors and must confirm that an annual review of the Association books is made by a public accountant at the completion of each fiscal year.

ARTICLE IX

Committees

Section 1. The Board of Directors shall appoint an Architectural Control Committee as provided in the Declaration and a Nominating Committee as provided in these by-laws. In addition, the Board of Directors may appoint other such committees as deemed appropriate in carrying out its purposes. The Board of Directors shall determine the duties of any such committees that may be established.

(a) A Recreation Committee which shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines;

(b) A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the



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properties, and shall perform such other functions as the Board, in its discretion, determines;

(c) A Publicity Committee which shall inform the members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public released and announcements as are in the best interests of the Association;

(d) An Audit Committee which shall supervisor the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting as provided in Article XI. The Treasurer shall be an ex officio member of this committee.

Section 2. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties and activities within its field of responsibility. It shall dispose of such complaints, as it deems appropriate or refer them to such other committees, directors or officers of the Association as is further concerned with the matter presented.

ARTICLE X

Books and Records

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the by-laws of the Association, as well as the Management Agreements shall be available for inspection at the principal office of the Association or may be purchased at reasonable costs.

ARTICLE XI

Assessments

Section 1. ANNUAL AND SPECIAL ASSESSMENTS. As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments, which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid within thirty (30) days after the due date, shall bear interest from the date of the delinquency at a rate of eight percent (8%) per annum, and the Association may bring an action

at law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his lot.

Section 2. PURPOSE OF ASSESSMENTS. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties and for the improvement, preservation, and maintenance of the Common Area and *exterior dwellings* situated upon the Properties, and of any easement in favor of the Association, and for Common Expenses necessary to administer the Association.



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Section 3. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the annual assessments authorized, the Association may levy, in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area or dwellings, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of three-fifths (3/5) of the votes of all eligible homeowners voting in person or by proxy at a meeting duly called for this purpose.

ARTICLE XII

Corporate Seal

The Association shall have a seal in circular form having within its circumference the words: Chandalar South Townhouse Association, Inc.

ARTICLE XIII

Amendments

Section 1. Proposed amendments to the By-Laws may be submitted in writing to the Board of Directors by any voting member of the Association in good standing. The proposed amendment will be added to the agenda and brought before the general membership for consideration of the amendment's importance for discussion or general vote by the membership at the next general meeting of the Association. Amendments will pass when approved by a majority vote of the members of the Association present in person or by proxy. These by-laws maybe amended at a regular or special meeting of the members by a majority vote of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these by-laws, the Articles shall control; and in the case of any conflict between the Declaration of Covenants and these by-laws, the By-Laws shall control.

ARTICLE XIV

Miscellaneous


The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of Incorporation.

XV

Website

Section 1. The Board may appropriate funds for the ongoing reservation of a URL (website name) and the maintenance of a website to include; all meeting minutes, quarterly financial statements, the most recent version of the By-Laws and Covenants and any letters from the Board to owners.

Section 2. All attempts will be made for accuracy by means of scanning actual officially circulated documentation; however, should the electronic version of the documents vary in

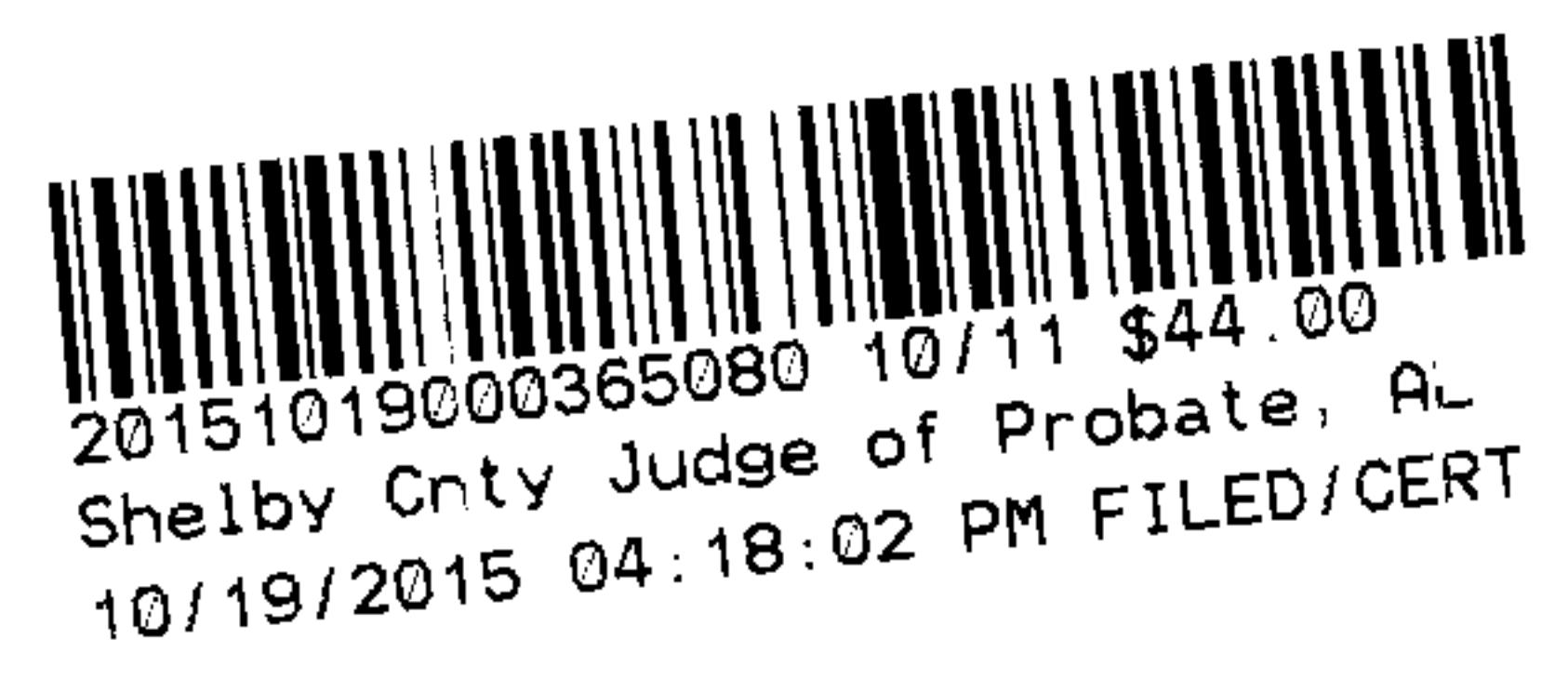


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any way from their originals, the original paper version will rule. The Board has the duty to insure that all documents provided on the website be as accurate and true to the original as possible.

Section 3. In no way will this site be treated as an independent agent and cannot contain any exclusive information not otherwise made available on demand by any homeowner or already preferably physically distributed to the community as a whole.

Section 4. In no way will this site be used as a sounding board for any political, secular, or religious issues within or outside the boundaries of the neighborhood.



IN WITNESS WHEREOF, for the purpose of revising the Bylaws of the Chandalar South Townhouse Association, Inc., under the laws of the State of Alabama, we, the undersigned, constituting the Board of Directors of this Association, in accordance with the guidelines set forth within this document, have hereunder set our hands and seal this 13th day of August, 2012.

William R. Yancey

William R Yancey

Brenda Stratton

Brenda Stratton

Gillian Waybright

Gillian Waybright

Cathy G. Klingensmith

Cathy G. Klingensmith

Keith Knowles

Keith Knowles

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