

**BYLAWS  
OF  
SILVER LAKES HOME OWNERS ASSOCIATION, INC.**

The following are the Bylaws of SILVER LAKES HOME OWNERS ASSOCIATION, INC., hereinafter referred to as the "Association," a corporation not for profit under the laws of the State of Alabama, formed for the purpose of managing and operating that certain development located in Jefferson County, Alabama, known as SILVER LAKES.

**ARTICLE I  
PRINCIPAL OFFICE**

The principal office of the Association shall be at 1825D 12<sup>th</sup> Avenue N., Bessemer, AL 35020, or at such other place as may be designated subsequently by the Board of Directors. All books and records of the Association shall be kept at its principal office.

**ARTICLE II  
DEFINITIONS**

**Declaration Defined**

2.01. "Declaration" shall mean that certain Declaration of Protective Covenants for Silver Lakes, First Sector, as recorded in the Office of the Judge of Probate of Jefferson County, Alabama, Bessemer Division, in Instrument #9863/3815, and in the Amendment to the Declaration of Protective Covenants for Silver Lakes, First Sector, as recorded in the Office of the Judge of Probate of Jefferson County, Alabama, in Instrument #9960/9151, as amended from time to time, collectively known as the "Declaration" hereinafter, unless the context otherwise requires.

**Other Terms Defined**

2.02. Other terms used herein shall have the meaning given to them in the Declaration and are hereby incorporated by reference and made a part hereof.

**ARTICLE III  
DEVELOPER RIGHTS**

The developer, Silver Lakes LLC, shall be exclusively entitled to take all actions and vote on all matters to be voted on by the members and to appoint the members of the board of directors for so long as Developer owns any portion of the development or any additions thereto. These rights include, but are not limited to the following:

- (A) the right to appoint the Board of Directors,
- (B) the right to elect officers,

and the date of issuance of the certificate shall be entered on the records of the Association maintained by the Secretary.

## ARTICLE V MEETINGS OF MEMBERS

Upon relinquishment of control of the development to the Homeowners by the Developer the following provisions shall apply:

### Annual Meeting

5.01. The annual meeting of the Members shall be held on the date, at the place, and at the time, as determined by the Board of Directors from time to time, provided that there shall be an annual meeting every calendar year and not later than thirteen months after the last preceding annual meeting. The purpose of the annual meeting shall be to elect the Directors, and to transact any other business authorized to be transacted by the Members or stated in the notice of the meeting sent to the Members in advance thereof.

### Special Meeting

5.02. Special meetings of the Members may be called at any time by a majority of the Board, or on receipt by the Board of a written request of Members representing at least twenty percent (20%) of the total voting power of the Association. The business conducted at a special meeting shall be limited to that stated in the notice of the meeting.

### Notice of Meeting

5.03. Notice of all meetings of Members shall state the time and place of the meeting and the objects for which the meeting is called. Notices shall be prepared and delivered by or at the direction of the Secretary, and may be delivered either personally or by mail to a Member at the address given to the Board by said Member, or to the Member's Home if no such address has been given to the Board. Notice of the annual meeting shall be mailed or delivered to each Member not less than thirty (30) days prior to the meeting and not more than sixty (60), and notice of a special meeting shall be mailed or delivered to each Member not less than thirty (30) days prior to the meeting and not more than sixty (60) days.

### Rights of Home Owners

5.04. Home owners may participate in meetings of home owners regarding all designated agenda items, provided the statements are limited to five minutes for each agenda item and the request to speak is given to the secretary at the beginning of the meeting.

6.02. When a quorum is present, the holders of a majority of the voting rights present, in person or by proxy, shall decide any question brought before the meeting, unless the question is one on which, by express provision of the Declaration, a different number is required. The following matters shall be subject to the affirmative vote of not less than fifty-one percent (51%) of the votes of the Members: (1) The merger or consolidation of the Association; (2) The sale, lease, mortgage, or other disposition of substantially all of the property of the Association; and (3) The purchase of land or Homes on behalf of the Association.

#### **Designation of Voting Member**

6.03. If a Home is owned by more than one person, the person entitled to cast the vote for the Home may be designated by a certificate signed by all of the record owners of the Home and filed with the Secretary of the Association. If a Home is owned by a corporation, partnership, trust, or other legal entity, the person entitled to cast the vote for the Home must be designated by a certificate of appointment signed by a duly authorized representative of the entity and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Home involved. A certificate may be revoked by any owner of an interest in the Home.

#### **Failure to Designate a Voting Member**

6.04. If a Home is owned by more than one person and they do not designate a voting Member, the following provisions shall apply:

(1) If more than one such owner is present at any meeting, and they are unable to concur in a decision on any subject requiring a vote, they shall lose their right to vote on that subject at that meeting.

(2) If only one such owner is present at a meeting, that person shall be entitled to cast the vote pertaining to the Home.

(3) If more than one such owner is present at the meeting, and they concur, any one such owner may cast the vote for the Home.

#### **Voting by Proxy**

6.05. Votes may be cast in person or by proxy. All proxies must be in writing, dated, signed by the Member generating the proxy, and filed with the Secretary of the Association before the appointed time of any meeting to which it applies. A Member may revoke a proxy at any time by delivering a written notice of revocation to the Association.

nominating committee appointed by the Board prior to the annual meeting of the Members or prior to any other meeting of Members called for the purpose of electing Directors.

#### **Initial Election of Directors**

7.05. Within 120 days after the Home Owners are entitled to elect one or more Directors, the Association shall call a meeting of the Members to elect the Directors. The Association shall give not less than ten (10) days nor more than sixty (60) days' notice of the meeting to each Member. The meeting may be called and the notice may be given by any Home Owner if the Association fails to do so. The election shall be conducted in the manner specified in Paragraph 6.06.

#### **Election of Directors**

7.06. Upon relinquishment of control of the Development the Directors shall be elected at the annual meeting of Members. The election shall be by secret ballot (unless dispensed with by unanimous consent), and each Member shall be entitled to cast one vote for each vacancy. There shall be no cumulative voting. Those candidates receiving the greatest number of votes cast either in person or by proxy shall be elected.

#### **Term**

7.07. Each Director elected by the Members shall hold office until the next annual meeting of Members, and until his or her successor shall be elected and qualified, or until he or she resigns or is removed in any manner provided elsewhere herein. Each Director appointed by the Developer shall hold office until he or she resigns, is removed by the Developer, or his or her term expires as provided in Paragraph 7.03.

#### **Vacancies**

7.08. Any vacancy in the position of a Director elected by the Members of the Association shall be filled by a majority vote of the remaining Directors, and any Director so elected shall hold office for a term equal to the unexpired term of the Director whom he or she succeeds. Any vacancy in the position of a Director appointed by the Developer shall be filled by the Developer.

#### **Removal**

7.09. Any Director may be removed for cause by a majority vote at a special meeting of the Members called for that purpose. The vacancy in the Board of Directors so created shall be filled by the Members at the same meeting.

#### **Compensation**

6.10. A Director shall not receive any compensation for any service he may render to the Association as a Director, provided, however, that any Director may be reimbursed for actual out-of-pocket expenses incurred by him or her in the performance of his or her duties.

### **Action Without Meeting**

8.06. Any action permitted or required to be taken at a meeting of the Directors may be taken without a meeting if written consent setting forth the action so taken shall be signed by all the Directors, and filed with the minutes of the proceedings of the Board.

### **Minutes of Meetings**

8.07. The minutes of all meetings of the Board of Directors shall be kept in a minute book available for inspection by Home Owners, or their authorized representatives, or by Directors at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.

## **ARTICLE IX POWERS AND DUTIES OF THE DIRECTORS**

### **Specific Powers**

9.01. The Developer, during the period of control, and, thereafter, The Board of Directors shall have the power to exercise all powers, duties, and authority vested in the Association by the Declaration, or these Bylaws, except for such powers and duties reserved thereby to the Members or the Developer. The powers and duties of the Board shall include, but shall not be limited to, the following:

- (1) To elect and remove officers of the Association as hereinafter provided.
- (2) To administer the affairs of the Association.
- (3) To maintain bank accounts on behalf of the Association and to designate signatories required therefore.
- (4) To pay the cost of all taxes and utilities assessed against the common areas of the subdivision that are not assessed and billed to the owners of individual Homes.
- (5) To borrow money on behalf of the Association when required in connection with the operation, care, upkeep, and maintenance of the common areas; provided, however, that the consent of at least fifty-one percent of the Members, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required for the borrowing of any sum in excess of \$ 10,000.00.
- (6) To establish a budget for the operations of the development; to designate those expenses which shall constitute the Common Expenses and Limited Common Expenses of the development; to make, set, levy, and collect annual, special and individual assessments against Home Owners of the development to provide the funds to pay for Common Expenses and Limited Common Expenses of the development as provided for in the Declaration; and to use and expend the proceeds of Assessments in the exercise of the powers and duties of the Association;

**ARTICLE X  
OFFICERS**

**Election**

10.01. The executive officers of the Association shall be a President, a Vice-President, a Secretary, and a Treasurer. The officers shall be elected annually by the Board of Directors at its first meeting following the annual meeting of the Members of the Association. Any two or more offices may be held by the same person, except the offices of President and Secretary. During the period of control by the Developer the office of President and Secretary may be held by one person.

**Term**

10.02. Each Officer shall hold office for the term of one year and until his successor shall have been appointed or elected and qualified, provided that any officer may succeed himself.

**Special Appointments**

10.03. The Board may appoint such other Officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

**Resignation and Removal**

10.04. Any Officer may be removed from office either with or without cause by the vote of a majority of the Directors present at any meeting. Any Officer may resign at any time by giving written notice to the Board. Such resignation shall take effect on the date of receipt or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Vacancies**

10.05. A vacancy in any office shall be filled by a majority vote of the Directors at any meeting. An Officer elected to fill a vacancy shall hold office for a term equal to the unexpired term of the Officer he succeeds.

**Compensation**

10.06. An Officer shall not receive any compensation for any service he may render to the Association as an Officer; provided, however, that any Officer may be reimbursed for actual out-of-pocket expenses incurred by him in the performance of his duties.

(5) To sign as Secretary all deeds, contracts, and other instruments which have been duly approved by the Board, if said instruments require a second Association signature.

#### **Duties of the Treasurer**

10.10. The Treasurer shall be the financial officer of the Association, and shall have all powers and duties that are usually vested in the treasurer of a home owners association, including but not limited to the following powers:

(1) To receive and deposit in such bank or banks as the Board may from time to time direct, all of the funds of the Association.

(2) To be responsible for and supervise the maintenance of books and records to account for such funds and other Association assets.

(3) To disburse and withdraw said funds as the Board may from time to time direct, and in accordance with prescribed procedures.

(4) To prepare and distribute the financial statements for the Association.

### **ARTICLE XI FISCAL MANAGEMENT**

#### **Fiscal Year**

11.01. The fiscal year of the Association shall be the calendar year.

#### **The Initial and Maximum Annual Assessment**

11.02 Beginning June 1, 1999, the initial annual assessment shall be \$100.00 per lot. Assessments shall begin to accrue from the earlier of the date of closing of the sale from the builder to the homeowner or the date of occupation of the house. Annual assessments shall be prorated from the date that the assessments began to accrue and shall be prorated for the period of June 1 through May 31.

(A) From and after June 1, 1999, the maximum annual assessment may be increased each year not more than five percent (5%) above the maximum annual assessment for the previous year without a vote of the membership.

(B) From and after June 1, 1999, the maximum annual assessment may be increased above five percent (5%) by a vote of at least fifty-one percent of a quorum at a meeting duly called for that purpose.

### **Special Assessments**

11.07 Special assessments may be made in any year as provided for in Sections 5.05 and 5.06 of the Declaration of Protective Covenants.

### **Annual Statement**

11.08. Upon relinquishment of control by the Developer, at the annual meeting, the Board shall cause to be furnished to each Home Owner, a statement for the year so ended showing the receipts and expenditures of the Association, and such other information as the Board may deem desirable.

### **Accounting Records**

11.09. The Board shall cause to be kept, in accordance with generally accepted accounting principles, a record of all receipts and expenditures; and a separate account for each Home showing the Assessments or other charges due, the due dates thereof, the present balance due, and any interest in common surplus. Such records shall be open to inspection by Home Owners at reasonable times.

## **ARTICLE XII AMENDMENTS TO THE BYLAWS**

### **Notice**

12.01. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered. Proposals to amend existing bylaws shall contain the full text of the bylaws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens; provided, however, that if the change is extensive, the proposed bylaw alone shall be printed preceded by the following language: "Substantial rewording of bylaw. See bylaw \_\_\_\_\_ for present text."

### **Adoption**

12.02. The Board of Directors shall have the power to alter, amend, or repeal any of these Bylaws or to adopt new Bylaws by the affirmative vote of a majority of all of the Directors; provided, however, that any bylaw adopted by the Board may be altered, amended, or repealed, and new bylaws may be adopted by the affirmative vote of at least fifty-one percent (51%) of the total number of votes of all of the Members. The Members may prescribe in any bylaw adopted by them that such bylaw shall not be altered, amended, or repealed by the Board.

### **Prohibited Amendments**

12.03. No amendment may be adopted that would eliminate, modify, prejudice, abridge, or otherwise adversely affect any rights, benefits, privileges, or priorities granted to the Declarant or any



The foregoing were adopted as the Bylaws of the Silver Lakes Home Owners' Association, Inc. at the first meeting of the Board of Directors on the 7<sup>th</sup> day of May, 1999.

  
SECRETARY

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ARTICLES OF INCORPORATION OF  
SILVER LAKES HOMEOWNER'S ASSOCIATION, INC.

26.00

By these Articles, the undersigned hereby associate themselves for the purpose of forming a corporation not for profit under the laws of the State of Alabama, and certify as follows:

ARTICLE I  
NAME AND DEFINITIONS

The name of the corporation shall be SILVER LAKES HOMEOWNER'S ASSOCIATION, INC. The corporation is herein referred to as the "Association," and the terms used herein shall have the meaning for each stated in the Declaration of Protective Covenants for Silver Lakes, First Sector, as recorded in the Office of the Judge of Probate of Jefferson County, Alabama, Bessemer Division, in Instrument #9863/3815, and in the Amendment to the Declaration of Protective Covenants for Silver Lakes, First Sector, as recorded in the Office of the Judge of Probate of Jefferson County, Alabama, in Instrument #9960/9151, as amended from time to time, collectively known as the "Declaration" hereinafter, unless the context otherwise requires.

ARTICLE II  
PURPOSE

The Association is organized for the following purposes:

- (1) To maintain, operate, and manage the development known as Silver Lakes, and any additions thereto, and to do all things incident, necessary, convenient, expedient, ancillary, or in aid of the accomplishment of the foregoing.
- (2) To own, operate, lease, sell, trade, or otherwise deal with such property, real or personal, as may be necessary or convenient in the management of the development known as Silver Lakes.

ARTICLE III  
POWERS

Implied Powers

3.01. The Association shall have all of the common law and statutory powers of a corporation not for profit which are not in conflict with the purposes of the Association, as set forth in this Article and in the Declaration.

(11) To lease or license the use of Common Elements and Limited Common Elements in a manner not inconsistent with the rights of Home Owners;

(12) To pay taxes and assessments which are liens against any and all common areas within the development and any appurtenances thereto, and to assess the same against the lots subject to liens for such purposes;

(13) To pay the cost of all power, water, sewer, trash, garbage, and other utility services provided to the development and not billed to the individual lots; and

(14) To adopt and establish Bylaws for the operation of the Association.

#### ARTICLE IV ASSOCIATION FUNDS AND PROPERTY

The Association shall pay no dividend, and shall distribute no part of its income to its Members, Directors, or Officers. Nevertheless, the Association may pay compensation in a reasonable amount to its Members, Directors, and Officers for services rendered, and it may confer benefits on its Members in conformity with the Declaration and the purposes of the Association. On termination, the Association may make distributions to its Members as permitted by law, and no such payment, benefit, or distribution shall be deemed to be a dividend or distribution of income. All funds and property acquired by the Association and all proceeds therefrom shall be held and used for the benefit of the Members of the Association in accordance with the provisions of the Declaration, these Articles, and the Bylaws.

#### ARTICLE V MEMBERS

##### Qualification

5.01. The Members of the Association shall consist of the managing member of Silver Lakes, LLC, hereinafter referred to as the Developer, and the Home Owners of record in the development.

##### Change in Membership

5.02. Change of membership in the Association shall be established by the recording in the Office of the Judge of Probate of Jefferson County, Alabama, Bessemer Division, of a deed or other instrument establishing a record title to a lot within the development, and delivery to the Association of a certified copy of such instrument. The new Home Owner designated by such instrument shall thereupon become a Member of the Association, and the membership of the prior Home Owner shall thereby be terminated.

**Initial Directors**

6.04. The name(s) and address(es) of the first Board of Director(s), who shall hold office until the election or appointment of their successors, is/are as follows:

Joel W. Mulkin  
1825D 12<sup>th</sup> Avenue N.  
Bessemer, AL 35020

**ARTICLE VII  
TERM**

The term of the Association shall be perpetual; provided, however, that the Association shall be terminated by the termination of the development in accordance with the terms of the Declaration.

**ARTICLE VIII  
REGISTERED OFFICE AND AGENT**

The initial registered office of the Association is 1825D 12<sup>th</sup> Avenue N. Bessemer, AL 35023, and the name of the initial registered agent at that address is Joel W. Mulkin.

**ARTICLE IX  
INCORPORATOR**

The name and address of each incorporator of the Association is:

Joel W. Mulkin  
1825D 12<sup>th</sup> Avenue N.  
Bessemer, AL 35020

IN WITNESS WHEREOF, the Incorporator has hereto affixed his signature this 7<sup>th</sup> day of May, 19 99.

INCORPORATOR:

  
Joel W. Mulkin

State of Alabama - Jefferson County  
I certify this instrument filed on  
1999 MAY 13 A.M. 11:21  
Recorded and \$  
and \$ 26.00 Deed Tax and Fee \$ 36.00  
GEORGE E. REYNOLDS, Jr. Judge of Probate  
9961/4107 BESS