

**BY LAWS YOUNG FARM RESIDENTIAL ASSOCIATION, INC.**

**A NON PROFIT CORPORATION BY LAWS**

ARTICLE I

SECTION 1: The name of the corporation shall be: Young Farm Residential Association, Inc.

SECTION 2: The principal office of the corporation in the State of Alabama shall be located in the City of Montgomery, Montgomery County, Alabama. The corporation may have such other offices, either within or without the State of Alabama; as the Board of Directors may designate or as the business of the corporation may require from time to time.

SECTION 3: The registered office of the corporation, required by the Alabama Business Non-Profit Corporation Act to be maintained in the State of Alabama may be, but need not be, identical with the principal office in the State of Alabama, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II

Membership in the Corporation shall be limited to owners of lots included in the Young Farm Residential Development as the Plat of the Subdivision appear of record in the Office of the Judge of Probate of Montgomery County, Alabama.

ARTICLE III

SECTION 1: The annual meeting of the membership shall be held on the first day of May in each year at the principal office of the corporation, provided however, that whenever such day shall fall upon a Sunday or legal holiday, the meeting shall be held on the next succeeding business day, or at such other time on such other day within such month as shall be fixed by the Board of Directors. At such meeting, the membership shall elect directors to serve until their successors shall be elected and qualified, and shall transact such other business as may come before the meeting. If the election of directors shall not be held on the day designated herein for any annual meeting of the members, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the membership as soon thereafter as conveniently may be.

SECTION 2: A special meeting of the membership, for any purpose or purposes, unless otherwise prescribed by statute, may be called for any place or time by the President, and in his absence by the Vice President, or by the Directors, and such special meetings may be held at any place within or without the State of incorporation, so long as such place be specified in the call for such meeting. It shall be the duty of the Directors, President, or Vice President, as the case might be, to call such a meeting whenever so requested by the members holding at least ten (10%) percent of the units entitled to vote at said meeting. If no designation is made, or if a special meeting be otherwise called, the place of the meeting shall be the principal office of the Corporation in the State of Alabama.

SECTION 3: Notice of the time and place of all annual and special meetings of the membership shall be mailed by the Secretary to each member to the respective addresses of said members as shown on the records of the Corporation, and in the case of special meetings, unless otherwise prescribed by statute, be delivered not less than ten or more than fifty days before the date of the meeting, either personally or by mail, or by or at the direction of the President, or the Secretary, or the officer or other person calling the

meeting, to each member of record entitled to vote at such meeting. In the case of special meetings, the written notice shall also be deemed to be delivered when deposited in the United States Mail, addressed to the member at his address as it appears on the membership books for the Corporation, with postage thereon prepaid.

SECTION 4: For the purpose of determining members entitled to notice of or to vote at any meeting of members or an adjournment thereof, or members entitled to receive payment of any dividend, or in order to make a determination of membership for any other proper purpose, the Board of Directors of the Corporation may provide that the membership books shall be closed for a stated period but not to exceed, in any case, fifty days. If the membership transfer books shall be closed for the purpose of determining members entitled to notice of or to vote at a meeting of membership, such books shall be closed for at least ten days immediately preceding such meeting. In lieu of closing the membership books, the Board of Directors may fix in advance a date as the record date for any such determination of membership, such date in any case to be not more than fifty days and, in case of a meeting of members, not less than ten days prior to the date on which the particular action, requiring such determination of members, is to be taken. When a determination of members entitled to vote at any meeting of the members has been made as provided in this Section, such determination shall apply to any adjournment thereof except where the determination has been made through the closing of the membership books and the stated period of closing has expired.

SECTION 5: The officer or agent having charge of the membership books of the corporation shall make, at least ten days before each meeting of the members, a complete list of the members entitled to vote at each meeting of the members or any adjournment thereof, arranged in alphabetical order, with the member's address. For a period of ten days prior to any meeting of the members, such list shall be kept on file at the principal office of the corporation and shall be subject to inspection by any member making written request therefore at anytime during usual business hours. The list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting.

SECTION 6: The President, or in his absence, the vice President, shall preside at all such meetings.

SECTION 7: A majority of the members of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of the members. If less than a majority of the outstanding members are represented at the meeting, a majority of the members so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at a meeting as originally noticed. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

SECTION 8: At all meetings of the members, each member shall be entitled to cast one vote for each lot in the Subdivision which vote may be cast by him in person or by proxy. All proxies shall be in writing and shall be signed by the member or his duly authorized attorney in fact. All such proxies shall be filed with Secretary of the corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy. All proxies shall be entered by the Secretary on the records of the minutes of the meeting.

SECTION 9: Lots standing in the name of another corporation, domestic or foreign, may be voted by such officer, agent or proxy as the By-laws of such other corporation may prescribe, or, in the absence of such provision, as the Board of Directors of such other corporation may determine.

Lots held by an administrator, executor, guardian or conservator may be voted by him, either in person or by proxy, without a transfer of such lots into his name. Lots standing in the name of a trustee may be

voted by him, either in person or on proxy, but no trustee shall be entitled to vote lots held by him without transfer of such lots into his name and no corporate trustee shall be entitled to vote in the election of directors, lots held by it solely in a fiduciary capacity if such lots are lots issued by the corporate trustee itself.

A member whose lots are pledged shall be entitled to vote such lot until the lot has been transferred into the name of the pledge and thereafter pledge shall be entitled to vote the lot so transferred to it.

SECTION 10: Any action required or permitted to be taken at a meeting of the members may be taken without a meeting if consent is in writing, setting forth the action so taken, shall be signed by all the members entitled to vote with respect to the subject matter thereof.

SECTION 11: At each election for directors, every member entitled to vote in such election shall have the right to vote, in person or by proxy, the number of units owned by him for as many persons as there are directors to be elected, and or whose election he has a right to vote, or to cumulate his votes by getting one counted as many votes as the number of such directors multiplied by the number of his shares shall equal, or by distributing such votes on the same principle among any number of such candidates.

#### ARTICLE IV

SECTION 1: The business and affairs of the corporation shall be managed by its Board of Directors, consisting of not less than three (3) persons, and as many others (but not more than seven (7) as the members determined and who shall all be elected by the members. There is no restriction against a person holding more than one office in the corporation at the same time and it is not required that a person be a member of the corporation to be an officer or director of the corporation, nor is it required that the directors be residents of the State of Alabama.

SECTION 2: The directors shall be elected annually by the members at the annual meeting and shall hold office one year until their successors are duly elected and qualified.

SECTION 3: The regular meeting of the Board of Directors shall be held without other notice than this By-Law immediately after, and at the same place as, the annual meeting of the members. The Board of Directors may provide, by resolution, the time and place, either within or without the State of Alabama, for the holding of additional regular meetings without other notice than such resolution.

SECTION 4: Special meetings of the Board of Directors may be called by or at the request of the President or any directors, and the Board of Directors may designate any place, either within or without the State of Alabama, as the place of meeting for any special meeting of the Board of Directors.

SECTION 5: Members of the Board of Directors may participate in any meeting of such Board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at a meeting.

SECTION 6: Notice of any special meeting shall be given at least two days previously thereto by written notice delivered personally or mailed to each director at his business address, or by telegram. If mailed, such notice shall be deemed delivered when deposited in the United States Mail, so addressed, with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because

the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of waiver of notice of such meeting.

SECTION 7: A majority of the number of directors fixed by Section 1 of this Article shall constitute a quorum for the transaction of the business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. If a quorum is present when the meeting is convened, the directors present may continue to do business, taking action by a vote of a majority of a quorum, until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum present, or at the refusal of any director present to vote.

SECTION 8: The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 9: Any action required or permitted to be taken by the Board of Directors at a meeting, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors.

SECTION 10: Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected to serve until the next annual meeting of the members. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of the members called for that purpose.

SECTION 11: By resolution of the Board of Directors, each director may be paid his expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a stated salary as director or a fixed sum for attendance at each meeting of the Board of Directors or both. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefore.

SECTION 12: A director of the corporation who is present at a meeting of the board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

#### ARTICLE V

SECTION 1: The officers of the corporation shall be a President, a Vice President, and a Secretary/Treasurer, all of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person.

SECTION 2: The officers of the corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3: Any officer or agent may be removed by the Board of Directors whenever in its judgment the best interest of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not in itself create contract rights.

SECTION 4: A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5: The President shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation. He shall, when present, preside at all meetings of the members and of the Board of Directors. He may sign, with the Secretary or any other proper officer of the Corporation thereunto authorized by the Board of Directors, deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 6: In the absence of the President or in the event of his death, inability or refusal to act, the Vice President (or in the event there be more than one Vice President, The Vice Presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions of the President. Any Vice President may sign, with the Secretary or any other proper officer of the corporation thereunto authorized by the Board of Directors, certificates for units of membership in the corporation; and shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

SECTION 7: The secretary shall: (a) keep the minutes of the proceedings of the members and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and to affix the seal of the corporation to all documents requiring the same; (d) keep a register of the post office address of each member which shall be furnished to the Secretary by such member; (e) sign with the President, any Vice President, or the Treasurer, certificates for units of the corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the membership books of the corporation; and (g) in general perform all duties incident to the office of secretary and such other duties as time to time may be assigned to him by the President or by the Board of Directors.

SECTION 8: The Treasurer shall perform all such duties as are normally incident to the office of Treasurer and there is no restriction against the same person holding both the office of Secretary and Treasurer at the same time.

SECTION 9: Assistant Secretaries and/or Assistant Treasurers may be appointed by the Board of Directors, as the Board may determine, and when so appointed and so authorized by the Board of Directors may sign with the President, any Vice President or the Treasurer, certificates for units of the corporation the issuance of which shall have been authorized by resolution of the Board of Directors.

## ARTICLE VI

SECTION 1: The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

SECTION 2: No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

SECTION 3: All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 4: All funds of the corporation, not otherwise employed, shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depository as the Board of Directors may select.

## ARTICLE VII

Whenever any notices required to be given to any member or director of the corporation under the provisions of these By-Laws or the provisions of the Articles of Incorporation are under the provisions of the Constitution of Alabama or the Alabama Business Non Profit Corporation Act, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

## ARTICLE VIII

SECTION 1: The Board of Directors by resolution adopted by a majority of the full Board, may designate two or more of its members to constitute an executive committee. The designation of such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any members thereof, of any responsibility imposed by law.

SECTION 2: The executive committee, when the Board of Directors is not in session, shall have and may exercise all of the authority of the Board of Directors except to the extent, if any, that such authority shall be limited by the resolution appointing the executive committee and except also that the executive committee shall not have the authority of the Board of Directors in reference amending the Articles of Incorporation, adopting a plan of merger or consolidation, recommending to the members the sale, lease or other disposition of all or substantially all of the property and assets of the corporation otherwise than in the usual and regular course of its business, recommending the members a voluntarily dissolution of the corporation or a revocation thereof, filling vacancies in the Board of Directors, or amending the By-Laws of the corporation.

SECTION 3: Each member of the executive committee shall hold office until the next regular annual meeting of the Board of Directors following his designation and until his successor is designed as a member of the executive committee and is elected designated.

SECTION 4: Regular meetings of the executive committee may be held without notice at such times and places as the executive committee may fix from time to time by resolution. Special meetings of the executive committee may be called by any member thereof upon not less one day's notice stating the

place, date and hour of meeting, which notice may be written or oral, and it mailed, shall be deemed delivered when deposited in the United States Mail addressed to the member of the executive committee may waive notice of any meeting and no notice of any meeting need be given to any member thereof who attends in person. The notice of a meeting of the executive committee need not state the business proposed to be transacted at the meeting. Members of the executive committee may participate in a meeting by means of a conference telephone similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation in the meeting shall constitute presence in person at a meeting.

SECTION 5: A majority of the members of the executive committee shall constitute a quorum for the transaction of business at any meeting thereof, and action of the executive committee must be authorized by the affirmative vote of the majority of the members present at a meeting at which a quorum is present.

SECTION 6: Any action required or permitted to be taken by the executive committee at a meeting may be taken without a meeting if a writing, setting forth the action so taken, shall be signed by all the members of the executive committee.

SECTION 7: Vacancies in the executive committee may be filled by a resolution adopted by a majority of the full Board of Directors.

SECTION 8: Any member of the executive committee may be removed at any time with or without cause by resolution adopted by a majority of the full Board of Directors. Any members of the executive committee may resign from the executive committee at any time giving written notice to the Present or Secretary of the corporation, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 9: The executive committee shall elect a presiding officer from its members and may fix its own rules and procedure which shall not be inconsistent with these By-Laws. It shall keep regular minutes of its proceedings and report the same to the Board of Directors for its information at the meeting thereof held next after the proceedings shall have been taken.

#### ARTICLE IX

The Board of Directors shall have full authority to promulgate rules and regulations for the use and enjoyment of the beautification areas and its common areas, and other property owned by the corporation, which, upon adoption shall be provided to each member, by mail or by hand delivery within ten (10) days after adoption. If a members' meeting, called pursuant to these By-Laws is not called within thirty (30) days after adoption of said rule or regulation by the Board of Directors, and further if at said meeting said rule or regulation is not repealed by a majority of the members in attendance at said meeting, said rule or regulation shall become final and binding on all members.

#### ARTICLE X

These By-Laws may be altered, amended and repealed and new By-Laws may be adopted only by an affirmative vote of seventy five (75%) percent of the ownership of the lots in said subdivision, cast in person or by proxy at a meeting duly held in accordance with the notice and other applicable provisions of these bylaws and of the Articles of Incorporation.

## ARTICLE XI

Except where the express provisions of these By-Laws are to the contrary, all provisions of the Alabama Business Non-Profit Corporation Act are made a part of these By-Laws and are incorporated herein by reference.

## ARTICLE XII

Lowder New Homes, Inc., shall contribute financial support and on site maintenance until such time as either seventy five (75%) percent of the lots in the Subdivision have been purchased of the association becomes self sustaining from its paid or other financial resources whichever occurs first.

The monthly dues to be paid by the members of the Corporation shall be in the amount of \$10.00 per month. The dues amounts may be changed from time to time by the Board of Directors.

Any dues assessment not paid within 30 days after the due date shall bear interest at the rate of ten percent (10%) per annum from the due date paid. All payments upon said assessment shall be first applied to interest and then to the assessment payment first due. The Corporation shall have a lien upon each lot and its appurtenances and its undivided interest in common areas, which lien shall secure and does secure the monies due for said assessments now or hereafter levied and which are subject to be levied against the owner of each lot and shall also secure interest, if any, which may be due on the account of any delinquent assessment and which lien shall also secure all costs and expenses including a reasonable attorney's fee which may be incurred by the association in enforcing this lien. Said lien shall be superior to all other liens except only tax liens in favor of the United States, State of Alabama, County of Montgomery or City of Montgomery and except liens securing sums unpaid and due on a first mortgage of record against said lot. No owner of any lot may exempt himself from liability for contribution toward said assessment whether in the form of a general assessment or a special assessment by Waiver of the use of or enjoyment of the common elements or areas or by the abandonment or non-Use of his or her lot or by any other means.

IN WITNESS WHEREOF, the undersigned, being the duly elected President, and, the undersigned, being the duly elected Secretary/Treasurer of said corporation, hereby certify that the foregoing By-Laws were duly authorized, approved, and adopted by the members of the corporation at the first meeting of the incorporators and members, and that the said By-Laws were subsequently approved and adopted by the Board of Directors at the first meeting of the Board of Directors, held on the 20<sup>th</sup> day of September 1994.