AMENDED AND RESTATED BYLAWS OF HIGHLAND SHORES HOMEOWNERS ASSOCIATION

**ARTICLE ONE
OFFICES**

The principal office of the Highland Shores Homeowners Association (the Corporation") in Alabama shall be located at the address of the treasurer of the Corporation, or such other address as approved by the board of directors of the Corporation.

**ARTICLE TWO
PURPOSES AND
OBJECTS**

In amplification of the purposes for which the Corporation has been formed as set forth in the Articles of lncorporation, the purposes and objects are as follows:

A. To develop a community designed for safe, healthful and harmonious living.

B. To promote the collective and individual property and civic interests and rights of all persons, firms and corporations owning property in the subdivision known as Highland Shores Subdivision, located in Winston County, Alabama, as such property is shown on the specific map, . being a map of Highland Shores Subdivision in Winston County, Alabama, filed for record on September 25, 2006, in Plats Book 3, Page 144, in the Office of the Judge of Probate of Winston County, Alabama, and also recorded in Walker County, Alabama.

C. To care for the improvements and maintenance of the gateways, public easements, parkways, grass plots, parking areas, and any facilities of any kind dedicated to community use and other open spaces and other ornamental features of the subdivision, which now exist or which may subsequently be installed or constructed in such subdivision.

D. To assist the owners in maintaining in good condition and order all vacant lots now existing or that subsequently will exist in the tract, and further assisting the owners of such lots or tracts of land in preventing them from becoming a nuisance and a detriment to the beauty of the tract and to the value of the improved property in the tract, and to take any action with reference to such vacant lots as may be necessary or desirable to keep them from becoming such nuisance and detriment.

E. To aid and cooperate with the members of the Corporation and all property owners in the tract in the enforcement of such conditions, covenants, and restrictions on and appurtenant to their property as are now in existence, as well as any other conditions, covenants, and restrictions on and appurtenant to their property as are now in existence, as well as any other conditions, covenants and restrictions as shall subsequently be approved by a majority vote of the members of the Corporation and to comply with any regulations that may be established by the Winston County Commission in the future and which may affect any portion of the subject property.

F. In general, but in connection with the foregoing, to do any and all things necessary to promote the general welfare of the residents and owners of any portions of Highland Shores Subdivision and their property interests in Highland Shores Subdivision.

G. To acquire, own, or lease such real and personal property as may be necessary or convenient for the transaction of its business and the fulfillment of its purposes and objects, and to exercise all rights, powers, and privileges of ownership to the same extent as natural persons might or could do.

H. To arrange social and recreational functions for its members.

I. To exercise any and all powers that may be delegated to it by the owners of real property in the tract.

J. This Corporation shall not engage in political activity or pursue political purposes of any kind or character.

ARTICLE THREE
MEMBERS

A. **Class of Members**. The Corporation shall have one class of members. The qualifications and rights shall be as follows:

1. Every beneficial owner, as distinguished from a security owner, of a lot in Highland Shores Subdivision, as particularly described in these bylaws, shall be a member of the Corporation. In construing the provisions of this paragraph, beneficial owners are grantees in duly executed and recorded deeds to any lot or lots in Highland Shores Subdivision, and shall include the owner of any lot in the above-described subdivision that has been resubdivided. Regardless of the number of individuals holding legal title to any such lot, no more than one membership in the corporation shall be allowed for each such lot.

2. Membership in this Corporation shall include an undertaking by such member to comply with and be bound by the Articles of Incorporation, these bylaws and amendments thereto, and the policies, rules, and regulations at any time adopted by the Corporation in accordance with these bylaws. Membership shall be accompanied by payment of the first year's dues in advance.

3. Membership in this Corporation shall terminate on such member's ceasing to be a beneficial owner of a residential building lot in the property described in these bylaws.

B. **Voting Rights**. Each member in good standing shall be entitled to vote on each matter submitted to a vote of the members, provided, however, that each member shall be the sole beneficial owner of a residential building site in Highland Shores Subdivision. A member shall have one vote for each residential building site of which he or she is a beneficial owner, and in the event of any lot resubdivided, this shall mean one vote for each lot of ownership as resubdivided. Where two or more owners own a lot, or in the event of resubdivision, only one vote for such lot owned shall be allowed, and such joint owners shall designate and register with the secretary of the Corporation the name of that owner entitled to cast such single vote.

1. At membership meetings, all votes shall be cast in person, by mail (absentee ballot), or by proxy registered with the secretary. The designation of any proxy shall be made in writing to the secretary of the Corporation, and shall be revocable at any time by the member or members authorizing such proxy.

2. The board of directors is authorized to establish regulations providing for voting by mail.

C. **Assignment of Rights**. A beneficial owner who is a member of the Corporation may assign his or her membership rights to the tenant residing in or on the beneficial owner's building site. Such assignment shall be effected by filing with the secretary of the Corporation a written notice of assignment signed by the beneficial member.

ARTICLE FOUR
MEETINGS OF MEMBERS

A. **Annual Meeting**. An annual meeting of the members for the purpose of hearing reports from all officers and standing committees and for electing directors shall be held in Winston County, Alabama, or in such other location as approved by the board of directors, in February of each year, beginning with the year 2017. The time and place shall be fixed by the directors.

B. **Regular Meetings**. In addition to the annual meetings, regular meetings of the members shall be had at such time and place as shall be determined by the board of directors.

C. **Special Meetings**. The president of the Corporation may call special meetings of the members. In addition, the president of the Corporation shall call a special meeting of the Corporation when directed by majority vote of the board of directors, or when requested by a petition signed by at least ten percent (10%) of the members of the Corporation. At any such special meeting, there shall only be considered such business as is specified in the notice of the meeting.

D. **Notice of Meetings**. Written notice stating the place, day, and hour of any meeting of members shall be delivered either personally, by mail or by electronic mail to each member entitled to vote at such meeting, not less than ten (10) days nor more than fifty (50) days before the date of such meeting, or at the direction of the secretary. Such notice shall also state whether the meeting will be held in person or by conference call.

E. **Quorum**. At all meetings of the members of the Corporation, either annual, regular or special, a majority of the total number of eligible votes of the Corporation, including members voting in person, by proxy or by mail (absentee ballot), shall constitute a quorum. For purposes of these Amended and Restated Bylaws, any member voting during any meeting (whether annual, regular or special) held by conference call shall constitute a vote "in person". In the absence of a quorum, a majority of the members present may adjourn the meeting without further notice.

F. **Proxies**. At any meeting of the members, a member entitled to vote may vote by proxy executed in writing by the member. No proxy shall be valid after three (3) months from the date of its execution, unless otherwise provided in the proxy.

G. **Voting by Mail or Conference Call**. Where directors are to be elected by members, or where there is an act requiring the vote of the members, such election or vote on such proposed action may be conducted by mail (absentee ballot) or by conference call in such manner as the board of directors shall determine.

ARTICLE FIVE BOARD OF DIRECTORS

A. **General Powers**. Because the number of lots in the above described subdivision restricts the maximum number of members in the Corporation, and consequently, limits the number of persons eligible to serve as directors and officers of the Corporation, the officers of the Corporation shall also serve as its board of directors. The board of directors shall have general charge and management of the affairs, funds and property of the Corporation. The board of directors shall have full power and duty to carry out the purposes of the Corporation according to its articles of incorporation and these bylaws, as amended from time to time. The board of directors shall have authority to approve expenditures on behalf of the Corporation. The Corporation, through action of the board of directors, may acquire, hold and dispose of tangible and intangible personal property and personal property for common use by the members. The board of directors, acting on behalf of the Corporation, may accept any real or personal property, leasehold or other property interest within Highland Shores conveyed to the Corporation. The board of directors may make reasonable rules for the conduct of the members and their guests for use of the Corporation's property and facilities not provided within the covenants applicable to the above described subdivision or the individual deeds for lots conveying property therein.

B. **Number, Tenure, and Qualifications**. The number of directors constituting the initial board of directors is three (3). After the organizational meeting of the Corporation, the number of directors shall be not less than five (5). Each director shall be a member of the Corporation. Beginning with the five (5) directors elected at the special meeting of members held by conference call on January 13, 2016, and subsequently ratified in writing by a two-thirds majority of the eligible members, two (2) directors (who shall also serve as president and treasurer, respectively, of the Corporation) shall hold office for three (3) years (2016, 2017 and 2018) or until their successors have been elected by a majority of the members of the Corporation, and three (3) directors (who shall also serve as vice president, secretary and ARC liaison, respectively, of the Corporation) shall hold office for two (2) years (2016 and 2017) or until their successors have been elected by a majority of the members of the Corporation. Any increase in the number of directors shall be subject to approval of a majority of the members of the Corporation. Any such additional directors shall be elected in units of two (2), and their initial terms shall be one for two (2) years and the other for three (3) years, with the determination to be by lot. The directors of the Corporation shall also be members of the Corporation.

C. **Regular Meetings**. The board of directors shall meet regularly at least once each quarter, at a time and place it shall select, either in person or by conference call.

D. **Special Meetings**. A special meeting of the board of directors may be called as provided in Subsection 5.E below.

E. **Meeting Dates and Times**. The board of directors, at their discretion, shall set times and days for their meetings, either in person or by conference call, as agreed by a majority of the board. There shall be no need for formal written notice of the meeting.

F. **Quorum**. A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting of the board, but if less than a majority of the directors are present at such meeting (whether in person or by conference call), a majority of the directors present may adjourn the meeting, without further notice.

G. **Manner of Acting**. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by law or by these bylaws. Any action required or permitted to be taken 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. Members of the board of directors may participate in a board meeting by means of a conference telephone or similar communications equipment through 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 such meeting. In addition, meetings of the board of directors may also be conducted by electronic mail, provided all members of the board of directors participate in any such meeting and the action taken in any such meeting is ratified in writing signed by all members of the board of directors within thirty (30) days after any such meeting.

H. **Vacancies**. Any vacancy occurring in the board of directors shall be filled by election by the then existing board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

ARTICLE SIX
OFFICERS

A. **Officers**. Because the number of lots in the above described subdivision restricts the maximum number of members in the Corporation, and consequently, limits the number of persons eligible to serve as directors and officers of the Corporation, the directors of the Corporation shall also serve as its officers. The officers of the corporation shall be a president, a vice-president, a secretary, a treasurer, and an Architectural Review Committee (ARC) liaison.

B. **Qualifications and Method of Election**. The officers shall be directors and members of the Corporation, shall be elected by the board of directors, and shall serve for a term concurrent with such officer's term as a member of the board of directors, as stated in Article 5.B above. The officers shall be elected by majority vote of the board of directors at the applicable annual meeting of the Corporation.

C. **President**. The president shall preside at all meetings of the Corporation and of the board of directors at which he or she is present, shall exercise general supervision of the affairs and activities of the Corporation, and shall serve as a member ex officio of all standing committees. The president shall serve as the chairman of the board of directors and shall appoint such committees as he/she shall consider expedient or necessary.

D. **Vice-President**. The vice-president shall assume the duties of the president during the president's absence. The vice-president shall also generally assist the president and exercise such other powers and perform such other duties as shall be prescribed by the Corporation.

E. **Secretary**. The secretary shall keep the minutes of all of the meetings of the Corporation and of the board of directors, which shall be an accurate and official record of all business transacted. The secretary shall also issue all notices for meetings of the Corporation and the board of directors, be custodian of all corporate records and perform such other duties as may be required of him/her by the president of the Corporation.

F. **Treasurer**. The treasurer shall have charge of all receipts and monies of the Corporation, deposit them in the name of the Corporation in a bank approved by the board of directors, and disburse funds as ordered or authorized by the Corporation. The treasurer shall keep regular accounts of his/her receipts and disbursements, submit his/her records when requested and give an itemized statement at annual meetings of the Corporation. The treasurer, or the president or vice president, may sign checks and withdrawal slips on behalf of the Corporation upon any and all of its bank accounts in such amounts as authorized and approved by the board of directors. The board of directors may, in its discretion, authorize other officers of the Corporation to sign checks and withdrawal slips on the bank accounts of the Corporation from time to time, as necessary and appropriate to facilitate the business of the Corporation.

G. **ARC Liaison**. The ARC liaison shall have charge of all communication and dissemination of policy or actions required between the officers of the Corporation and the ARC. The organization and procedures of the ARC shall be governed by Article Six of the covenants applicable to the above described subdivision. Any appeal or dispute of a decision or action by the ARC in the exercise of its discretion and authority provided in such covenants shall be delivered by the affected member to the ARC Liaison. The ARC Liaison shall present such appeal or dispute to the board of directors for a hearing (including the affected member if such member chooses to attend) and the decision of the board of directors in any such appeal or dispute shall be final and binding on all parties thereto.

H**. Vacancies**. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, shall be filled by the board of directors for the unexpired portion of the term.

ARTICLE SEVEN
FEES AND ASSESSMENTS

A. **Admission Without Fee**. Record ownership of a residential building site or, in the event of resubdivision, of any of the sites as shown on lot or lots of the property particularly described, without payment of an admission fee, shall establish the owner as a member of the Corporation.

B. **Annual Assessments**. The annual assessments shall be the same for each member and shall be $600.00 per year, subject to such modification as a majority of the directors may require, provided, however, that no increase greater than $50.00 per year may be required without a two-thirds (2/3) majority of the eligible members approving such increase.

C. **Payment of Assessments**. The annual assessments shall be payable on or before the 17th day of January each year.

D. **Special Assessments**. Special assessments may be levied on members of this Corporation only by a vote of a two-thirds (2/3) majority of all eligible members of the Corporation. The procedure for voting on proposed special assessments shall be the same as the procedure provided in these bylaws for voting on amendments to these bylaws, as stated in Article Nine below.

E. **Default in Payment of Assessments**. The effect of nonpayment of assessments shall be governed by Section 4.03 of the recorded Covenants applicable to the above described subdivision.

ARTICLE EIGHT
FISCAL YEAR

The fiscal year of the Corporation shall be the calendar year.

ARTICLE NINE
AMENDMENTS

The members, by the affirmative vote of at least two thirds (2/3) of the total eligible votes in the Corporation, may alter, amend, or repeal these bylaws or adopt new bylaws for the Corporation at any annual meeting or at a special meeting called for such purpose. Any proposed amendment to these bylaws must be submitted in writing signed by the president of the Corporation, printed on ballots and distributed to all members by mail no later than thirty (30) days prior to the meeting at which a vote will be taken with respect to such amendment.

ARTICLE TEN
OTHER

It is the intent of the Corporation that these Amended and Restated Bylaws shall supersede and replace any and all previously adopted bylaws of Highland Shores Homeowners Association and amendments thereto, and that all such previously adopted bylaws and amendments thereto are void and of no further force or effect. In the event of a conflict between the covenants applicable to the herein described property and these Amended and Restated Bylaws, these Amended and Restated Bylaws shall control.

I, the undersigned secretary of the Corporation, hereby certify that the above and foregoing Amended and Restated Bylaws of Highland Shores Homeowners Association was duly adopted pursuant to the requirements stated in Article Nine above at a meeting of the members held on _______________, 2017.

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Secretary
Date: ____________________, 2017