

**BYLAWS OF
THE FOOTHILLS OF FOREST PARKS
RESIDENTIAL ASSOCIATION, INC.
d/b/a Foothills of Forest Parks HOA**

These Bylaws of The Foothills of Forest Parks Residential Association Inc. d/b/a Foothills of Forest Parks HOA, are promulgated for the purpose of governing, The Foothills of Forest Parks Residential Association Inc., a not-for-profit corporation organized under the provisions of title 10, chapter 3A, Code of Alabama (1975), as amended ("Alabama Nonprofit Corporation Act"), as an association to members/residents of the Foothills of Forest Parks.

1. Name

The name by which this organization shall be known in law shall be **The Foothills of Forest Parks Residential Association, Inc. d/b/a Foothills Of Forest Parks HOA** referred to hereinafter as the "HOA."

2. Organization and Incorporation

The HOA shall be organized as a nonprofit corporation under the laws of the State of Alabama.

3. Purpose and Limitations

The purposes of the Association are:

- a. To improve, enhance, maintain, repair, replace, operate, reconstruct and beautify the Foothills of Forest Parks;
- b. To operate exclusively for religious, charitable, and educational purposes within the classification of legal charities; and no part of the net earnings of the organization shall inure to the benefit of any private stockholder or individual; and no substantial part of the activities of the organization, or any receipt of its funds, shall be utilized for any other purpose except those purposes mentioned above;

c. To handle affairs pertaining to property and other temporal matters as required by the civil authorities.

d. The HOA shall not have or issue shares of stock, and no dividends shall be paid. No part of the income or assets of the HOA shall be distributed to any member or officer without full consideration. The HOA is prohibited from lending money to guarantee the obligation of a member or officer of the HOA. No member or officer of the HOA has any vested right, interest or privilege in or to the assets, property, functions, or activities of the HOA. The HOA may contract in due course, for reasonable consideration, with its members or officers without violating this provision.

e. The HOA may obtain insurance against any error, act or omission of any officer or director or to indemnify the HOA against any and all claims;

4. Location of Office

The registered office of the HOA shall be located within the Foothills of Forest Parks, Alabama at the address of the HOA's registered agent. The Board of Directors or a majority of the members may change the registered agent and the address of the registered office from time to time, upon filing the appropriate statement with the Alabama Secretary of State.

5. Membership

a. The membership shall consist of all lot owners and/or residents of any home in the HOA who shall voluntarily pay the current yearly dues or assessment to maintain the HOA and its purposes. Individuals of the Foothills of Forest Parks who do not pay the yearly voluntary dues or assessment shall not have any vote in any HOA activity nor the right to address the Board regarding any specific problem, issue or request, unless the Board agrees by majority vote to allow the individual to appear and speak.

b. Members may be removed from membership at their own request by informing the Board of their intention to withdraw. If a member requests to withdraw because of specific problems or disappointments with the HOA, the Board shall attempt to resolve those matters so that the member may remain in the HOA and enjoy greater the personal benefit of association. Members who do not pay the yearly dues or assessment shall be removed from the rolls as members of the HOA. Former Members may be reinstated to active membership by paying past and current HOA yearly dues or assessments.

c. Members shall set, alter, amend, increase or decrease the amount of yearly dues or assessments at the annual meeting or other duly called HOA meeting by a majority

vote. The yearly dues or assessments shall be \$150.00 until modified or changed by the membership.

6. Board of Directors

a. The Board of Directors is the governing body of the HOA and consists of seven (7) members elected by the membership of the HOA. The Board of Directors shall have the power and authority to make rules and regulations not inconsistent with the laws of the State of Alabama and these Bylaws. The Board of Directors shall manage the business affairs of the corporation, oversee all matters concerning the maintenance, repair and improvement of the common areas, and concert the best measures for promoting the improvement of the neighborhood for the benefit of the Members.

b. The Board of Directors shall elect, from amongst themselves, the Officers of the HOA being the President, Vice-President, Secretary and Treasurer.

c. The President shall be the chairman of the Board of Directors. The Board of Directors shall elect its vice-president, treasurer and secretary annually from among its members.

d. The Board of Directors shall have final authority for affairs pertaining to property and other temporal matters as required by civil law for nonprofit corporations. Neither the Board nor the Officers shall have the power to buy, sell, mortgage, pledge or in any manner encumber any HOA property worth more than \$8000 for any single occurrence or event, nor to incur any indebtedness exceeding the sum of \$8000j for any single occurrence, event or project, unless first authorized to do so at an HOA meeting, either through the adoption of the annual budget or by special action or vote of the members of the HOA.

e. The Board of Directors shall meet at least quarterly and shall convene at the call of the President, any two members of the Board of Directors, or upon its own adjournment. Either oral or written notice, including the date, time, and place of a meeting, shall be given at least two days before a meeting. If mailed, notice shall be deemed to be effective the day after the letter is postmarked. Notice may be waived either orally or in writing. A Director's attendance at a meeting waives his/her right to object to lack of notice or defective notice of the meeting, unless at the beginning of the meeting (or promptly upon arrival), he/she objects to holding the meeting or transacting business at the meeting, and does not vote for or assent to action taken at the meeting.

f. The act of a majority present at a Board of Directors meeting at which a quorum is present (when the vote is taken) shall be the act of the Board of Directors. A Director shall be deemed to have approved of an action taken if he is present at a meeting of the Board of Directors unless: (1) he objects at the beginning of the meeting (or promptly upon arrival) to holding it or transacting business at the meeting; or (2) his/her dissent or abstention from the action taken is entered in the minutes of the meeting; or (3) he did not approve the action and he delivers written notice of dissent or abstention to the

presiding officer of the meeting before its adjournment or immediately after adjournment of the meeting.

g. If at any time there are less than three persons on the Board of Directors, the HOA membership may elect from among the voting members, individuals who will serve out the vacant positions as directors of the HOA for the purpose of carrying out any required corporate business.

h. The Board of Directors may meet by means of a conference telephone call or similar communications equipment, provided all persons entitled to participate in the meeting received proper notice of the telephone meeting, and provided all persons participating in the meeting can hear each other at the same time. A member participating in a conference telephone meeting is deemed present in person at the meeting. The moderator of the meeting may establish reasonable rules as to conducting business at any meeting by phone.

i. The treasurer shall: (1) have charge and custody of and be responsible for all funds and securities of the HOA; (2) receive and give receipts for moneys due and payable to the HOA from any source, and deposit all moneys in the HOA's name in banks, trust companies, or other depositories that the Board of Directors shall select; (3) submit the books and records to a Certified Public Accountant or other accountant as directed by the Board of Directors; and (4) in general perform all of the duties incident to the office of treasurer and any other duties that the Board of Directors may assign to the treasurer. If required by the Board of Directors, the treasurer shall give a bond for the faithful performance of the treasurer's duties and as insurance against the misappropriation of funds. If a bond is required, it shall be in a sum and with the surety or sureties that the Board of Directors shall determine and said bond shall be paid for by the HOA. The treasurer shall be elected by the Board of Directors.

j. The Board of Directors may establish such committees as it deems necessary for the work of the HOA.

k. The Board of Directors may, from time to time, by resolution authorize the maintenance of one or more deposit accounts by the HOA. All checks, drafts or other orders for the payment of money issued in the name of the HOA shall be signed by such officer or officers, agent or agents of the HOA, and in such manner as shall be determined from time to time by resolution of the Board of Directors.

7. HOA Meetings

a. An annual meeting of the HOA shall be held each year at a date, time, and place to be determined by the Board of Directors. At the annual meeting, the voting members shall elect Directors, adopt an annual budget, and transact any other business as may come before the meeting. Any voting member may propose nominations for the Board of Directors. Voting on the election of Board members shall be done by secret ballot,

and each vote shall be cast either in favor of or against the election of each candidate, and those candidates receiving the vote of a majority in favor of their election shall be deemed elected.

b. Special meetings of the HOA shall be called at a date and location to be determined by the Board of Directors whenever the Board of Directors deems it to be in the best interests of the HOA or when requested in writing to do so by a majority of the voting member.

c. The date, time, and location of all HOA membership meetings must be announced orally or in the HOA bulletin/newsletter at least one week prior to the time set for the meeting, or by letter mailed at least eight days prior to the meeting. If the voting members adjourn any meeting to a different date, time, or place, notice of a new date, time, and place need not be given if the new date, time, and place is announced before adjournment. A member entitled to a notice may waive notice of the meeting (or any notice required by the laws of the State of Alabama or these bylaws), by a writing signed by the member. The member must send the notice of waiver to the HOA (either before or after the date and time stated in the notice) for inclusion in the minutes or filing with the HOA records.

d. The purpose of a meeting shall be announced in advance if it involves: a proposed amendment to the bylaws or articles of incorporation; the election or removal of officers; the acquisition or disposition of property worth more than \$6500 (at fair market value); or a question regarding the HOA's current projects or litigation. When a meeting is called for the transaction of specific matters of business, no business shall be conducted except that which is stated in the notice.

e. A member's attendance at a meeting: waives the member's right to object to lack of notice or defective notice of the meeting, unless the member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and, waives the member's right to object to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the member objects to considering the matter when it is presented.

f. One-fifth of the voting members shall constitute a quorum at HOA meetings. Unless provided otherwise in these Bylaws, a majority vote of those in attendance, a quorum being present, is sufficient to decide any matter.

8. HOA Records

a. The Board of Directors shall keep the following records: (1) minutes of its meetings, including a record of the administration of any funds and changes in the membership of the HOA; (2) minutes of the meetings of the membership and Board of Directors; (3) rolls of the members in the HOA (voting), with the dates of their membership; (4) resolutions adopted by the Board of Directors; (5) appropriate accounting records; (6) its

articles or restated articles of incorporation and all amendments to them currently in effect; and (7) its bylaws or restated bylaws and all amendments to them currently in effect.

b. A member shall be entitled to inspect and copy, at a reasonable time and location specified by the Board of Directors, any of the HOA records described above, provided the Board of Directors finds that the member has a proper purpose and is acting in good faith. The Board of Directors may limit access to any records that contain confidential information about a particular person or persons.

9. Ownership and Distribution of Property

a. The HOA shall hold, own, and enjoy its own personal and real property, without any right of reversion to another entity, except as provided in these Bylaws.

b. "Dissolution" means the complete disbanding of the HOA so that it no longer functions as a corporate entity. Upon the dissolution of the HOA, its property shall be applied and distributed as follows: (1) all liabilities and obligations of the HOA shall be paid and discharged or adequate provision shall be made therefore; (2) assets held by the HOA upon condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred, or conveyed in accordance with such requirements; (3) assets received and not held upon a condition requiring return, transfer, or conveyance by reason of the dissolution, shall be transferred or conveyed to one or more domestic or foreign corporations, societies, or organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code of 1954 (or the responding provision of any future United States Internal Revenue Law), and are engaged in activities substantially similar to those of the corporation; this distribution shall be done pursuant to a plan adopted by the Board of Directors, provided that no assets are distributed to any organization governed by a member of the Board of Directors.

c. Any assets not otherwise disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the corporation is then located, for such purposes and to such organizations as said court shall determine.

10. Indemnification of Officers

a. The Board of Directors may choose to indemnify and advance HOA-related expenses of any Director, officer, employee, or agent of the HOA.

b. The HOA shall indemnify any Director and Officer of the HOA against expenses actually and reasonably incurred by him in connection with the defense of any action, suit or proceeding, civil or criminal, in which he is made a party by reason of being or having been such Director or Officer, except in relation to matters as to which he shall

be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duty.

11. Rules of Order

All meetings of the HOA, the Board of Directors, and its various boards and committees shall be conducted pursuant to the latest edition of Roberts Rules of Order.

12. Amendment of Bylaws

These Bylaws may be amended or repealed only by the affirmative vote of two-thirds (2/3) of the voting members present at a duly-called meeting of the HOA called for such purposes.

IN WITNESS WHEREOF, the HOA has duly adopted the foregoing as the Bylaws byk their duly authorized officers as of this the ____ day of February 2009.

President, Tim White

Vice-President, Shawn Brainard

Secretary, Richard Reece

Treasurer, Mary Donaghe