

BYLAWS
OF
LE POINTE OWNERS ASSOCIATION, INC.

These Bylaws of LE POINTE OWNERS ASSOCIATION, INC., are promulgated for the purposes of governing LE POINTE OWNERS ASSOCIATION, INC., a not-for-profit corporation, organized under the provisions of the Alabama Non-Profit Corporation Act, Section 10-3-1, et seq., Code of Alabama 1975, as amended, as an association of members of Le Pointe, a condominium ("Association").

The terms used herein shall have the same meaning attributed to them in the Declaration of Condominium of LE POINTE, a condominium, filed in the Office of the Judge of Probate of Jefferson County, Alabama, at Real Volume, Page _____ et seq., ("Declaration"), to which a copy of these Bylaws is made Exhibit C. The provisions of these Bylaws are applicable to the Property of the Condominium and the use and occupancy thereof, and all easements, rights or appurtenances thereto, and all personal property now or hereafter used in connection therewith.

All present and future Owners, mortgagees, lessees and occupants of the Units in the Condominium and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these Bylaws, the Declaration of the Condominium, the Rules and Regulations and all covenants, agreements, restrictions and easements of record ("title conditions"). The acceptance of a deed or the occupancy of a Unit shall constitute an agreement that these Bylaws and the title conditions, as they may be hereafter amended, are accepted and ratified, and will be compiled with.

The address of the office of the Association shall be 3128 Lorna Road, Birmingham, Alabama 35216.

The fiscal year of the Association shall be January 1 to December 31.

ARTICLE I

Membership and Membership Meetings

Section 1. Qualifications. The Members of the Association shall consist of all of the record Owners of fee title to any Unit in the Condominium.

Section 2. Change of Membership. Membership in the Association shall be established by the recording in the public records of Jefferson County, Alabama, of a deed or other instrument establishing a record title to a Unit in the Condominium, and the delivery to the Association of a certified copy of such instrument, the Owner designated by such instrument thereby becoming a Member of the Association. The membership of the prior Owner shall be thereby terminated.

Section 3. Voting Rights. The vote for a Unit shall be cast by the Owner thereof, or by his proxy designated in the manner hereinafter provided for. Voting shall be on a proportion basis and the number of votes to which the Owner is entitled is proportional to the undivided interest in the Common Elements of the Condominium. The number of votes to which an Owner is entitled is provided in the Declaration.

Section 4. Designation of Voting Representatives. In the event a Unit is owned by one (1) person, his right to vote shall be established by the record title to his Unit. If a Unit is owned by more than one (1) person, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by all of the record Owners of the Unit and filed with the secretary of the Association. If a Unit is owned by a corporation, partnership, trust, or other legal entity, the officer or agent thereof entitled to cast the vote for the Unit shall be designated by a certificate of appointment signed by the duly authorized representative of the board of directors or other governing body of such entity and filed with the secretary of the Association. If such a certificate is not filed with the secretary of the Association for a Unit owned by more than one (1) person, or by a corporation, partnership, trust or other legal entity owning a Unit, in advance of any meeting of the membership, the vote of the Unit concerned shall not be considered in determining the requirement for a quorum nor for any purpose requiring the approval of the person entitled to cast the vote for the Unit. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned is effected. A certificate designating the person entitled to cast the vote of a Unit may be revoked by any Owner thereof. Upon the revocation of a certificate of appointment herein provided for the vote of the Unit concerned shall not be considered in determining the requirement for a quorum nor for any purpose requiring the approval of the person entitled to cast the vote for the Unit until a new certificate of appointment shall have been duly filed in the manner herein provided for.

Section 5. Annual Meetings. Annual meetings of Members shall be held at the office of the Association, at such time and date in the month of January of each year as the board shall designate. The annual meeting shall be held for the purpose of electing directors and of transacting any other business authorized to be translated by the Members.

Section 6. Special Meetings. Special meetings of the Members may be called by the board, the president of the Association, or by Members of the Association holding twenty per cent (20%) of the votes entitled to be cast at meetings of the Members of the Association, for the purpose of considering the acting upon any matters of interest to the Association and its Members, and taking any other action not inconsistent with these Bylaws and the Articles of Incorporation.

Section 7. Notice of Meetings. Notice of all meetings of the Members stating the date, time, place and object for which the meeting is called shall be mailed to each Member not less than ten (10) nor more than thirty (30) days prior to the date of such meeting. Such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association, postage prepaid. Notice of meetings may be waived either before or after meetings.

Section 8. Voting in Person or by Proxy. A member may vote in person or by proxy executed in writing by the Member or his duly authorized attorney-in-fact. No proxy shall be valid except for the particular meeting designated therein, and no proxy shall be honored unless filed with the secretary of the Association before the appointed time of the meeting.

Section 9. Quorum. At a meeting of Members, a quorum shall consist of persons entitled to cast a majority of the votes of the entire membership. As used in these Bylaws the term "majority" means fifty percent (50%) of the votes in accordance with the percentages established by the Declaration.

Section 10. Vote Required to Transact Business. When a quorum is present at any meeting, the holders of a majority of the voting rights present in person or represented by written proxy shall decide any questions brought before the meeting, unless the question is one upon which, by express provision of the Declaration, or the Condominium Documents, a different number is required, in which case the express provision shall govern and control the decision in question.

Section 11. Consents. Any action which may be taken by a vote of the Members may also be taken by written consent to such action signed by the Members required to take such action if such Members were present and voting.

Section 12. Adjourned Meetings. If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

Section 13. The Order of Business. The order of business at annual meetings of Members and, as far as practical, at all other meetings shall be:

- (a) Call to order,
- (b) Calling of the roll and certifying of proxies,
- (c) Proof of notice of meeting or waiver of notice,
- (d) Reading and disposal of any unapproved minutes,
- (e) Reports of officers,
- (f) Reports of committees,
- (g) Election of directors,
- (h) Unfinished business,
- (i) New business, and
- (j) Adjournment.

Section 14. Reservation by Developer. Until the Developer of the Condominium has conveyed one hundred percent (100%) of the Condominium Units, or three (3) years after recording the Declaration of Condominium Ownership in the public records of Jefferson County, Alabama, whichever shall first occur, there shall be no meetings of the members of the Association unless called by the Board of Directors.

ARTICLE II

Board of Directors

Section 1. Membership. The affairs of the Association shall be governed by a Board of Directors composed of three (3) persons, all of whom must be owners of Units in the project. Until the Developer has sold 75% of the Units, it may appoint directors who need not be Unit Owners.

Section 2. Election and Term of Office. At the first annual meeting the members of the Association, the term of office of one director shall be fixed for three (3) years. The term of office of the second director shall be fixed at

two (2) years and the term of the office of the last director shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. The Directors shall hold office until their successors have been elected and hold their first meeting.

Section 3. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person elected shall be a Director until a successor is elected at the next annual meeting of the Association.

Section 4. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the owners and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

Section 5. Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 6. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) Directors.

Section 8. Waiver of Notice. No notice of a Board meeting shall be required if the directors meet by unanimous written consent. The directors may, by resolution duly adopted, establish regular monthly, quarter-annual or semi-annual meetings. If such resolution is adopted, no notice of such regular meetings of the Board shall be required. Any required notice may be waived in writing signed by the person entitled to such notice whether before or after the time stated therein.

Section 9. Quorum. A quorum at a directors' meeting shall consist of a majority of the entire Board. The acts approved by a majority of those present at a meeting at which a quorum is present, shall constitute the act of the Board, except when approval by a greater number of directors is required by statute or by the Declaration, Articles or these Bylaws.

Section 10. Adjourned Meetings. If at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the

meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called, may be transacted without further notice.

Section 11. Joinder in Meeting by Approval of Minutes. The joinder of a director in any action taken at a meeting in which such director is absent shall be evidenced by affixing his signature to the minutes of that meeting, and the name shall constitute the presence of such director for the purpose of determining a quorum.

Section 12. Presiding Officer. The presiding officer of a directors' meeting shall be Chairman of the Board, if such an officer has been elected; otherwise, the President of the Association shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

Section 13. Powers and Duties of Board of Directors. All of the powers and duties of the Association under the Act, the Declaration, the Articles and the Bylaws shall be exercised by the Board of Directors, or its delegates, subject only to approval by Unit Owners and Institutional Mortgages when such approval is specifically required. The powers and duties of the directors shall include, without limitation, the followings:

- (a) To make and collect assessments against members to pay the Common Expenses, Limited Common Expenses and other expenses incurred by the Association, including the power to make and assess members for capital improvements and replacements and to render or cause to be rendered statements, when required or useful, of any assessments which remain unpaid by any Owner.
- (b) To maintain, repair, replace and operate the Condominium Property and to purchase any necessary property, equipment or tools required for such maintenance, repair and replacement.
- (c) To elect the Officers of the Association and otherwise to exercise the powers regarding Officers of the Association as set forth in these Bylaws.
- (d) To determine who shall be authorized to make and sign all instruments on behalf of the Association and the Board.
- (e) To employ management agents or managers, at such compensation and upon such conditions as may be established by the Board, to perform such duties and services as the Board shall authorize including, without limitation, the duties listed in this Section; provided, however, any such agreements shall contain a provision that the duties so conferred upon the managing agent or manager by the Board of Directors may at any time be revoked, modified or amplified by the majority of the Directors or Owners in a duly constituted meeting.
- (f) To designate and to fire personnel necessary for the maintenance, repair and replacement of the common elements.
- (g) To insure and keep insured the Condominium Property.
- (h) To procure such fidelity bonds as the Board deems advisable covering officers and employees of the Association who handle the Association's funds or personal property and to procure Directors' and Officers' liability insurance

if the Board deems it advisable. The premiums of such bonds and insurance shall be paid by the Association as common expenses.

(i) To maintain class actions, and to settle causes of action, on behalf of Owners with reference to the common elements, the roof and structural components of buildings or other improvements, and mechanical, electrical and plumbing elements serving an improvement or a building as distinguished from mechanical elements serving only a unit; to bring actions, and to settle the same, on behalf of two (2) or more of the Owners, as their respective interests may appear, with respect to any causes of action relating to the common elements or more than one (1) condominium unit; all as the Board deems advisable.

(j) To determine policies and to adopt administrative rules and regulations governing the details of the operation and use of the condominium project, including the private elements, the common elements and the limited common elements, and to amend such administrative rules and regulations as from time to time the Board deems advisable.

(k) To make an annual statement of the business and condition of the Association for presentation at the annual meeting of members.

(l) To enjoin or seek damages from the Unit Owners for violation of these Bylaws and the terms and conditions of the Declaration.

(m) To make contracts and incur liabilities in connection with the exercise of any of the powers and duties of the Board and to use the proceeds of assessments in the exercise of its powers and duties.

Section 14. Compensation. The directors shall not be entitled to any compensation for service as directors.

ARTICLE III

Officers

Section 1. Officers. The executive officers of the Association shall be a President, Vice President, Treasurer, and Secretary, each of whom shall be elected at the annual meeting of the Board of Directors. Any two (2) or more of said officers may be held by one person except that the President shall not also be the Secretary or an Assistant Secretary of the Association. The Board may elect more than one Vice President. The Board may appoint such other officers and agents that it may deem necessary, who shall hold office at the pleasure of the Board and have such authority and perform such duties as from time to time may be prescribed by said Board.

Section 2. Qualifications. No person shall be entitled to hold office except a Unit Owner. No officer except the President need be a member of the Board. This provision shall not apply to the Developer prior to the expiration of the events stated in Article II, Section 1.

Section 3. Term. The officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote

of three-fourths (3/4) of the voting members present at any meeting of members of the Association.

Section 4. The President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the members and directors; shall appoint any necessary committees from among the members; shall be an ex-officio member of all standing committees; shall have general management of the business of the Association, and shall see that all orders and resolutions of the Board are carried into effect.

Section 5. The Secretary.

(a) The Secretary shall keep the minutes of the members' meetings and of the Board of Directors' meetings in one or more books provided for the purpose. Resolutions shall be maintained in one such minute book.

(b) The Secretary shall see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.

(c) The Secretary shall be custodian of the corporation records, except those of the Treasurer, and of the seal of the corporation, and shall affix the seal to instruments requiring it when duly signed.

(d) The Secretary shall keep a register of the post office address of each member, which shall be furnished to the Secretary by such member.

(e) In general, the Secretary shall perform all duties incident to the Office of the Secretary and such other duties as may be assigned to him by the President of by the Board of Directors.

Section 6. The Treasurer.

(a) The Treasurer shall keep full and accurate accounts of all financial records of the Association including receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name of and to the credit of the Association in such depositories as may be designated by the Board of Directors or these Bylaws. The Treasurer shall keep a detailed, accurate account for each Unit, setting forth any shares of Common Expenses or Limited Common Expenses or other charges due, the due dates thereof, the present balance due, and any interest in Common Area Surplus or Limited Common Area Surplus; and he shall perform all other duties incident to the Office of Treasurer. The records, books or accounts, and the vouchers authorizing payments, shall be available for examination by members of the Association at reasonable times.

(b) The Treasurer shall disburse the funds of the Association as ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and directors at the regular meetings of the Board, an account of all his transactions as Treasurer, and of the financial condition of the corporation.

Section 7. The Vice President. The Vice President shall be vested with all the powers and required to perform all the duties of the President in his absence, and such other duties as may be prescribed by the Board of Directors.

Section 8. Vacancies. If any office becomes vacant by reason of death, resignation, disqualification or otherwise, the remaining directors, by a majority vote, may choose a successor or successors who shall hold such office for the unexpired term.

Section 9. Resignations. Any officer may resign his office at any time. Such resignation shall be made in writing, and shall take effect at the time of its receipt by the Association, unless some time be fixed in the resignation, and then from that date. The acceptance of a resignation shall not be required to make it effective.

Section 10. Compensation. The officers of the Association shall receive no compensation as officers.

ARTICLE IV

Assessments

Section 1. Accounting Records. The board of directors shall provide for the maintenance of accounting records for the Association, such records to be maintained in accordance with generally accepted accounting principles, and such records shall include all records provided for in the Alabama Condominium Ownership Act and the Condominium Documents.

Section 2. Annual Budget. The board of directors shall cause to be prepared an estimated annual budget for each fiscal year of the Association, which budget shall take into account both the capital budget and the operating budget for the ensuing year, which together shall constitute the Common Expenses constituting an Assessment against each Unit and Unit Owner as provided for in the Declaration and elsewhere. The capital and operating budget shall be established as follows:

(a) Capital Budget. The board of directors shall cause to be prepared an estimated capital budget for each fiscal year of the Association. Such budget shall take into account the number and nature of the replaceable assets comprising the Condominium Property, the expected life of each such asset, the expected repair and/or replacement cost, and all other information required to establish the capital repair and replacement reserve fund provided for in the Declaration for the ensuing year. The board shall set the required capital contribution, if any, in an amount sufficient to meet the projected capital needs of the Association, as shown on the capital budget, with respect to both amount and timing, by equal annual assessments over the period of the budget. The capital contribution required shall be as fixed by the board and shall constitute a component of the annual Assessment for the Common Expenses of the Association. A copy of the capital budget shall be distributed to each Member in the same manner as the operating budget.

(b) Operating Budget. The board of directors shall cause to be prepared an estimated operating budget for each fiscal year of the Association. Such budget shall take into account the estimated expenses and cash requirements for the year, including salaries, wages, payroll taxes, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power and other expenses (as distinguished from individual mortgage

payments real estate taxes, and individual expenses for utility services billed or charged to the separate Unit Owners on an individual or separate basis rather than a common basis.) The operating budget shall also take into account the estimated net available cash income for the year, if any, and shall also provide for amounts required to make up for any deficit in any prior year and a general reserve for contingencies for the year. To the extent that the Assessment and other cash income collected from the Unit Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be shall also be taken into account.

Section 3. Assessments. The estimated annual budget each fiscal year shall be approved by the board of directors, and copies thereof shall be furnished by the board to each Unit Owner not later than ninety (90) days after the beginning of such year. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget each Unit Owner shall pay, as his respective monthly assessment for the Common Expenses, one-twelfth (1/12) of his share of the Common Expenses for such year as shown by the annual budget. The Assessments of the Common Expenses shall be as set forth in the Declaration. The board of directors may cause to be sent to each Unit Owner on or before the first day of each month a statement of the monthly assessment of such Unit Owner for such month, but the failure to send or to receive such monthly statement shall not relieve any Unit Owner of his obligation to pay his monthly Assessment on or before the first day of each month. If the board of directors shall not approve an estimated annual budget or shall fail to determine new monthly Assessments for any year, or shall be delayed in doing so, each Unit Owner shall continue to pay each month the amount of his monthly Assessment as last determined. Each Unit Owner shall pay his monthly Assessment on or before the first day of each month to the manager or managing agent or as may be otherwise directed by the Board. No Unit Owner shall be relieved of his obligation to pay his Assessment by abandoning or not using his Unit or the Common Elements. In the event of any failure by a Unit Owner to pay his monthly Assessment in a timely manner as herein provided for the Board may accelerate all remaining monthly Assessments due for the balance of the term covered by the annual budget, and the same shall thereupon become immediately due and payable.

Section 4. Proration of Assessments. For the first fiscal year, the annual budget shall be as approved by the first board of directors. If such first year, or any succeeding year, shall be less than a full year, then the monthly Assessment for each Unit Owner for the Common Expenses shall be proportional to the number of months and days in such period covered by such budget. Commencing with the date of closing of his Unit by each Unit Owner, he shall pay his Assessment for the following month or fraction of a month, which Assessment shall be in proportion to his ownership interest in the Common Elements and the number of months and days remaining of the period covered by the current annual budget, and which Assessment shall be as computed by the board of directors.

Section 5. Annual Statements. Within ninety (90) days after the end of each year covered by an annual budget, or as soon thereafter as shall be practicable, the board of directors shall cause to be furnished to each Unit Owner a statement for such year so ended, showing the receipts and expenditures and such other information as the board may deem desirable.

Section 6. Accounts. The board of directors shall cause to be kept a separate account record for each Unit Owner showing the Assessments charged to and paid for such Unit Owner, and the status of his account from time to time. Upon ten (10) days notice to the board of directors any Unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid Assessments or other charges due and owing from such Unit Owner. A Unit Owner shall make no more than one such request per month.

Section 7. Supplemental Budget and Assessments. If during the course of any year, it shall appear to the board of directors that the monthly Assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated Common Expenses for the remainder of such year, then the board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a supplemental Assessment shall be made to each Unit Owner for his proportionate share of each supplemental budget.

Section 8. Payment of Assessments. It shall be the duty of every Unit Owner to pay his proportionate share of the Common Expenses assessed in the manner herein provided. If any Unit Owner shall fail or refuse to make any such payments when due, the Association and the board of directors shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Alabama Condominium Ownership Act, the Declaration of these Bylaws, or otherwise available at law or in equity, for the collection of all unpaid Assessments.

Section 9. Records. The board of directors shall cause to be kept detailed and accurate records in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the expenses incurred, and such records and the vouchers authorizing the payments of such expenses shall be available for examination by the Unit Owners or their authorized representatives at convenient hours of week days. Such payment vouchers may be approved in such manner as the board of directors may determine.

Section 10. Liens. The board of directors may cause the Association to discharge any mechanic's lien or other encumbrance which, in the opinion of the board, may constitute a lien against the Condominium, the Common Elements, or any Unit, or Private Element in the Condominium, and the Association shall thereupon have a lien in such amount, together with the amount of any costs and attorneys fees incurred in connection therewith, on each Unit responsible for the payment thereof in accordance with the provisions of the Alabama Condominium Ownership Act, and the board of directors shall thereupon perfect any such lien by recording an appropriate claim of lien prepared and filed for record in accordance with the provisions of said Act.

ARTICLE V

Mortgages

Section 1. Notice to Board of Directors. A Unit Owner who mortgages his unit shall notify the secretary of the Association who shall maintain a record of such information. }

Section 2. Notice of Unpaid Common Charges. The board of directors, whenever so requested in writing by a mortgage of a Unit, shall promptly report any then unpaid Assessments due from, or any other default by, the Owner of a mortgaged Unit as provided for in the Declaration.

Section 3. Examination of Books. The holder of a mortgage on any Unit shall have the same right to examine the books and records of the Association afforded a Unit Owner.

ARTICLE VI

Use and Occupancy Restrictions

The use of the Units and the Condominium Property shall be in accordance with terms of the Declaration, and the Rules and Regulations from time to time established by the Board.

ARTICLE VII

Rules and Regulations

Section 1. Authority and Enforcement. The Board of Directors shall have the authority to make and to enforce reasonable Rules and Regulations governing the conduct, use, and enjoyment of the Units and the Common Elements, provided that copies of all such Rules and Regulations be furnished to all Owners. The Board shall have the power to impose reasonable fines which shall constitute a lien upon the Unit and to suspend an Owner's right to use the Common Elements and to vote for violation of any duty imposed under the Declaration, these Bylaws or any Rules and Regulations duly adopted hereunder.

Section 2. Procedure. The Board shall not impose a fine, suspend voting, or infringe upon any other rights of a Member or other occupant for violation of rules unless and until the following procedure is followed:

(a) **Demand.** Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying: (i) the alleged violation; (ii) the action required to abate the violation; and (iii) a time period, not less than ten (10) days, during which the violation may be abated without further sanction, if such violation is a continuing one or a statement that any further violation of the same rule may result in the imposition of sanction after notice and hearing if the violation is not continuing.

(b) **Notice.** Within twelve months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same rule is subsequently violated, the Board shall serve the violator with written notice of a hearing to be held by the Board in session. The notice shall contain: (i) the nature of the alleged violation; (ii) the time and place of the hearing, which time shall be not less than ten (10) days from the giving of the notice; (iii) an invitation to attend the hearing and produce any statement, evidence and witness on his or her behalf; and (iv) the proposed sanction to be imposed.

(c) Hearing. The hearing shall be held in executive session pursuant to this notice affording the member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered by the officer or director who delivered such notice. The notice requirement shall be deemed satisfied if a violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

ARTICLE VIII

Miscellaneous

Section 1. Seal. The seal of the Association shall be circular in form and shall contain the name of the Association and the year of its creation. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced otherwise.

Section 2. Fiscal Year. The fiscal year of the Association shall be that period from January 1 to December 31.

Section 3. Bank Accounts. The board of directors may, from time to time, by resolution authorize the maintenance of one or more deposit accounts by the Association. All checks, drafts, or other orders for the payment of money issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association, and in such manner as shall be determined from time to time by resolution of the board of directors.

Section 4. Notice. Whenever any notice or demand is required to be given by these Bylaws the same shall be given in the manner provided for in the Declaration.

Section 5. Waiver of Notice. Whenever any notice whatever is required to be given under the provisions of any law, or under the provisions of the Articles of Incorporation, these Bylaws or the Declaration, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto.

Section 6. Conflict. In the event of any conflict between the provisions of these Bylaws and the Declaration of the Condominium, the Declaration shall govern.

ARTICLE IX

Indemnification

Section 1. General. The Association shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the Bylaws of the Association, the Board, and the Developer against all contractual and other liabilities to others arising out of contracts made by,

or other acts of, such Directors, Board, officers, committee members or Developer, on behalf of the Unit Owners, or arising out of their status as Director, Board, officers, committee members or Developer, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suite or proceeding, whether civil, criminal, administrative or other, in which any such Director, officer, Board, committee member or Developer may be involved by virtue of such persons being or having been such director, officer, Board, committee member or Developer; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such Director, officer, Board, committee member of Developer, or (b) any matter settled or compromised by the Board, there is not reasonable grounds selected by or in a manner determined by the Board, there is not reasonable grounds for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such Director, officer, Board, committee member or Developer.

Section 2. Success on Merits. To the extent that the Board, Developer, a Director, officer of the Association or member of any committee appointed pursuant to these Bylaws has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 of this Article, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 3. Advance Payment. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance or the final disposition of such action, suit or proceeding as authorized by the Board in the specific case, upon receipt of an undertaking by or on behalf of the person or entity seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that such person or entity is entitled to be indemnified by the Association as authorized in this Article.

Section 4. Miscellaneous. The Association and the Board shall have the power to raise and the responsibility for raising, by Special Assessment or otherwise, any sums required to discharge its obligations under this Article, provided, however, that the liability of any Unit Owner arising out of any contract made by or other acts of the Directors, Board, officers, members of such committees or Developer, shall be limited to such proportion of the total liability thereunder as said Unit Owner's percentage of interest in the Common Elements bears to the total percentage interest of all the Unit Owners in the Common Elements. Every agreement made by the Directors, Board, officers, members of such committees, or Developer, or by the Managing Agent, on behalf of the Unit Owners, shall provide that the Directors, Board, offices, members of such committees, Developer, or the Managing Agent, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements. The indemnification provided by this article shall not be deemed exclusive of

any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested Directors or otherwise, both as to action in his official capacity and as to acting in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be Developer, a Director, an officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executives, administrators, personal representatives, successors and assigns of such person or entity.

ARTICLE X

Amendments

These Bylaws may be amended or modified from time to time by the vote of a majority of the board of directors, any amendment to be set forth in writing, signed by the Secretary of the board of directors and recorded in the Jefferson County Probate Office. Upon recording each such amendment shall be effective.

The foregoing were adopted as the Bylaws of Le Pointe Owners Association, Inc., an Alabama not-for-profit corporation, at the first meeting of the board of directors on _____, 1985.

SECRETARY