

**BY-LAWS
OF
GLENLAKES UNIT ONE PROPERTY OWNER'S ASSOCIATION, INC.**

**Article I
Name, Principal Office and Definitions**

Section 1.01. Name. The name of this Association is **Glenlakes Unit One Property Owner's Association, Inc.** (the "**Glenlakes Unit One Association**").

Section 1.02. Principal Office. The principal office of the **Glenlakes Unit One Association** in the **State of Alabama** shall be located in **Baldwin County**. The **Glenlakes Unit One Association** may have such other offices, either within or outside the **State of Alabama**, as the **Glenlakes Unit One Board of Directors** may determine or as the affairs of the **Glenlakes Unit One Association** may require.

Section 1.03. Definitions. The words used in these **By-Laws** shall have the same meaning as set forth in the **Master Declaration of Covenants, Conditions and Restrictions for Glenlakes, a Planned Residential Development** dated **May 19, 2000**, and recorded **June 2, 2000** as **Instrument Number 548493, Pages 1 through 46** (the "**Master Declaration**") and as set forth in the **Supplemental Declaration of Covenants, Conditions and Restrictions for Glenlakes Unit One, a Planned Residential Development- Glenlakes Unit One** as amended, renewed or extended from time to time, (the "**Glenlakes Unit One Declaration**"). All terms used in these **By-Laws** shall have the same meaning given for each of them stated in **Glenlakes Unit One Declaration**, unless the context otherwise requires, and are incorporated by reference and made a part of these **By-Laws**. In the event of a conflict between the provisions of the **Glenlakes Unit One Declaration**, the **Glenlakes Unit One Articles of Incorporation** or these **By-Laws**, the **Glenlakes Unit One Declaration** prevails.

**Article II
Glenlakes Unit One Association: Membership, Meetings, Quorum, Voting, Proxies**

Section 2.01. Membership. The qualification for membership shall be ownership of a **Lot** in **Glenlakes Unit One**. No membership may be separated from the **Lot** to which membership is appurtenant. The qualification for membership is more fully set out in the **Glenlakes Unit One Declaration**, the terms of which pertaining to membership are specifically incorporated in these **By-Laws** by reference.

Section 2.02. Place of Meetings. Meetings of the **Glenlakes Unit One Association** shall be held at the principal office of the **Glenlakes Unit One Association** or at such other suitable place convenient to the **Members** as may be designated by the **Glenlakes Unit One Board of Directors** either within **Glenlakes Unit One** or as convenient to **Glenlakes Unit One** as possible and practical.

Section 2.03. Annual Meetings. Except as provided in these **By-Laws** or the **Glenlakes Unit One Declaration**, the annual meeting of the **Glenlakes Unit One Association**, whether a regular or special meeting, shall be held on the second **Tuesday** of **March** of each year. **Provided, However**, anything else contained in these **By-Laws** and in the **Glenlakes Unit One**

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Declaration to the contrary, so long as the **Declarant** owns any **Lot** in **Glenlakes Unit One**, or **Lots** in the **Properties**, or owns any property in **Glenlakes Unit One**, or property in the **Properties**, or owns any property described on the **Conceptual Master Plan**, no meetings of the **Glenlakes Unit One Association** shall take place unless called by the **Declarant**.

Section 2.04. Special Meetings. Except as provided in these **By-Laws** or the **Glenlakes Unit One Declaration**, the **President** may call special meetings. In addition, it shall be the duty of the **President** to call a special meeting of the **Glenlakes Unit One Association** if so directed by resolution of a **Majority** (as defined in these **By-Laws**) of a quorum of the **Glenlakes Unit One Board of Directors** or upon a petition signed by the **Members** representing at least **ten percent (10%)** of the total votes of the **Glenlakes Unit One Association**. The notice of any special meeting shall state the date, time and place of such meeting and the purpose of such meeting. No business shall be transacted at a special meeting except as stated in the notice. **Provided, However**, anything else contained in these **By-Laws** or in the **Glenlakes Unit One Declaration** to the contrary, so long as the **Declarant** owns any **Lot** in **Glenlakes Unit One**, or **Lots** in the **Properties**, or owns any property in **Glenlakes Unit One**, or property in the **Properties**, or owns any property described on the **Conceptual Master Plan**, no meetings of the **Glenlakes Unit One Association** shall take place unless called by the **Declarant**.

Section 2.05. Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting of the **Members** shall be delivered, either personally or by mail, to each **Member** entitled to vote at such meeting, not less than **ten (10)** nor more than **fifty (50) days** before the date of such meeting, by or at the direction of the **President** or the **Secretary** or the officers or **Persons** calling the meeting.

In the case of a special meeting or when required by statute or these **By-Laws**, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the **United States** mail addressed to the **Member** at the address of the **Member** as the address appears on the records of the **Glenlakes Unit One Association**, with postage prepaid.

Section 2.06. Waiver of Notice. Waiver of notice of a meeting of the **Members** shall be deemed the equivalent of proper notice. Any **Member** may, in writing, waive notice of any meeting of the **Members**, either before or after such meeting. Attendance at a meeting by a **Member** or alternate shall be deemed waiver by such **Member** of notice of the time, date and place of said meeting, unless such **Member** specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted at said meeting unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 2.07. Adjournment of Meetings. If any meeting of the **Glenlakes Unit One Association** cannot be held because a quorum is not present, a **Majority** (as defined in these **By-Laws**) of the **Members** who are present at such meeting, either in person or by alternate, may adjourn the meeting to a time not less than **five (5)** nor more than **thirty (30) days** from the time the original meeting was called. At the reconvened meeting, if a **Quorum** is present, any business

which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to **Members** in the manner prescribed for regular meetings.

The **Members** present at a duly called or held meeting at which a **Quorum** is present may continue to do business until adjournment, notwithstanding the withdrawal of enough **Members** to leave less than a **Quorum**, provided that the **Members** or their alternates representing at least **twenty-five percent (25%)** of the total votes of the **Glenlakes Unit One Association** remain in attendance, and provided further that any action taken is approved by at least a **Majority** of the **Members** required to constitute a **Quorum**.

Section 2.08. Voting. The voting rights of the **Members** shall be as set forth in the **Glenlakes Unit One Declaration**, and such voting rights provisions are specifically incorporated in these **By-Laws**. **Provided, However**, anything else contained in these **By-Laws** or in the **Glenlakes Unit One Declaration** to the contrary, so long as the **Declarant** owns any **Lots** in **Glenlakes Unit One**, or **Lots** in the **Properties**, or owns any property in **Glenlakes Unit One**, or property in the **Properties**, or owns any property described on the **Conceptual Master Plan**, **Members** shall not be entitled to vote.

The **Members** of the **Glenlakes Unit One Association** shall elect a senior elected officer who shall serve as the **Voting Member** of the **Glenlakes Unit One Association**, as provided for in the **Master Declaration**, and shall cast all votes attributable to **Lots** in **Glenlakes Unit One** on all **Master Association** matters requiring a membership vote.

Section 2.09. Proxies. Votes may be by proxy. The form and content of a proxy and the procedure for filing the proxy shall be determined by the **Glenlakes Unit One Board of Directors**.

Section 2.10. Majority. As used in these **By-Laws**, the term "**Majority**" shall mean those votes, **Owners** or other group as the context may indicate totaling more than **fifty percent (50%)** of the total number.

Section 2.11. Quorum. Except as otherwise provided in these **By-Laws** or in the **Glenlakes Unit One Declaration**, the presence in person or by alternate of the **Members** representing a **Majority** of the total votes in the **Glenlakes Unit One Association** shall constitute a **Quorum** at all meetings of the **Glenlakes Unit One Association**. Any provision in the **Glenlakes Unit One Declaration** concerning a **Quorum** is specifically incorporated in these **By-Laws**.

Section 2.12. Conduct of Meetings. The **President** shall preside over all meetings of the **Glenlakes Unit One Association**, and the **Secretary** shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

Section 2.13. Action Without a Meeting. Any action required by law to be taken at a meeting of the **Members**, or any action which may be taken at a meeting of the **Members**, may be taken without a meeting if written consent setting forth the action so taken is signed by all of the **Members** entitled to vote with respect to the subject matter of the vote, and any such consent shall have the same force and effect as a unanimous vote of the **Members**.

Section 2.14. Proviso. Anything else contained in these **By-Laws** and in the **Glenlakes Unit One Declaration** to the contrary, so long as the **Declarant** owns any **Lots** in **Glenlakes Unit One**, or **Lots** in the **Properties**, or owns any property in **Glenlakes Unit One**, or property in the **Properties**, or owns any property described on the **Conceptual Master Plan**, no meetings of the **Glenlakes Unit One Association** shall take place unless called by the **Declarant** and the **Members** shall not be entitled to vote unless the **Declarant** voluntarily relinquishes the rights reserved to the **Declarant**.

Article III

The Glenlakes Unit One Board of Directors: Number, Powers, Meeting

A. Composition and Selection.

Section 3.01. Governing Body; Composition. The affairs of the **Glenlakes Unit One Association** shall be governed by the **Glenlakes Unit One Board of Directors**. Each member of the **Glenlakes Unit One Board of Directors** shall have **one (1)** vote. Except with respect to any member of the **Glenlakes Unit One Board of Directors** appointed by the **Declarant**, the members of the **Glenlakes Unit One Board of Directors** shall be **Members**. In the case of an **Owner** which is a corporation, partnership, limited liability company or other legal entity, the **Person** designated in writing to the **Secretary** of the **Glenlakes Unit One Association** as the representative of such entity shall be eligible to serve as a member of the **Glenlakes Unit One Board of Directors**.

Section 3.02. Directors During Declarant Control. The members of the **Glenlakes Unit One Board of Directors** shall be selected by the **Declarant**, acting in the sole discretion of the **Declarant**, and shall serve at the pleasure of the **Declarant** until the first to occur of the following:

(a) when all of the **Lots** in **Glenlakes Unit One**, or **Lots** in the **Properties**, and all of the property in **Glenlakes Unit One**, or property in the **Properties**, and the property described on the **Conceptual Master Plan** have been conveyed to **Persons** other than the **Declarant**; or

(b) when, in the sole discretion of the **Declarant**, the **Declarant** so determines.

Section 3.03. Right to Disapprove Actions. These **By-Laws** may not be amended without the express, written consent of the **Declarant** as long as the **Declarant** owns any **Lots** in **Glenlakes Unit One**, or **Lots** in the **Properties**, or owns any property in **Glenlakes Unit One**, or property in the **Properties**, or owns any property described on the **Conceptual Master Plan**.

So long as the **Declarant** shall own any **Lots** in **Glenlakes Unit One**, or **Lots** in the **Properties**, or owns any property in **Glenlakes Unit One**, or property in the **Properties**, or owns any property described on the **Conceptual Master Plan**, the **Declarant** shall have a right to disapprove actions of the **Glenlakes Unit One Board of Directors** and the

Architectural Committee, as is more fully provided in the **Glenlakes Unit One Declaration** and these **By-Laws**. This right shall be exercisable only by the **Declarant**, and the successors and assigns of the **Declarant** who specifically take this power in a recorded instrument.

No action authorized by the **Glenlakes Unit One Board of Directors** or the **Architectural Committee** shall become effective, nor shall any action, policy or program be implemented until and unless:

(a) The **Declarant** shall have been given written notice of all meetings and proposed actions approved at meetings of the **Glenlakes Unit One Board of Directors** or any committee of the **Glenlakes Unit One Board of Directors** by certified mail, return receipt requested or by personal delivery at the address of the **Declarant**, as the **Declarant** may change from time to time, which notice complies as to the **Glenlakes Unit One Board of Directors** meetings with these **By-Laws** and which notice shall, except in the case of the regular meetings held pursuant to the **By-Laws**, set forth in reasonable particularity the agenda to be followed at said meeting; and

(b) The **Declarant** shall be given the opportunity at any such meeting to join in or to have the representatives or agents of the **Declarant** join in discussion from the floor of any prospective action, policy or program to be implemented by the **Glenlakes Unit One Board of Directors**, any committee of the **Glenlakes Unit One Board of Directors**, or the **Glenlakes Unit One Association**. The **Declarant**, or the representatives or agents of the **Declarant**, shall make the concerns, thoughts and suggestions of the **Declarant** known to the **Members** of the subject committee and/or the **Glenlakes Unit One**. The **Declarant** shall have and is granted a right to disapprove any such action, policy or program authorized by the **Glenlakes Unit One Board of Directors** or any committee of the **Glenlakes Unit One Board of Directors** and to be taken by the **Glenlakes Unit One Board of Directors**, such committee, the **Glenlakes Unit One Association** or any individual **Member** of the **Glenlakes Unit One Association**, if said **Glenlakes Unit One Board of Directors**, committee or the **Glenlakes Unit One Association** approval is necessary for such action. This right may be exercised by the **Declarant**, or the representatives or agents of the **Declarant**, at any time within **ten (10) days** following the meeting held pursuant to the terms and provisions of these **By-Laws**. This right to disapprove may be used to block proposed actions.

Section 3.04. Number of Directors. The number of members on the **Glenlakes Unit One Board of Directors** shall be not less than **three (3)** but not more than the number from time to time, as shall be determined and fixed by a **Majority** of the voting rights of the **Members**, as provided in these **By-Laws** and the **Glenlakes Unit One Declaration**. The initial **Glenlakes Unit One Board of Directors** shall consist of **three (3)** members as identified in the **Glenlakes Unit One Articles of Incorporation**.

Section 3.05. Nomination of Directors. Except with respect to members of the **Glenlakes Unit One Board of Directors** selected by the **Declarant**, nominations for election to the **Glenlakes Unit One Board of Directors** shall be made by a **Nominating Committee**. The **Nominating Committee** shall consist of a **Chairman**, who shall be a member of the **Glenlakes Unit One Board of Directors**, and **three (3)** or more **Members** of the **Glenlakes Unit One Association**. The **Nominating Committee** shall be appointed by the **Glenlakes Unit One Board of Directors** not less than **thirty (30) days** prior to each annual meeting of the **Members** to serve a term of **one (1) year** or until their successors are appointed, and such appointment shall be announced at each such annual meeting. The **Nominating Committee** shall make as many

nominations for election to the **Glenlakes Unit One Board of Directors** as the **Nominating Committee** shall determine, but in no event less than the number of positions to be filled. Nominations shall also be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the **Members** and to solicit votes.

Section 3.06. Election and Term of Office. Notwithstanding any other provision contained in these **By-Laws**:

Within **ninety (90) days** after the **Declarant** has sold all of the **Lots** in **Glenlakes Unit One**, and **Lots** in the **Properties**, and all of the property in **Glenlakes Unit One**, or property in the **Properties**, and all of the property described on the **Conceptual Master Plan** or whenever the **Declarant** earlier determines, the **Glenlakes Unit One Association** shall call a special meeting at which the **Members** shall elect the members of the **Glenlakes Unit One Board of Directors**.

At any election of members of the **Glenlakes Unit One Board of Directors**, each **Member** shall be entitled to cast **one (1)** equal vote with respect to each vacancy to be filled. The candidates receiving the largest number of votes shall be elected. The members of the **Glenlakes Unit One Board of Directors** elected by the **Members** shall hold office until their respective successors have been elected by the **Glenlakes Unit One Association**. Members of the **Glenlakes Unit One Board of Directors** may be elected to serve any number of consecutive terms.

Section 3.07. Removal of Directors and Vacancies. Any member of the **Glenlakes Unit One Board of Directors** elected by the **Members** may be removed, with or without cause, by the vote of **Members** holding a **Majority** of the votes entitled to be cast for the election of such member of the **Glenlakes Unit One Board of Directors**. Any member of the **Glenlakes Unit One Board of Directors** whose removal is sought shall be given notice prior to any meeting called for that purpose. A member of the **Glenlakes Unit One Board of Directors** who was elected solely by the votes of **Members** other than the **Declarant** may be removed from office prior to the expiration of the term of said member of the **Glenlakes Unit One Board of Directors** only by the votes of a **Majority** of **Members** other than the **Declarant**. Upon removal of a member of the **Glenlakes Unit One Board of Directors**, a successor shall be elected by the **Members** entitled to elect the member of the **Glenlakes Unit One Board of Directors** so removed to fill the vacancy for the remainder of the term of such member of the **Glenlakes Unit One Board of Directors**.

Any member of the **Glenlakes Unit One Board of Directors** elected by the **Members** who has **three (3)** consecutive unexcused absences from the **Glenlakes Unit One Board of Directors** meetings or who is delinquent in the payment of any **Assessment** or other charge due the **Glenlakes Unit One Association** for more than **thirty (30) days** may be removed by a **Majority** of the members of the **Glenlakes Unit One Board of Directors** present at a regular or special meeting at which a **Quorum** is present, and a successor may be appointed by the **Glenlakes Unit One Board of Directors** to fill the vacancy for the remainder of the term. In the event of the death, disability or resignation of a member of the **Glenlakes Unit One Board of Directors**, a vacancy may be declared by the **Glenlakes Unit One Board of Directors**, and the **Glenlakes Unit One Board of Directors** may appoint a successor. Any member of the **Glenlakes Unit One Board of Directors** appointed by the **Glenlakes Unit One Board of Directors** shall serve for the remainder of the term of the member of the **Glenlakes Unit One Board of Directors** who vacated the position.

B. Meetings.

Section 3.08. Organizational Meetings. The first meeting of the **Glenlakes Unit One Board of Directors** following each annual meeting of the membership shall be held within **ten (10) days** thereafter at such time and place as shall be fixed by the **Glenlakes Unit One Board of Directors**.

Section 3.09. Regular Meetings. Regular meetings of the **Glenlakes Unit One Board of Directors** may be held at such time and place as shall be determined from time to time by a **Majority** of the members of the **Glenlakes Unit One Board of Directors**, but at least **four (4)** such meetings shall be held during each fiscal year with at least **one (1)** per quarter. Notice of the time and place of the meeting shall be communicated to the members of the **Glenlakes Unit One Board of Directors** not less than **four (4)** days prior to the meeting; **Provided, However**, notice of a meeting need not be given to any member of the **Glenlakes Unit One Board of Directors** who has signed a waiver of notice or a written consent to holding of the meeting.

Section 3.10. Special Meetings. Special meetings of the **Glenlakes Unit One Board of Directors** shall be held when called by written notice signed by the **President** of the **Glenlakes Unit One Association** or by any **two (2)** members of the **Glenlakes Unit One Board of Directors**. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each member of the **Glenlakes Unit One Board of Directors** by **one (1)** of the following methods: **(a)** by personal delivery; **(b)** written notice by first class mail, postage prepaid; **(c)** by telephone communication, either directly to the member of the **Glenlakes Unit One Board of Directors** or to a **Person** at the office or home of the member of the **Glenlakes Unit One Board of Directors** who would reasonably be expected to communicate such notice promptly to the member of the **Glenlakes Unit One Board of Directors**; or **(d)** by telegram, charges prepaid. All such notices shall be given at the telephone number of the member of the **Glenlakes Unit One Board of Directors** or sent to the address of the member of the **Glenlakes Unit One Board of Directors** as shown on the records of the **Glenlakes Unit One Association**. Notices sent by first class mail shall be deposited into a **United States** mailbox at least **four (4) days** before the time set for the meeting. Notices given by personal delivery, telephone or telegraph shall be delivered, telephoned or given to the telegraph company at least **seventy-two (72) hours** before the time set for the meeting.

Section 3.11. Waiver of Notice. The transactions of any meeting of the **Glenlakes Unit One Board of Directors**, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if **(a)** a **Quorum** is present, and **(b)** either before or after the meeting each of the members of the **Glenlakes Unit One Board of Directors** not present signs a written waiver of notice, a consent to holding the meeting or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any member of the **Glenlakes Unit One Board of Directors** who attends the meeting without protesting before or at the commencement of said meeting about the lack of adequate notice.

Section 3.12. Quorum of the Glenlakes Unit One Board of Directors. At all meetings of the **Glenlakes Unit One Board of Directors**, a **Majority** of the member of the **Glenlakes Unit One Board of Directors** shall constitute a **Quorum** for the transaction of business, and the votes of a **Majority** of the members of the **Glenlakes Unit One Board of Directors** present at a meeting at which a **Quorum** is present shall constitute the decision of the **Glenlakes Unit One Board of Directors**. A meeting at which a **Quorum** is initially present may continue to transact business, notwithstanding the withdrawal of members of the **Glenlakes Unit One Board of Directors**, if any

action taken is approved by at least a **Majority** of the required **Quorum** for that meeting. If any meeting of the **Glenlakes Unit One Board of Directors** cannot be held because a **Quorum** is not present, a **Majority** of the member of the **Glenlakes Unit One Board of Directors** who are present at such meeting may adjourn the meeting to a time not less than **five (5)** nor more than **thirty (30) days** from the date the original meeting was called. At the reconvened meeting, if a **Quorum** is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 3.13. Compensation. No member of the **Glenlakes Unit One Board of Directors** shall receive any compensation from the **Glenlakes Unit One Association** for acting as such unless approved by the **Members** representing a **Majority** of the total vote of the **Glenlakes Unit One Association** at a regular or special meeting of the **Glenlakes Unit One Association**; provided any member of the **Glenlakes Unit One Board of Directors** may be reimbursed for expenses incurred on behalf of the **Glenlakes Unit One Association** upon approval of a **Majority** of the other members of the **Glenlakes Unit One Board of Directors**.

Section 3.14. Conduct of Meetings. The **President** shall preside over all meetings of the **Glenlakes Unit One Board of Directors**, and the **Secretary** shall keep a minute book of meetings of the **Glenlakes Unit One Board of Directors**, recording in said minute book all resolutions adopted by the **Glenlakes Unit One Board of Directors** and all transactions and proceedings occurring at such meetings. Meetings may be conducted by telephone and shall be considered as any other meeting, provided all members of the **Glenlakes Unit One Board of Directors** are able through telephone connection to hear and to be heard.

Section 3.15. Open Meetings. Subject to the provisions of these **By-Laws**, all meetings of the **Glenlakes Unit One Board of Directors** shall be open to all **Members**, but **Members** other than members of the **Glenlakes Unit One Board of Directors** may not participate in any discussion or deliberation unless permission to speak is requested on behalf of a member of the **Glenlakes Unit One Board of Directors**. In such case, the **President** may limit the time any **Member** may speak.

Section 3.16. Action Without a Formal Meeting. Any action to be taken at a meeting of the members of the **Glenlakes Unit One Board of Directors** or any action that may be taken at a meeting of the members of the **Glenlakes Unit One Board of Directors** may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members of the **Glenlakes Unit One Board of Directors**, and such consent shall have the same force and effect as a unanimous vote.

Proviso. So long as the **Declarant** owns any **Lots** in **Glenlakes Unit One**, or **Lots** in the **Properties**, or owns any property in **Glenlakes Unit One**, or property in the **Properties**, or owns any property described on the **Conceptual Master Plan**, no meetings of the members of the **Glenlakes Unit One Board of Directors** or any committee shall take place unless called by the **Declarant**.

C. Powers and Duties.

Section 3.17. Powers. The **Glenlakes Unit One Board of Directors** shall be responsible for the affairs of the **Glenlakes Unit One Association** and shall have all of the powers and duties necessary for the administration of the affairs of the **Glenlakes Unit One Association** and, as provided by law, may do all acts and things as are not by the **Glenlakes Unit One Declaration**, the **Glenlakes Unit One Articles of Incorporation** or these **By-Laws** directed to be done and exercised exclusively by the **Members** or the membership generally.

The **Glenlakes Unit One Board of Directors** shall delegate to **one (1)** of the members of the **Glenlakes Unit One Board of Directors** the authority to act on behalf of the **Glenlakes Unit One Board of Directors** on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the **Glenlakes Unit One Board of Directors**.

In addition to the duties imposed by these **By-Laws** or by any resolution of the **Glenlakes Unit One Association** that may be adopted, the **Glenlakes Unit One Board of Directors** may delegate to **one (1)** or more of the members of the **Glenlakes Unit One Board of Directors** the power to and shall be responsible for the following, in way of explanation, but not limitation:

(a) preparation and adoption of annual budgets in which there shall be established the contribution of each **Owner** to the **Glenlakes Unit One Common Expenses**;

(b) making the **Glenlakes Unit One Assessment** to defray the **Glenlakes Unit One Common Expenses**, establishing the means and methods of collecting the **Glenlakes Unit One Assessment**, and establishing the period of the installment payments of the **Glenlakes Unit One Assessment**; provided, unless otherwise determined by the **Glenlakes Unit One Board of Directors**, the **Glenlakes Unit One Assessment** for the share of each **Lot** of the **Glenlakes Unit One Common Expenses** shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month;

(c) providing for the operation, care, upkeep and maintenance of all of the **Glenlakes Unit One Common Area**;

(d) designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the **Glenlakes Unit One Association** property and the **Glenlakes Unit One Common Area** and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties;

(e) collecting the **Glenlakes Unit One Assessment**, depositing the proceeds of the **Glenlakes Unit One Assessment** in a bank depository which the **Glenlakes Unit One Board of Directors** shall approve, and using the proceeds to administer the **Glenlakes Unit One Association**; provided, any reserve fund may be deposited, in the best business judgment of a members of the **Glenlakes Unit One Board of Directors** in depositories other than banks;

(f) making and amending **Rules and Regulations**;

(g) opening of bank accounts on behalf of the **Glenlakes Unit One Association** and designating the signatories required;

(h) making or contracting for the making of repairs, additions and improvements to or alterations of the **Glenlakes Unit One Common Area** in accordance with the other provisions of the **Glenlakes Unit One Declaration** and these **By-Laws** after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the **Glenlakes Unit One Declaration**, these **By-Laws** and the **Rules and Regulations** adopted by the **Glenlakes Unit One Board of Directors** and bringing any proceedings which may be instituted on behalf of or against the **Owners** concerning the **Glenlakes Unit One Association**;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the **Glenlakes Unit One Declaration**, and paying the premium cost;

(k) paying the cost of all services rendered to the **Glenlakes Unit One Association** or the **Members** and not chargeable directly to specific **Owners**;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the **Glenlakes Unit One Association** and the administration of the **Glenlakes Unit One Association**, specifying the maintenance and repair expenses and any other expenses incurred;

(m) making available to any prospective purchaser of a **Lot**, any **Owner** of a **Lot**, any first **Mortgagee** and the holders, insurers and guarantors of a first **Mortgage** on any **Lot**, current copies of the **Glenlakes Unit One Declaration**, the **Glenlakes Unit One Articles of Incorporation**, these **By-Laws**, **Rules and Regulations** and all other books, records and financial statements of the **Glenlakes Unit One Association**; and

(n) permitting utility suppliers to use portions of the **Glenlakes Unit One Common Area** reasonably necessary to the ongoing development or operation of **Glenlakes Unit One**.

Section 3.18. Management Agent. the **Glenlakes Unit One Board of Directors** may employ for the **Glenlakes Unit One Association** a professional management agent or agents at a compensation established by the **Glenlakes Unit One Board of Directors** to perform such duties and services as the **Glenlakes Unit One Board of Directors** shall authorize. the **Glenlakes Unit One Board of Directors** may delegate to the managing agent or manager, subject to the supervision of the **Glenlakes Unit One Board of Directors**, all of the powers granted to the **Glenlakes Unit One Board of Directors** by these **By-Laws**, other than the powers set forth in the **Glenlakes Unit One Declaration**. The **Declarant**, or an affiliate of the **Declarant**, may be employed as managing agent or manager.

Section 3.19. Accounts and Reports. The following management standards of performance will be followed unless the **Glenlakes Unit One Board of Directors** by resolution specifically determines otherwise:

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the **Glenlakes Unit One Association** shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors or others providing goods or services to the **Glenlakes Unit One Association**, whether in the form of commissions, finder's fees, service fees, prizes, gifts or

otherwise; any thing of value received shall benefit the **Glenlakes Unit One Association**; provided, nothing contained in these **By-Laws** shall prohibit the managing agent from earning commissions for services performed by the managing agent in leasing **Lots** on behalf of the **Owners** of such **Lots**;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the **Glenlakes Unit One Association** shall be disclosed promptly to the **Glenlakes Unit One Board of Directors**;

(f) commencing at the end of the month in which the first **Lot** is sold and closed, financial reports shall be prepared for the **Glenlakes Unit One Association** at least quarterly containing:

- i. an income statement reflecting all income and expense activity for the preceding period on an accrual basis;
- ii. a statement reflecting all cash receipts and disbursements for the preceding period;
- iii. a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;
- iv. a balance sheet as of the last day of the preceding period; and
- v. a delinquency report listing all **Owners** who are delinquent in paying the installments of the **Glenlakes Unit One Assessment** at the time of the report and describing the status of any action to collect such installments which remain delinquent (an installment of the **Glenlakes Unit One Assessment** shall be considered to be delinquent on the **fifteenth (15th) day** following the due date of the installment unless otherwise determined by the **Glenlakes Unit One Board of Directors**); and
- vi. an annual report consisting of at least the following shall be distributed to all **Members** within **one hundred twenty (120) days** after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. The annual report referred to above shall be prepared on an audited or reviewed basis, as determined by the **Glenlakes Unit One Board of Directors**, by an independent public accountant.

Section 3.20. Borrowing. The **Glenlakes Unit One Board of Directors** shall have the power to borrow money for the purpose of maintenance, repair or restoration of the **Glenlakes Unit One Common Area** without the approval of the **Members** of the **Glenlakes Unit One Association**. The **Glenlakes Unit One Board of Directors** shall also have the power to borrow money for other purposes; provided, the **Glenlakes Unit One Board of Directors** shall obtain **Member** approval in the same manner provided in the **Glenlakes Unit One Declaration** for any **Special Assessment** in the event that the proposed borrowing is for the purpose of modifying,

improving or adding amenities and the total amount of such borrowing exceeds or would exceed **five percent (5%)** of the budgeted gross expenses of the **Glenlakes Unit One Association** for that fiscal year.

Section 3.21. Rights of the Glenlakes Unit One Association. With respect to the **Glenlakes Unit One Common Area**, and in accordance with the **Glenlakes Unit One Articles of Incorporation** and the **Glenlakes Unit One Declaration**, the **Glenlakes Unit One Association** shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the **Glenlakes Unit One Association** to enter into common management, operational or other agreements with trusts, condominiums, cooperatives or the **Master Association** and other owners or residents associations, both within and without **Glenlakes Unit One**. Such agreements shall require the consent of **two-thirds (2/3)** of all members of the **Glenlakes Unit One Board of Directors**.

Section 3.22. Enforcement. The **Glenlakes Unit One Board of Directors** shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating **Owner**, and to suspend the right of an **Owner** to vote or to use the **Glenlakes Unit One Common Area** for violation of any duty imposed under the **Glenlakes Unit One Declaration**, these **By-laws** or any **Rules and Regulations** duly adopted under these **By-Laws**. **Provided, However**, nothing contained in these **By-Laws** shall authorize the **Glenlakes Unit One Association** or the **Glenlakes Unit One Board of Directors** to limit ingress and egress to or from a **Lot**. In the event that any occupant of a **Lot** violates the **Glenlakes Unit One Declaration**, these **By-Laws** or any of the **Rules and Regulations** and a fine is imposed, the fine shall first be assessed against the occupant. **Provided, Further**, if the fine is not paid by the occupant within the time period set by the **Glenlakes Unit One Board of Directors**, the **Owner** shall pay the fine upon notice from the **Glenlakes Unit One Association**. The failure of the **Glenlakes Unit One Board of Directors** to enforce any provision of the **Glenlakes Unit One Declaration**, these **By-Laws** or any **Rules or Regulations** shall not be deemed a waiver of the right of the **Glenlakes Unit One Board of Directors** to do so thereafter.

(a) **Notice.** Prior to imposition of any sanction under these **By-Laws**, the **Glenlakes Unit One Board of Directors** or the delegate of the **Glenlakes Unit One Board of Directors** shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than **ten (10) days** within which the alleged violator may present a written request to the **Covenants Committee**, if any, or the **Glenlakes Unit One Board of Directors** for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within **ten (10) days** of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

(b) **Hearing.** If a hearing is requested in a timely manner, the hearing shall be held in executive session affording the **Owner** a reasonable opportunity to be heard. Prior to the effectiveness of any sanction under these **By-Laws**, proof of proper notice 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, member of the **Glenlakes Unit One Board of Directors** or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged 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. The **Glenlakes Unit One Board of Directors** or the **Glenlakes Unit One Covenants Committee** may, but shall not be obligated to, suspend any proposed sanction if the

violation is cured within the **ten (10) day** period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any **Person**.

(c) **Appeal.** Following a hearing before the **Glenlakes Unit One Covenants Committee**, the violator shall have the right to appeal the decision to the **Glenlakes Unit One Board of Directors**. To perfect this right, a written notice of appeal must be received by the manager, **President** or **Secretary** of the **Glenlakes Unit One Association** within **thirty (30) days** after the hearing date.

(d) **Additional Enforcement Rights.** Notwithstanding anything to the contrary contained in these **By-Laws**, the **Glenlakes Unit One Association**, acting through the **Glenlakes Unit One Board of Directors**, may elect to enforce any provision of the **Glenlakes Unit One Declaration**, these **By-Laws** or the **Rules and Regulations** of the **Glenlakes Unit One Association** by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking **Rules and Regulations**) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the **Owner** or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

Article IV **Officers**

Section 4.01. Officers. The officers of the **Glenlakes Unit One Association** shall be a **President**, **Vice President**, **Secretary** and **Treasurer** to be elected from among the members of the **Glenlakes Unit One Board of Directors**. The **Glenlakes Unit One Board of Directors** may appoint such other officers, including **one (1)** or more **Assistant Secretaries** and one or more **Assistant Treasurers**, as the **Glenlakes Unit One Board of Directors** shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the **Glenlakes Unit One Board of Directors**. Any **two (2)** or more offices may be held by the same **Person**, except the offices of **President** and **Secretary**.

Section 4.02. Election, Term of Office and Vacancies. The officers of the **Glenlakes Unit One Association** shall be elected annually by the **Glenlakes Unit One Board of Directors** at the first meeting of the **Glenlakes Unit One Board of Directors** following each annual meeting of the **Members**, as set forth in these **By-Laws**. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the **Glenlakes Unit One Board of Directors** for the unexpired portion of the term.

Section 4.03. Removal. Any officer may be removed by the **Glenlakes Unit One Board of Directors** whenever in the judgment of the **Glenlakes Unit One Board of Directors** the best interests of the **Glenlakes Unit One Association** will be served.

Section 4.04. Powers and Duties. The officers of the **Glenlakes Unit One Association** shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the **Glenlakes Unit One Board of Directors**. The **President** shall be the chief executive officer of the **Glenlakes Unit One Association**. The **Treasurer** shall have primary responsibility for the preparation of the budget as provided for in the **Glenlakes Unit One Declaration** and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 4.05. Resignation. Any officer may resign at any time by giving written notice to the **Glenlakes Unit One Board of Directors**, the **President** or the **Secretary**. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified in said notice, and unless otherwise specified in said notice, the acceptance of such resignation shall not be necessary to make said resignation effective.

Section 4.06. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks and other instruments of the **Glenlakes Unit One Association** shall be executed by at least **two (2)** officers or by such other **Person** or **Persons** as may be designated by resolution of the **Glenlakes Unit One Board of Directors**.

Article V **Committees**

Section 5.01. General. Committees are authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a **Majority** of the **Glenlakes Unit One Board of Directors** present at a meeting at which a **Quorum** is present. Each committee shall operate in accordance with the terms of the resolution of the **Glenlakes Unit One Board of Directors** designating the committee or with **Rules and Regulations** adopted by the **Glenlakes Unit One Board of Directors**.

Section 5.02. Glenlakes Unit One Covenants Committee. In addition to any other committees which may be established pursuant to these **By-Laws**, the **Glenlakes Unit One Board of Directors** may appoint the **Glenlakes Unit One Covenants Committee** consisting of at least **five (5)** and no more than **seven (7)** members. Acting in accordance with the provisions of the **Glenlakes Unit One Declaration**, these **By-Laws** and resolutions, the **Glenlakes Unit One Board of Directors** may appoint the **Glenlakes Unit One Covenants Committee**, if established, to be the hearing tribunal of the **Glenlakes Unit One Association** and shall conduct all hearings held pursuant to these **By-Laws**.

Article VI **Miscellaneous**

Section 6.01. Fiscal Year. The fiscal year of the **Glenlakes Unit One Association** shall be set by resolution of the **Glenlakes Unit One Board of Directors**.

Section 6.02. Parliamentary Rules. Except as may be modified by the **Glenlakes Unit One Board of Directors** resolution, **Robert's Rules of Order** (current edition) shall govern the conduct of the **Glenlakes Unit One Association** proceedings when not in conflict with **Alabama Law**, the **Glenlakes Unit One Articles of Incorporation**, the **Glenlakes Unit One Declaration** or these **By-Laws**.

Section 6.03. Conflicts. If there are conflicts between the provisions of **Alabama Law**, the **Glenlakes Unit One Articles of Incorporation**, the **Glenlakes Unit One Declaration** and these **By-Laws**, the provisions of **Alabama Law**, the **Glenlakes Unit One Declaration**, the **Glenlakes Unit One Articles of Incorporation** and the **By-Laws** (in that order) shall prevail.

Section 6.04. Books and Records.

(a) **Inspections by the Members and the Mortgagees.** The **Glenlakes Unit One Declaration** and **By-Laws**, membership register, books of account and minutes of meetings of the **Members**, the **Glenlakes Unit One Board of Directors** and committees shall be made available for inspection and copying by any **Mortgagee**, **Member** of the **Glenlakes Unit One Association**, or by the duly appointed representative of said **Mortgagee** or **Member** at any reasonable time and for a purpose reasonably related to the interest as a **Mortgagee** or **Member** at the office of the **Glenlakes Unit One Association** or at such other place within **Glenlakes Unit One** as the **Glenlakes Unit One Board of Directors** shall prescribe.

(b) **Rules for Inspection.** The **Glenlakes Unit One Board of Directors** shall establish reasonable rules with respect to:

- i. notice to be given to the custodian of the records;
- ii. hours and days of the week when such an inspection may be made; and
- iii. payment of the cost of reproducing copies of documents requested.

(c) **Inspection by Directors.** Every member of the **Glenlakes Unit One Board of Directors** shall have the absolute right at any reasonable time to inspect all books, records and documents of the **Glenlakes Unit One Association** and the physical property owned or controlled by the **Glenlakes Unit One Association**. The right of inspection by a member of the **Glenlakes Unit One Board of Directors** includes the right to make extracts and a copy of relevant documents at the expense of the **Glenlakes Unit One Association**.

Section 6.05. Notices. Unless otherwise provided in these **By-Laws**, all notices, demands, bills, statements or other communications under these **By-Laws** shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by **United States Mail**, first class postage prepaid:

(a) if to a **Member** or **Member**, at the address which the **Member** or **Member** has designated in writing and filed with the **Secretary** or, if no such address has been designated, at the address of the **Lot** of such **Member** or **Member**; or

(b) if to the **Glenlakes Unit One Association**, the **Glenlakes Unit One Board of Directors** or the managing agent, at the principal office of the **Glenlakes Unit One Association** or the managing agent, if any, or at such other address as shall be designated by notice in writing to the **Members** pursuant to this **Section**.

Section 6.06. Amendment. The **Declarant** may unilaterally amend these **By-Laws** so long as the **Declarant** owns any **Lots** in **Glenlakes Unit One**, or **Lots** in the **Properties**, or owns any property in **Glenlakes Unit One**, or property in the **Properties**, or owns any property described on the **Conceptual Master Plan**. Hereafter and otherwise, these **By-Laws** may be amended only by the affirmative vote (in person or by alternate) or written consent or any combination thereof, of **Members** representing **seventy-five percent (75%)** of the total votes of the **Glenlakes Unit One Association**, including **seventy-five percent (75%)** of the votes held by **Members** other than the **Declarant**. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under

that clause. No amendment shall be effective until recorded in the public records of **Baldwin County, Alabama**.

No amendment may remove, revoke or modify any right or privilege of the **Declarant** without the written consent of the **Declarant** or the assignee of such right or privilege. No amendment may impair the validity or priority of the lien of any **Mortgage** held by a **Mortgagee** or impair the rights granted to the **Mortgagees** in these **By-Laws** without the prior written consent of such **Mortgagees**.

So long as the **Declarant** owns any **Lots** in **Glenlakes Unit One**, or **Lots** in the **Properties**, or owns any property in **Glenlakes Unit One**, or property in the **Properties**, or owns any property described on the **Conceptual Master Plan** these **By-Laws** may not be amended without the consent of the **Declarant**.

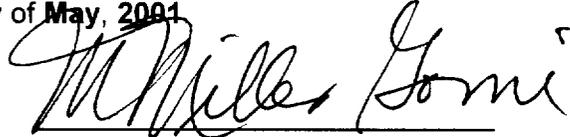
Certification

I, the undersigned, do certify:

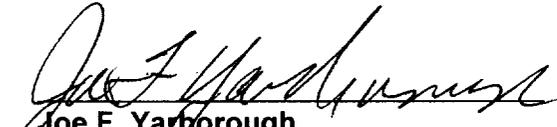
That I am the duly elected and acting **Secretary** of the **Glenlakes Unit One Property Owner's Association, Inc.**, an **Alabama Not for Profit Corporation**;

These **By-Laws** constitute the original **By-Laws** of the **Glenlakes Unit One Association** duly adopted by the **Glenlakes Unit One Board of Directors** on the **8th** day of **May, 2001**.

IN WITNESS WHEREOF, we have subscribed our names and affixed the seal of the **Glenlakes Unit One Association** on this **8th** day of **May, 2001**.



M. Miller Gorrie
Secretary-Treasurer



Joe F. Yarborough
President

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State of Alabama, Baldwin County
I certify this instrument was filed
and taxes collected on:

2001 May -30 10:48AM

Instrument Number 598972 Pages 16
Recording 48.00 Mortgage
Deed Min Tax
Index DP 1.00
Archive 3.00
Adrian T. Johns, Judge of Probate