

BYLAWS
OF
WOODMILL TRACE TOWNHOMES

These Bylaws of Woodmill Trace Townhomes, are promulgated for the purpose of governing Woodmill Trace Townhomes Association, Inc., a not-for-profit corporation, organized under the provisions of the Alabama Nonprofit Corporation Act, Section 10-3-1 et seq., as amended, as an association of members of the Townhomes. The provisions of these Bylaws are applicable to the Property of the Townhomes and to the use and occupancy thereof.

As used herein, the term "Association" shall be the equivalent of "Association" as defined in the Declaration of Covenants, Conditions and Restrictions, and all words as used herein shall have the same definitions as attributed to them in said Declaration. The provisions of these Bylaws shall automatically become applicable to Property which may be added to the Townhomes pursuant to said Declaration upon the recording of an amendment to the Declaration submitting such additional Property to the provisions of the Declaration.

All present and future owners, mortgagees, lessees and occupants of the homes of Woodmill Trace Townhomes 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 Covenants, Conditions and Restrictions, 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 home shall constitute an agreement that these Bylaws and the title conditions, as they may be hereafter amended, are accepted and ratified, and will be complied with.

The address of the office of the Association shall be 7545 Highway 72 W, Madison, AL 35758.

ARTICLE I - MEMBERSHIP AND MEMBERSHIP MEETINGS

Section 1.01. Qualifications. The members of the Association shall consist of all of the record owner of homes in Woodmill Trace.

Section 1.02. Change of Membership. Change of membership in the Association shall be established by the recording in the public records of Madison County, Alabama, of a deed or other instrument establishing a record title to a townhome, and the delivery to the Secretary of the Association of a certified copy of such instrument, thereby becoming a Member. The membership of the prior owner shall be thereby terminated.

Section 1.03. Voting Rights. The vote for a townhome shall be cast by the owner thereof, or by his proxy designated in the manner hereinafter provided for. The number of votes to which an owner is entitled is provided in the Declaration.

Section 1.04. Designation of Voting Representative and Eligibility to Vote. In the event a Townhome is owned by one (1) person, his right to vote shall be established by the record title to his Townhome. If a Townhome is owned by more than one (1) person, the person entitled to cast the vote for the Townhome shall be designated by a certificate signed by all of the record owners of the Townhome and filed with the Secretary of the Association. If a Townhome is owned by a corporation, partnership, trust or other legal entity, the officer or agent thereof entitled to cast the vote for the Townhome 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 Townhome owned by more than one (1) person, or by a corporation, partnership, trust or other legal entitle, the membership, or vote of the Townhome Owner concerned shall not be considered in determining the requirement for a quorum not for any purpose requiring the approval of the person entitled to cast the vote for the Townhome. Such certificate shall be valid until revoked or until superseded by subsequent certificate or until a change in the ownership of the Townhome concerned is effected. A certificate designating the person entitled to cast the vote of a Townhome may be revoked by any owner thereof. In the event any Townhome Owner shall be in default in payment of any Assessments against his Townhome and shall fail to cure such default at least two (2) days prior to the date fixed for the meeting, the membership or vote of the Townhome Owner concerned shall not be considered in determining the requirement for a quorum nor for any proposal requiring the approval of the person entitled to cast the vote for the Townhome.

Section 1.05. Annual Meetings. The Developer shall call the first annual Townhome Owners meeting not later than the earliest of the following:

- (a) 30 days after the date by which the Developer has sold the last Townhome; or
- (b) 2 years following the first conveyance to a Townhome purchaser.

Thereafter, annual meetings shall be held within thirty (30) days of the anniversary of such date each succeeding year at a day and time determined by the Board of Directors. The annual meeting shall be held for the purpose of electing Directors and fifty percent (50%) of the votes entitled to be cast represented in person or by proxy shall constitute a quorum at all meetings of the owners.

Section 1.06. Special Meetings. Special meetings of the Members may be called by the Board of Directors or the President for any purpose or purposes, and shall be called by the Secretary at the request, in writing, of one-third (1/3) of the Members. Business transacted at all special meetings shall be confined to the object(s) stated in the notice thereof.

Section 1.07. Notice of Meetings. Notice of all members' meetings stating the date, time, place and purpose 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. The mailing of a notice in the manner provided in these Bylaws shall be considered notice served. Notice of meetings may be waived either before or after meetings.

Section 1.08. 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 Secretary of the Association before the appointed time of the meeting. No person other than the Developer shall act as proxy for more than one (1) Townhome in addition to his own Townhome.

Section 1.09. Quorum. Townhome Owners holding more than fifty percent (50%) of the votes entitled to be cast represented in person or by proxy shall constitute a quorum at all meetings of

the Townhome Owners.

Section 1.10. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority of the votes cast shall be necessary for the adoption of any matter voted upon by Townhome Owners, unless the question is one upon which, by express provision of the Act, the Declaration, the Articles of Incorporation, or these Bylaws, a different number is required, in which case the express provision shall govern and control the decision in question.

Section 1.11. 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 without notice other than announcement at the Meeting, until a quorum is present. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 1.12. The Order of Business. The order of business at annual Members' meeting and, as far as practical, at all other Members' 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) Elections of Directors;
- (h) Unfinished business;
- (i) New business;
- (j) Adjournment.

Section 1.13. Place of Meeting. Meetings of the Townhome Owners shall be held at the principal office of the Townhome, or at such other suitable place convenient to the Townhome Owners as may be designated by the Board of Directors.

ARTICLE II - BOARD OF DIRECTORS

Section 2.01. Number and Term.

(a) The first Board of Directors shall consist of three (3) members who shall be designated by the Developer. Directors must be Townhome Owners. Directors elected at the annual meeting of the Members shall be elected to serve for the term of two (2) years. Directors shall hold office until such time as his successor has been elected or designated.

(b) So long as the Developer owns three or more Townhomes, the Developer shall be entitled to designate three members of the Board of Directors. The Developer may remove the Director so designated by them from time to time and replace him with another Director of their own choosing; provided, however, that it shall file with the secretary a designation of the member of the Board designated to serve pursuant to the provisions of this Section 2.01. In the event a member of the Developer shall serve on the Board, said person shall, in the event no written designation is on file with the Secretary, be deemed to be the person designated hereunder even though elected by the Townhome Owners. In the event no person has been designated or deemed to be designated by Developer pursuant to this Section 2.01, Developer may remove the most recently elected Director receiving the least number of votes and designate one in his stead.

Section 2.02. Removal. Any Director other than the one designated by Developer may be removed, either with or without cause, by an affirmative vote of sixty-six and two-thirds percent (66 2/3%) of the votes eligible to be cast by Townhome Owners in person or by proxy at a meeting of Townhome Owners duly held for such purpose.

Section 2.03. Vacancy and Replacement. If the office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Directors, though less than a quorum, at a Special Meeting of Directors duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred.

Section 2.04. Regular Meetings. The Annual Meeting of the Board of Directors shall be held immediately after the adjournment of the annual members' meeting, provided a quorum shall be present, or as soon thereafter as may be practicable. 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 of Directors shall be required.

Section 2.05. Special Meetings. Special meetings of the Board of Directors for any purpose may be called by the President or upon the written request of any two (2) Directors upon at least five (5) days notice to each Director and shall be held at the office of the Association.

Section 2.06. Waiver of Notice. Any member of the Board of Directors may at any time waive notice of any meeting of the Board of Directors in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 2.07. Quorum and Transaction of Business. At all meetings of the Board, a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may otherwise specifically provided by the Act, the Declaration or by these Bylaws. If a quorum shall not be present in any meeting of Directors, the Directors present thereat may adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be present.

Section 2.08. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Townhome and may do all such acts and things except as by law or the Declaration or by these Bylaws may not be delegated to the Board of Directors by the Townhome Owners. The Board of Directors shall have the power to enforce obligations of the Townhome Owners and to do anything and everything necessary and property for the sound management of the Townhome. The Board shall have the power to levy fines against the Townhome Owners for violations of reasonable rules and regulations established by it to govern the conduct of the Townhome Owners. No fine may be levied for more than Fifty Dollars (\$50.00) for any one violation but for each day a violation continues after written notice it shall be considered a separate violation. Collection of fines may be enforced against the Townhome Owner or Townhome Owners involved as if the fines were Common Expenses owed by the particular Townhome Owner or Townhome Owners. In addition to and not in limitation of the power of the Board of Directors to levy fines against the Townhome Owners for violations of its rules and regulations, in case of persistent violation of the rules and regulations by a Townhome Owner, the Board of Directors shall

have the power to seek injunctive relief to require such Townhome Owner to adhere to the rules and regulations. All expenses in connection with any proceedings for injunctive relief, including the attorney's fees of the Board of Directors, shall be charged to the particular Townhome Owner or Townhome Owners involved and collection of same may be enforced against the Townhome Owner or Townhome Owners involved as if same were Common Expenses owed by the particular Townhome Owner or Townhome Owners.

Section 2.09. Compensation. No Director shall be compensated for his services as such. This provision shall not prohibit a Director from receiving compensation as an employee of the Association, nor preclude the contracting with a Director or any firm or corporation in which a Director may own an interest, for the management of the Townhome for which such Director or Directors may receive compensation.

Section 2.10. Managing Agent. The Board of Directors shall be authorized to employ the services of a manager or managing agent, who may either be a Director, officer or employee of the Association, or a firm or corporation in which a Director owns an interest, to manage the Property and the affairs of the Townhome under the supervision of the Board of Directors. The compensation paid to any such manager or managing agent shall be in the amount established from time to time by the Board of Directors.

Section 2.11. Insurance. Insurance shall be obtained in accordance with and as set forth in the Declaration of Covenants, Conditions and Restrictions.

Section 2.12. Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the Townhome Owners for any mistake of judgement, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Townhome Owners shall indemnify and hold harmless each of the members of the Board of Directors on behalf of the Townhome unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these Bylaws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Townhome. It is understood and permissible for the Board of Directors, whether members of or employed by the Developer, to contract with the Developer or affiliated firms or corporations, without fear of being charged with self-dealing. It is also intended that the liability of any Townhome Owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Townhome Owners in the Common Elements.

ARTICLE III - OFFICERS

Section 3.01. Election. At each annual Meeting of the Board of Directors, the following officers of the Association shall be elected:

(a) A President, who shall be a Director and who shall preside over the meetings of the Board of Directors and of the Members, and who shall be the chief executive officer of Association.

(b) A Vice-President, who shall, in the absence or disability of the President, perform the duties and exercise the powers of the President. If the Board so determines, there may be more than one vice-president.

(c) A Secretary, who shall be responsible for the minutes of all meetings of the Board of Directors and of the Members, and the minute book wherein resolutions enacted at such meetings shall be recorded, and who in general, perform all the duties incident to the office of secretary.

(d) A Treasurer, who shall supervise the financial records and books of account.

(e) Such additional officers as the Board of Directors shall deem necessary.

Section 3.02. Powers. The respective officers shall have the general powers usually vested in such officer of a not-for-profit corporation; provided that the Board of Directors may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board of Directors may see fit.

Section 3.03. Term. Each officer shall hold office for the term of one (1) year and until his successor shall have been elected and qualified.

Section 3.04. Removal. Any officer elected or appointed by the Board may be removed, with or without cause, by the majority vote of the whole Board of Directors at any regular meeting of the Board or at a special meeting of the Board called for such purpose.

Section 3.05. Resignations. Any officer may resign his office at any time, such resignation to be made in writing, and to take effect from the time of its receipt by the Association, unless some time by fixed in the resignation, and then from that date. The acceptance of a resignation shall not be required to make it effective.

Section 3.06. Vacancies. If the office of the President, Vice President, Secretary, Treasurer or one or more becomes vacant by reason of death, resignation, disqualification or otherwise, the Directors, by a majority vote of the whole Board of Directors may choose a successor or successors who shall hold office for the unexpired term.

Section 3.07. Compensation. The officers shall receive no compensation for their services.

ARTICLE IV - RESPONSIBILITY FOR MAINTENANCE AND REPAIRS

The responsibility for maintenance and repair of the Property shall be as set forth in the Declaration.

ARTICLE V - ASSESSMENTS

Section 5.01. 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.

Section 5.02. Budget. The Board of Directors shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated Common Expenses, and cash requirements for the year, including salaried, 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 Townhome Owners on an individual or separate basis rather than a common basis). The Common Expenses shall be those expenses designated by the Board of Directors pursuant to these Bylaws and the Declaration. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Directors, on behalf of the Association, of any Townhome which is to be sold at a

foreclosure or other judicial sale. The annual budget shall provide for an adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis. To the extent that the assessments and other cash income collected from the Townhome 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 5.03. Assessments. The estimated annual budget for each fiscal year shall be approved by the Board of Directors, and copies thereof shall be furnished by the Board to each Townhome Owner not later than ten (10) days before the beginning of each year. On or before the first day of the first months and of each succeeding month of the year covered by the annual budget, each Townhome 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 Assessment of the Common Expenses shall be as set forth in the Declaration. The failure to send or to receive monthly statements shall not relieve any Townhome Owner of his obligation to pay his monthly Assessments 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 Townhome Owner shall continue to pay each month the amount of his monthly Assessment as last determined. Each Townhome 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 Townhome Owner shall be relieved of his obligation to pay his Assessment by abandoning or not using his Townhome or the Common Elements.

Section 5.04. 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 such Townhome 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 Townhome by each Townhome Owner, he shall pay his Assessment for the current month or fraction of a month.

Section 5.05. 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 Townhome Owner a statement for such year so ended, showing a summary of the receipts and expenditures and such other information as the Board may deem desirable. Any holder of a first mortgage on a Townhome shall be entitled, upon written request, to obtain a copy of the financial statement for the immediately preceding fiscal year.

Section 5.06. Accounts. The Board of Directors shall cause to be kept a separate account record for each Townhome Owner showing the Assessments charged to and paid by such Townhome Owner, and the status of his account from time to time. Upon fifteen (15) days notice to the Board of Directors any Townhome 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 Townhome Owner.

Section 5.07. 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 Townhome Owner, and thereupon a

supplemental budget shall be furnished to each Townhome Owner, and thereupon a supplemental Assessment shall be made to each Townhome Owner for his proportionate share of such supplemental budget.

Section 5.08. Payment of Assessments. It shall be the duty of every Townhome Owner to pay his proportionate share of the Common Expenses assessed in the manner herein provided. If any Townhome Owner shall fail or refuse to make any such payments when due, the Board of Directors shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Declaration or these Bylaws, or otherwise available at law or in equity, for the collection of all unpaid assessments.

Section 5.09. Records. The Board of Directors shall cause to be kept detailed and accurate records in chronological order specifying and itemizing the expenses incurred. Such records and financial statements together with current copies of the Declaration, Bylaws and other Rules and Regulations concerning the Townhomes, and vouchers authorizing the payments of such expenses, shall be available upon reasonable prior notice for examination by the Townhome Owners during normal business hours at the office of the Association.

ARTICLE VI - DEFAULT

Section 6.01. Default in Payments. In the event a Townhome Owner does not pay any sums, charges or Assessments required to be paid to the Association within thirty (30) days from the due date, the Association, acting through its Board of Directors may foreclose the lien encumbering the Townhome created by non-payment of the required moneys in the same fashion as mortgage liens are foreclosed. The Association shall be entitled to the appointment of a Receiver if it so requests. The Association shall have the right to bid in the Townhome at a foreclosure sale and to acquire, hold, mortgage and convey to same. In lieu of foreclosing its lien, the Association may, through its Board of Directors, bring suit to recover a money judgement for sums, charges or Assessments requiring to be paid to the Association without waiving its lien securing the same.

If an action of foreclosure is brought against a Townhome Owner for the non-payment of moneys due the Association, and as a result thereof the interest of the said Townhome Owner in and to the Townhome is sold, then, at the time of such sale, the Townhome Owner's membership shall be canceled and membership shall be issued to the purchaser at the foreclosure sale.

If the Association becomes the owner of a Townhome by reason of foreclosure, it shall offer said Townhome for sale and at such time as a sale is consummated, it shall deduct from such proceeds all sums of money due it for monthly Assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorneys' fees, and any and all expenses incurred in the resale of the Townhome, which shall include, but not be limited to advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurbishing of the Townhome in question. All moneys remaining after deducting the foregoing items of expense shall be returned to the former Townhome Owner of the Townhome in question.

Section 6.02. Violation of Declaration of Townhome. In the event of violation of the provisions of the enabling Declaration, Articles and/or Bylaws, as the same are now or may hereinafter be constituted, the Association, on its own behalf, may bring appropriate action to enjoin such violation or to enforce the provisions of the documents just hereinabove enumerated, or sue for damages, or take all such courses of action at the same time, or for such other legal remedy it may

deem appropriate.

Section 6.03. Costs and Attorneys' Fees. In any action either to foreclosure its lien, to recover a money judgement or for injunctive relief brought by or on behalf of the Association against a Townhome Owner, the Association, in the event it is the prevailing party, shall be entitled to recover the costs of such proceeding and such reasonable attorneys' fees, including those incurred on appeal, as may be awarded by the Court.

ARTICLE VII - MORTGAGES

Section 7.01. Notice to Board of Directors. A Townhome Owner who mortgages his Townhome shall notify the Secretary of the Association who shall maintain a record of such information.

Section 7.02. Lender's Notices. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor of a Townhome will be entitled to timely written notice of:

(a) Any condemnation or casualty loss that affects either a material proportion of the Property or the Townhome securing its mortgage;

(b) Any sixty (60) day delinquency in the payment of Assessments or charges owed by the Owner of any Townhome on which it holds the mortgage;

(c) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and

(d) Any proposed action that requires the consent of a specified percentage of mortgage holders.

Section 7.03. Examination of Books. The holder, guarantor or insurer of a mortgage on any Townhome shall have the same right to examine the books and records of the Association afforded a Townhome Owner pursuant to Section 5.09 of these Bylaws.,

ARTICLE VIII - USE AND OCCUPANCY RESTRICTIONS.

Section 8.01. Use and Occupancy Restrictions. No part of the Property shall be used for other than residential use and the related common purposes for which the Property was designed.

Section 8.02. Use of Common Elements. The Common Elements shall be used only for access, ingress and egress to and from the respective Townhomes by the persons residing therein and their respective guests, household help and other authorized visitors, and for such other purposes which are incidental to the residential use of the respective Townhomes; provided, however, the parking areas, and other special areas shall be used for such purposes as are approved by the Board of Directors. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or interfered with by any Townhome Owner.

Section 8.03. Nuisances. No unlawful, immoral noxious or offensive activities shall be carried on in any Townhome or elsewhere on the Property, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall in the judgement of the Board of Directors cause unreasonable noise or disturbance to others.

Section 8.04. Maintenance and repairs. Each Townhome Owner shall perform promptly, and at his own risk, cost and expense, all maintenance and repair work with respect to all portions of his

Townhome, as defined in the Declaration, which, if omitted, would adversely affect or jeopardize the safety of the Townhome Property. Each Townhome Owner shall be obligated to reimburse the Association for the expenses incurred in maintaining or repairing any part of the Townhome Property damaged by the negligence of or misuse by the Townhome Owner, his tenants, agents, guests or licensees.

Each Townhome Owner shall maintain a minimum temperature in his Townhome in the winter as set forth by the Board of Directors, and shall not do or allow anything to be done in his Townhome which may increase the rate or cause the cancellation of insurance on other Townhomes or on the Common Elements.

Section 8.05. Trash. Trash, garbage, and other waste shall be kept only in sanitary containers, as prescribed from time to time in the administrative Rules and Regulations of the Board of Directors, and shall be disposed of in a clean and sanitary manner.

Section 8.06. Rights of Developer. Until all of the Townhomes have been sold by the Developer and occupied by the purchasers, the Developer may from time to time use and show one or more of such unsold or unoccupied Townhome(s) as a model Townhome(s) and/or sales office.

Section 8.07. Personal Property. Articles of personal property belonging to any Townhome Owner, such as baby carriages, bicycles, wagons, toys, furniture, clothing and other articles, shall not be stored or kept in the entry walks, stairs, including stairs leading to patios of the respective Townhomes, or other common areas, except in such storage area as may be specifically designated for the respective Townhome Owner by the Board of Directors. No clothing, rugs, sheets, blankets, or other laundry shall be hung or exposed from windows, porches, patios, decks, or other common areas of the Property except when specifically approved by the Board of Directors.

Section 8.08. Right of Access. A Townhome Owner shall grant a right of access to his Townhome to the manager and/or the managing agent and/or any other person authorized by the Board of Directors, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any conditions originating in his Townhome and threatening another Townhome or a Common Element, or for the purpose of performing installations, additions, alterations or repairs to Common Elements in his Townhome or elsewhere in the Building in which the Townhome is located, provided that, in nonemergency cases, requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Townhome Owner. In case of an emergency such right of entry shall be immediate, whether the Townhome Owner is present at the time or not. The Townhome Owner shall furnish to the Association keys to all doors to facilitate emergency entry.

Section 8.09. Parking. Each Townhome shall have four (4) designated parking areas which shall include two (2) in the garage and two (2) in the driveway. These areas are the only areas designated for Owners as Owners shall not be allowed to use the streets or alley ways for parking. The parking areas shall not be used for dead storage of vehicles, nor for the parking of trailers, boats, canoes, trucks (except for pickups and vans), campers, motor homes, motorcycles or off the road vehicles without the prior written approval of the Board of Directors. The Board of Directors may, in its discretion, assign specific parking spaces to the Townhome Owners and change the assignment of such specific parking spaces from time to time. The Board of Directors shall also have the authority to remove any unauthorized vehicles.

Section 8.10. Pets. No animals shall be raised, bred or kept in any Townhome, except those expressly authorized by the Board of Directors, and provided that they shall be kept in strict

accordance with the administrative rules and regulations relating to household pets from time to time adopted or approved by the Board of Directors, and further provided that they shall not in the judgement of the Board constitute a nuisance to others.

Section 8.11. Rules of Conduct. In addition to the other provisions of these Bylaws, Rules and Regulations concerning the use of the Townhomes and the Common Elements may be promulgated and amended by the Board of Directors.

ARTICLE IX - MISCELLANEOUS

Section 9.01. Fiscal Year. The fiscal year of the Association shall be that period of twelve (12) months ending on the last day of December of each year.

Section 9.02. 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 9.03. Notice. Whenever any notice or demand is required to be given by these Bylaws or the Declaration, any notice or demand so required shall be deemed sufficient if given by depositing the same in the United States mail, postage prepaid, addressed to the person entitled thereto at his last known post office address according to the records of the Association, and such notice shall be deemed given on the day of such mailing.

Section 9.04. 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 9.05. Conflicts. In case any of these Bylaws conflict with the provisions of said the Declaration recorded in the Office of the Judge of Probate of Madison County, the provisions of said Declaration shall control.

ARTICLE X - AMENDMENTS

These Bylaws may be amended unilaterally at any time and from time to time by Developer (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Residences subject to this Declaration; (c) if such amendment is required by an institutional or governmental lender or purchaser of Mortgage loans, including, for example, without limitation the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, or a State or National Bank, to enable such lender or purchaser to make or purchase Mortgage loans on the Residences subject to these Bylaws; or (d) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure Mortgage loans on the Residences subject to this Declaration; provided, however, any such amendment shall not adversely affect the title to any Owner's property unless any such Owner shall consent thereto in writing. Further, as long as Developer owns a Townhome and from six months

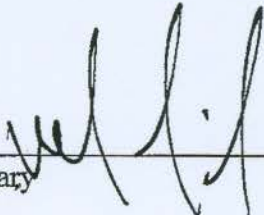
from the date Developer has sold its last Townhome in subject subdivision, Developer may unilaterally amend this Declaration for any other purpose; provided, however, any such amendment shall not adversely affect title to the property of any Owner without the consent of the affected Owner or Occupant.

After such time as noted above, these Bylaws may be modified or amended by the vote of sixty-six and two-thirds percent (66 2/3%) of the votes eligible to be cast by Townhome Owners in person or by proxy at any regular or special meeting of Townhome Owners provided that notice of said meeting has been given in accordance with these Bylaws, and that the notice as aforesaid contained a full statement of the proposed amendment. No modification or amendment to the Bylaws shall be valid unless set forth or annexed to a duly recorded amendment to the Declaration of Townhome.

ARTICLE XI - CONSTRUCTION

Should any of the covenants herein imposed be void or become unenforceable at law, or in equity, the remaining provisions of this instrument shall, nevertheless, be and remain in full force and effect.

The foregoing were adopted as the Bylaws of Woodmill Trace Townhomes Association, Inc., at the first meeting of the Board of Directors on OCT 26 2005, 2005.


Secretary