

BY-LAWS

OF

LEGACY GROVE
HOMEOWNERS ASSOCIATION, INC.

WILMER & LEE, P.A.
100 Washington St., Ste. 200
Huntsville, AL 35801

TABLE OF CONTENTS

I. NAME, MEMBERSHIP, APPLICABILITY, AND DEFINITIONS

1.	Name	4
2.	Membership	4
3.	Definitions	4

II. MEMBER DUES

1.	Purpose of Meeting	4
2.	Computation of Assessments	4
3.	Effect of Nonpayment of Assessments; Remedies of the Association	4

III. ASSOCIATION: MEETINGS, QUORUM, VOTING, PROXIES

1.	Place of Meetings	5
2.	First Meeting and Annual Meetings	5
3.	Special Meetings	5
4.	Notice of Meetings	5
5.	Waiver of Notice	5
6.	Adjournment of Meetings	5
7.	Voting	5
8.	Proxies	6
9.	Quorum	6

IV. BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

A. Composition and Selection

1.	Governing Body; Composition	6
2.	Number of Directors	6
3.	Nomination of Directors	6
4.	Election and Term of Office	6
5.	Removal of Directors	6
6.	Vacancies	7

B. Meetings

7.	Organization Meetings	7
8.	Regular Meetings	7
9.	Special Meetings	7
10.	Waiver of Notice	7
11.	Quorum of Board of Directors	8
12.	Compensation	8

13.	Open Meetings	8
14.	Executive Sessions	9
15.	Action Without a Formal Meeting	8
16.	Telephonic Participation	8

C. Powers and Duties

17.	Powers	8
18.	Management Agent	9
19.	Borrowing	9

V. OFFICERS

1.	Officers	10
2.	Election, Terms of Office and Vacancies	10
3.	Removal	10
4.	President	10
5.	Vice President	10
6.	Secretary/Treasurer	10
7.	Resignation	10

VI. COMMITTEES

VII. MISCELLANEOUS

1.	Fiscal Year	11
2.	Parliamentary Rules	11
3.	Conflicts	11

**BY-LAWS
OF
LEGACY GROVE
HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I

Name, Membership, Applicability, and Definitions

Section 1. Name. The name of the Association shall be Legacy Grove Homeowners Association, Inc. (hereinafter sometimes referred to as the "Association").

Section 2. Membership. The Association shall have one class of membership and shall be limited to Owners, as defined in Exhibit "A".

Section 3. Definitions. The words used in these By-Laws shall have the same meaning as set forth in the Exhibit "A" (which is attached hereto and by reference made a part hereof) or the meaning as set forth in the Declaration.

ARTICLE II

Member Assessments

Section 1. Purpose of Assessments. The assessments provided for in either the Articles or the Declaration (or both) shall be used for the general purposes of maintaining the Association's property and of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Members, all as may be more specifically authorized from time to time by the Board.

Section 2. Computation of Dues. It shall be the duty of the Board to prepare a yearly budget covering the estimated costs of operating the Association, which shall include a capital contribution or reserve in accordance with a capital budget separately prepared. The Board shall cause the budget and the assessments to be levied against each Member for the following year to be delivered to each Member at least thirty (30) days prior to the end of the current fiscal year. The budget and the assessment shall become effective unless disapproved at a meeting by a majority of the total Association vote. Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget or the Board fails for any reason to determine the budget for the succeeding year, then and until such time a budget shall have been determined, as provided herein, the budget in effect for the then current year shall continue for the succeeding year.

Section 3. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessments or installments thereof which are not paid when due shall be delinquent. The effect of such delinquency shall be the immediate suspension of any delinquent Member's voting rights as a Member of the Association as well as those other effects set forth in the Declaration.

ARTICLE III
Association: Meetings, Quorum, Voting, Proxies

Section 1. Place of Meetings. Association meetings shall be held at such reasonable times, and upon such reasonable notice, as the Association Officers shall deem appropriate, except the annual meeting shall be set by the Board.

Section 2. First Meeting and Annual Meetings. The first meeting shall be held within two (2) years from the date the Articles were recorded, as determined by the initial Board as shown on said Articles. Annual meetings shall be set by the Board so as to occur no later than sixty (60) days after the close of the Association's fiscal year. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day of the following which is not a legal holiday (excluding Saturday and Sunday).

Section 3. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of the Board of Directors or upon a petition signed by Members holding at least twenty-five (25%) percent of the total Association vote. The notice of any special meeting shall state the date, time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting, except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail or to cause to be delivered to each Member of record a notice of each annual or special meeting of the Association stating the purpose of the special meeting, as well as the time and place where it is to be held. If an Owner wishes notice to be given at an address other than his or her residence in the Subdivision, he or she shall have designated by notice in writing to the Secretary such other address. The mailing or delivery of a notice of meeting in the manner provided in this Section shall be considered service of notice. Notices shall be served not less than ten (10) nor more than thirty (30) days before a meeting.

Section 5. 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, whether in person or by proxy, shall be deemed waiver by such Member of notice of the time, date and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order.

Section 6. Adjournment of Meetings. If any meetings of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by proxy, 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 such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 7. Voting. Members shall be entitled to one (1) vote for each Lot owned. When more than one person holds an ownership interest in any Lot, the vote for such Lot shall be exercised as those Members themselves determine and advise the Secretary prior to any referendum or meeting. In the absence of such advice, the Member's vote shall be suspended in the event more than one person seeks to exercise it.

Voting may be held either by referendum or at a meeting. Unless a vote on any question is required by law or is required by the Declaration or By-Laws to be taken at a meeting (in which case a meeting shall be called), elections and other matters requiring a membership vote may be submitted on a ballot or ballots to the Members in referendum by mail. Ballots shall be returned to the Secretary by the date specified on the ballot. The Board shall determine the method of voting, the form of all ballots, the wording of questions thereon and the deadline for return of ballots. The Board may include on any ballot questions on which it seeks an advisory vote. Members may suggest questions for an advisory vote which shall be evaluated by the Board for consistency with the exercise of its duties and responsibilities. In any advisory vote, each such question on a ballot shall indicate that the vote is for advisory purposes only. Notice of referenda shall be given in the same manner as notice of meetings.

Section 8. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing, dated and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Lot, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a Member, or of written revocation, or upon the expiration of eleven (11) months from the date of the proxy.

Section 9. Quorum. The presence, in person or by proxy, of Members holding at least twenty-five (25%) percent of the total eligible Association vote shall constitute a quorum at all meetings of the Association. 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.

ARTICLE IV

Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

Section 1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors. The directors, except for the initial board of directors named in the Articles, must own one or more Lots and shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time.

Section 2. Number of Directors. The Board shall consist of three (3) members.

Section 3. Nomination of Directors. Elected directors shall be nominated from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

Section 4. Election and Term of Office. At the first meeting of the Members, the Members shall elect one (1) new director, who shall immediately replace one of the directors named in the Articles, with the director to be replaced to be decided by a majority vote of the original directors. Thereafter, the term of another initial director shall expire one (1) year after the first annual meeting and the term of last initial director shall expire two (2) years after the first annual meeting. At the expiration of the term of office of each director, a

successor shall be elected to serve for a term of two (2) years. The directors of the Board shall hold office until their respective successors shall have been elected by the Association.

At each annual meeting of the membership thereafter, directors shall be elected to succeed those directors whose terms are expiring. All eligible Members of the Association shall vote on all directors to be elected, and the candidate(s) receiving the most votes shall be elected.

Section 5. Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the directors of the Board may be removed, with or without cause, by a majority of the total Association vote and a successor shall then and there be elected by a majority of the total Association vote to fill the vacancy thus created. A director whose removal has been proposed by the Members shall be given at least ten (10) days notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting. Additionally, any director who has three (3) consecutive unexcused absences from regular Board meetings or who is delinquent in the payment of an assessment for more than thirty (30) days may be removed by a majority vote of the directors at a meeting, a quorum being present. This Section shall not apply to the initial directors named in the Articles.

Section 6. Vacancies. Vacancies in the Board caused by any reason, excluding the removal of a director by vote of the Association, shall be filled by a vote of the majority of the remaining Directors, even though less than a quorum, at any meeting of the Board. Each director so selected shall serve the unexpired portion of the term of his predecessor.

B. Meetings

Section 7. Organization Meetings. The first meeting of the directors of the Board 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 Board.

Section 8. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of a regular schedule shall constitute sufficient notice of such meetings.

Section 9. Special Meetings. Special meetings of the Board shall be held when requested by the President or by any two (2) directors. The notice shall specify the time and place of the meeting and nature of any special business to be considered. The notice shall be given to each director by one 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 director or to a person at the director's home or office who would reasonably be expected to communicate such notice promptly to the director; or (d) by telegram, charges prepaid. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Notice 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 company shall be given at least forty-eight (48) hours before the time set for the meeting.

Section 10. Waiver of Notice. The transactions of any meeting of the Board, 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 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 director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 11. Quorum of Board of Directors. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of one or more directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting cannot be held because a quorum is not present, a majority of the 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 time that the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted may be transacted without further notice.

Section 12. Compensation. No director shall receive any compensation from the Association for acting as such unless approved by a majority of the Members.

Section 13. Open Meeting. All meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless expressly so authorized by the Board.

Section 14. Executive Session. The Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personal matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 15. Action Without A Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the 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 directors.

Section 16. Telephonic Participation. One or more directors may participate in and vote during any regular or special meeting of the Board by telephone conference call or similar communication equipment by means of which all persons participating in the meeting can hear each other at the same time, and those directors so participating shall be present at such meeting. Any such meeting at which a quorum participates shall constitute a regular meeting of the Board.

C. Powers and Duties.

Section 17. Powers. The Board shall be responsible for the affairs of the Association

and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Articles, the Declaration or these By-Laws directed to be done and exercised exclusively by the Members. In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board shall have the power to and be responsible for the following, in way of explanation, but not limitation:

(a) preparing and adopting an annual budget in which there shall be established the contribution of each Member to the common expenses;

(b) providing for the operation, care, upkeep, and maintenance of all areas which are the maintenance responsibility of the Association;

(c) designating, hiring, and dismissing the personnel necessary for the operation of the Association and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties.

(d) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association;

(e) making and amending use restrictions, rules and regulations of the common areas;

(f) opening of bank accounts on behalf of the Association and designating the signatories required;

(g) enforcing by legal means the provisions of the Articles, these By-Laws, and the rules and regulations adopted by it, and bringing any proceedings which may be instituted on behalf of or against the Members concerning the Association.

(h) obtaining and carrying insurance against casualties and liabilities, and paying the premium cost thereof;

(i) paying the costs of all services rendered to the Association or its Members which are not directly chargeable to Members;

(j) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, and specifying the maintenance and repair expenses and any other expenses incurred; and

(k) contracting with any person for the performance of various duties and functions.

Section 18. Management Agent. The Board may employ for the Association a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize. The term of any management agreement shall not exceed one (1) year and shall be subject to termination by either party, without cause and without penalty, upon ninety (90) days written notice.

Section 19. Borrowing. The Board shall have the power to borrow money for the purpose of repair or restoration of the Association's property and facilities, if any, without the approval of the Members of the Association; provided, however, the Board shall obtain the approval of a majority of the votes of the membership, in the event that the proposed borrowing is for the purpose of modifying, improving, or adding any amenities, and the total amount of such borrowing exceeds or would exceed Ten Thousand (\$10,000.00) dollars outstanding debt at any one time.

ARTICLE V Officers

Section 1. Officers. The officers of the Association shall be a President, Vice President, and Secretary/Treasurer. All officers shall be elected by a majority vote of the Board and may include one or more directors of the Board.

Section 2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board at the first meeting of the Board following each annual meeting of the Members. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever, in its judgment, the best interests of the Association will be served thereby.

Section 4. President. The President shall be the Chief Executive Officer of the association and shall preside at all meetings of the Association and of the Board. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the Alabama Nonprofit Corporation Code.

Section 5. Vice President. The Vice President shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting.

Section 6. Secretary/Treasurer. The Secretary/Treasurer shall keep the minutes of all meetings of the Association and of the Board and shall have charge of such books and papers as the Board may direct and shall, in general, perform all duties incident to the office of the secretary/treasurer of the corporation organized in accordance with Alabama law. The Secretary/Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of accounts showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Association or the managing agent in such depositories as may from time to time be designated by the Board of Directors.

Section 7. Resignation. Any officer may resign at any time by giving written notice to the Board, 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 therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE VI
Committees

Committees to perform such tasks and to serve for such periods as may be designated by the Board are hereby authorized. Each committee shall be composed and shall operate in accordance with the terms of the resolution of the Board designating the committee or with rules adopted by the Board.

ARTICLE VII
Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association shall be the calendar year, unless changed by a majority of the vote of the membership.

Section 2. Parliamentary Rules. Roberts Rules of Order (current edition) shall govern the conduct of all Association proceedings, when not in conflict with Alabama law, the Articles of Incorporation, the Declaration, these By-Laws, or a ruling made by the person presiding over the proceeding.

Section 3. Conflicts. If there are conflicts or inconsistencies between the provisions of Alabama law, the Declaration, the Articles of Incorporation, and these By-Laws, the provisions of Alabama law, the Declaration, the Articles of Incorporation and the By-Laws (in that order) shall prevail.

Section 4. Developer Control. The terms, conditions, rules, regulations, duties, powers and agreements set forth in these By-Laws shall not amend, alter or vacate those powers reserved by the Developer in the Declaration, who shall maintain all rights and privileges set forth therein until such time as a written relinquishment of control is filed of record in accordance with Section 46.16 of the Declaration.

THESE BY-LAWS are hereby adopted this _____ day of _____, 2008.

John S. Martin, Initial Director

Darren Sides, Initial Director

Howard Gray Winn, Jr., Initial Director

EXHIBIT "A"

DEFINITIONS

(a) "Articles" shall mean those Articles of Incorporation of the Association which were filed in Instrument Number _____, in the Office of the Probate Judge, Limestone County, Alabama.

(b) "Board" shall mean and refer to the Board of Directors of the Association

(c) "Declaration" shall mean that Declaration of Restrictive Covenants, which was filed in RLPY 2006 75336, in the Office of the Probate Judge, Limestone County, Alabama, and any and all amendments and additions thereto.

(d) "Developer" shall mean S & W Land Development, LLC.

(e) "Lots" shall mean any plat of land within the Subdivision, whether or not improvements are constructed thereon, which constitutes or will constitute, after the construction of improvements, a single-family dwelling site as shown on the plats previously recorded or those to be recorded in the land records of the county where the Subdivision is located. The ownership of each lot shall include, and there shall pass with each lot as an appurtenance thereto, whether or not separately described, a requirement of membership in the Association.

(f) "Majority" means those eligible votes of Members, or of some other group as the context may indicate, representing more than fifty percent (50%) of the total eligible number.

(g) "Member" shall mean an Owner of any lot in the Subdivision.

(h) "Owner" shall mean and refer to the record owner, whether one or more persons, of the fee simple title to any lot located within the Subdivision, excluding, however, any person holding such interest merely as security for the performance or satisfaction of any obligation.

(i) "Subdivision" shall mean and refer Legacy Grove subdivision, and any subsequent phases thereto, that are located in Limestone County, Alabama, and subjected to the terms and conditions of the Declaration.