

GLADSTONE PLACE HOMEOWNERS ASSOCIATION

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Reference File #2011-403610

THIS INSTRUMENT PREPARED BY
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HUNTSVILLE, ALABAMA



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**STATE OF ALABAMA
COUNTY OF MADISON**

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR GLADSTONE PLACE, A PLANNED DEVELOPMENT**

This Declaration is made and entered into on this the twenty fourth day of September 2019, by the Gladstone Place Homeowners Association to impose mutually beneficial restrictions. These Covenants include provisions for a method for administration, maintenance, preservation and enforcement of the common property and restrictions to protect the use, enjoyment, value and desirability of all property for the benefit of all Lot Owners.

**ARTICLE I
Definitions**

1. "Association" means the Gladstone Place Homeowners Association;
2. "Board" means the Board of Directors of the Association;
3. "Buildings" mean the buildings to be located in Gladstone Place.
4. "By-Laws" mean the By-Laws of the Gladstone Place Homeowners Association attached hereto as Exhibit "A" and made a part hereof as amended from time to time;
5. "Common Elements" mean:
 - A. The spring house and all areas marked as common space on the plats.
 - B. All unpaved medians.
 - C. The Common Elements shall remain undivided and shall not be the object of an action for partition or division of co-ownership.
6. "Declaration" means this Declaration of Covenants, Conditions and Restrictions, as hereinafter provided, and such Declaration as amended from time to time.
7. "Lot" means each of the fifty-nine (59) lots shown on the three (3) Gladstone Place Plats.
8. "Lot Owner" means the person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Lot, but Lot Owner shall not mean the mortgagee or assignee of a recorded mortgage, which holds a lien solely for security purposes and does not have possession of the Lot.

9. "Occupant" means a person or persons in possession of a Lot whether said person is a Lot Owner or not.
10. "Parcel" means the parcel or tract of real estate, described in this Declaration.
11. "Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.
12. "Plat" means the plat survey of the Parcel of record consisting of the three (3) Phases making up Gladstone Place located in Plat Book 15, page 26; Plat Book 15, page 80 and Plat Book 15, page 94, Probate Office of Madison County, Alabama.
13. "Property" means all the land, property and space comprising the Parcel, and all the improvements and structures erected, constructed or contained therein or thereon, including each Building and all easements, rights, and appurtenances, belonging thereto, and all furniture, furnishings, fixtures, and equipment intended for the mutual use, benefit or enjoyment of the Lot Owners.
14. "Record or Recording" refers to the record or recording in the Office of the Probate Judge of Madison County, Alabama.

ARTICLE II

Submission of Property to Declaration and By-Laws

The Gladstone Place Homeowners Association's expressed intent by recording this Declaration is to submit and subject the Parcel and the Property of Gladstone Place to the provisions of this Declaration and By-Laws.

ARTICLE III

Lots

The legal description of each Lot shall consist of the identifying lot and block number of each Lot as shown on the plats. Every deed, lease, mortgage, deed of trust and other instrument shall legally describe a lot in its identifying lot and block number as shown on the Plat and every such description shall be deemed good and sufficient for all purposes. Except as provided by agreement of two-thirds (2/3) of the Lot Owners, no Lot Owner shall by deed, plat, court decree or otherwise, subdivide or in any other manner cause his Lot to be separated into tracts or parcels different from the whole Lot as shown on the Plat.

ARTICLE IV

Association of Lot Owners and Administration and Operation of the Property

The Gladstone Place Homeowners Association shall be the governing body for all of the Lot Owners for the maintenance, repair, replacement, administration and operation of the Property, as provided in this Declaration and By-Laws. The By-Laws for the Association shall be the By-Laws attached to the Declaration as Exhibit A and made a part hereof. The Board of Directors of the Association shall be elected and shall serve in accordance with the provisions of the By-

Laws. The fiscal year of the Association shall be determined by the Board and may be changed from time to time as the Board deems advisable. The Association shall not be deemed to be conducting a business of any kind. All activities undertaken by the Association shall be held and applied by it for the use and benefit of Lot Owners in accordance with the provisions of the Declaration and By-Laws. Each Lot Owner shall be a member of the Association so long as he is a Lot Owner. A Lot Owner's membership shall automatically terminate when he ceases to be a Lot Owner. Upon the conveyance or transfer of a Lot Owner's interest to a new Lot Owner, the new Lot Owner shall simultaneously succeed to the former Lot Owner's membership in the Association. The aggregate number of votes for all members of the Association shall be fifty-nine (59), one (1) vote for each Lot.

ARTICLE V

Non-Liability of the Directors, Officers and Committee Members

The Directors, Officers and Committee Members of the Association, shall not be personally liable to the Lot Owners for any mistake or judgment or for any other acts or omissions of any nature whatsoever as such Directors, Officers or Committee Members except for any acts or omissions found by a court to constitute gross negligence or fraud. The Lot Owners shall indemnify and hold harmless each of the Directors, Officers or Committee Members and their respective heirs, executors, administrators, successors and assigns in accordance with the By-Laws.

ARTICLE VI

Board's Determination Binding

In the event of any dispute or disagreement between any Lot Owners relating to the Property, or any questions of interpretations or application of the provisions of the Declaration or By-Laws, the determination thereof by the Board shall be final and binding on each and all such Lot Owners.

ARTICLE VII

Ownership and Use of the Common Elements

Section 1. Ownership. The Owner of each Lot shall own an undivided one fifty-ninth (1/59) interest in the common elements. The ownership of the common elements shall remain undivided and shall not be the object of an action for partition or division.

Any conveyance, lease, devise or other disposition or mortgage or encumbrance of any unit shall extend to and include such undivided interest in the common elements, whether or not expressly referred to in the instrument affecting the same.

Section 2. Use. Each Lot Owner shall have the right to use the Common Elements in common with all other Lot Owners, as may be reasonably required for the purposes of access, ingress in, egress from, and the use, occupancy and enjoyment of the common elements. Such rights to use the Common Elements shall be subject to and governed by the provisions of the Declaration, By-Laws and rules and regulations of the Association. In addition, the Association

(through the Board) shall have the authority to lease, grant concessions or grant easements with respect to parts of the Common Elements subject to the provisions of the Declaration and By-Laws. All income derived by the Association from leases, concessions or other sources shall be held and used for the benefit of the members of the Association, pursuant to such rules, resolutions or regulations as the Board may adopt or prescribe.

ARTICLE VIII Common Expenses

Each Lot Owner shall pay his proportionate share of the expenses of the administration and operation of the Common Elements and of any other expenses incurred in conformance with the Declaration or By-Laws (which expenses are herein sometimes referred to as "common expenses"), including, but not limited to, the maintenance and repair thereof and any and all replacements and additions thereto. Such proportionate shares of the common expenses for each Lot Owner shall be in accordance with his percentage of ownership of the common elements. No Lot Owner shall be exempt from payment of his proportionate share of the common expenses by waiver or non-use or enjoyment of the Common Elements or by abandonment of his Lot. If any Lot Owner shall fail or refuse to make such payment of the common expenses when due, the amount thereof together with late fees and reasonable legal expenses become due and payable, and shall constitute a continuing lien on the Lot against which the assessment is made. Late fees and how they are determined are described in the By-Laws. Each Lot Owner shall be personally liable for his portion of each assessment made while they are the owner of a Lot.

ARTICLE IX Lot Owner Mortgages and Insurance

Section 1. Mortgages. Each Lot Owner shall have the right, subject to the provisions herein, to make separate mortgages for his respective lot together with his respective ownership interest in the Common Elements. No Lot Owner shall have the right or authority to make or create, or cause to be made or created from the date hereof, any mortgage or other lien on or affecting the Common Elements or any part thereof, except only to the extent of his own Lot and the respective percentage interest in the common elements.

Section 2. Insurance. Each Lot Owner shall obtain insurance on the structures on his Lot, against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions for the full insurable replacement cost thereof, and against such other hazards and for such amounts as the Board may deem advisable. Insurable replacement cost shall be deemed the cost of restoring said Lot structures, or any part thereof to substantially the same condition in which it existed prior to damage or destruction. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, each Lot Owner or the holders of mortgages on their Lot, if any. The policy of insurance should also contain, if possible, a waiver of subrogation rights by the insurer against individual Lot Owners. The premiums for such insurance shall be an individual expense.

In the event of damage to or destruction to any Building as a result of fire or other casualty covered by insurance proceeds, each directly affected Lot Owner shall arrange for the prompt repair and restoration of the damaged portions of their Building and specifications therefor.

Where the insurance indemnity is insufficient to cover the cost of such repairs and restoration, the deficit shall be paid by the Lot Owner directly affected by the damage. The affected Lot Owners shall be deemed to be that Lot Owner who suffers damages from the aforementioned casualty. The provisions of this paragraph shall not apply or be operative in those cases where such provisions are unacceptable to VA, FHA or any other governing agency.

ARTICLE X

Association Insurance

Section 1. Common Areas. The Board shall obtain public liability insurance, fire and extended coverage insurance for the improvements in the common areas, and comprehensive insurance in such amounts as it deems desirable, insuring each Lot Owner from liability in connection with the Common Elements. The premiums for such insurance shall be a common expense. The Board shall retain in safe-keeping any such public liability policy for ten (10) years after the expiration of the policy.

Section 2. Director, Officers and Committee Member Liability Insurance. The Board shall obtain and maintain such liability insurance in such amounts, from such sources and in such forms as it deems desirable, insuring each Director and Officer of the Association, and any Committee Member appointed pursuant to the By-Laws of the Association from liability arising from the fact that said person is or was a Director, Officer or Committee Member of the Association. The premiums for such insurance shall be a common expense. The Board shall retain in safe keeping any such public liability policy for ten (10) years after the expiration of the policy.

ARTICLE XI

Maintenance, Repair and Replacements

Section 1. Lot Owners Maintenance Responsibilities. Each Lot Owner, at their own expense, shall maintain or cause to be maintained in a safe, clean and attractive condition, all property subject to this Declaration and By-Laws, which is owned directly or indirectly by such Lot Owner. Such maintenance obligation, shall include, without limitation, the following: prompt removal of all litter, trash and refuse, and waste; lawn mowing on a regular basis; tree and shrub pruning and home repair in good order to include roofing, siding, painting, shutters and fences.

Section 2. Enforcement/Appeals Process. Each Lot Owner and every occupant shall comply with the Declaration, By-Laws and rules and regulations, as may be amended or modified from time to time. The Board may impose fines or other sanctions, which shall be collected as provided herein for the collection of Assessments. Failure to comply with this Declaration, By-Laws and rules and regulations shall be grounds for an action to recover sums for damages or injunctive relief, or both, maintainable by the Board, on behalf of the Association. Failure of the Board to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter. The Board shall have the right to record in the appropriate land records a notice of violation of the Declaration, By-Laws and rules and regulations and to assess the cost of recording and removing such notice against the Lot Owner who is responsible (or whose Occupants are responsible) for violating the foregoing.

The intent is to not allow Lot Owners to degrade the enjoyment of the community or the use of the Common Areas for other Lot Owners or negatively affect community property values.

Filing/Appeals Procedures. The Board may impose a fine (a late charge shall not constitute a fine) following the procedure as follows:

- (a) Demand. A written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying: The alleged violation, the action required to abate the violation and a time period, not less than ten (10) days, during which the violation may be abated without further sanction. The board or its designee may demand immediate abatement in such circumstances which, in the board's determination, pose a danger to safety or property. The notice will advise the alleged violator that they may, within ten (10) days from the date of the notice request a hearing regarding the fine, state that any statements, evidence, and witnesses may be produced by the alleged violator at the hearing; and that all rights to have the fine reconsidered are waived if a hearing is not requested within ten (10) days of the date of notice.
- (b) Hearing. If a hearing is requested, it shall be held before the Board in executive session, and the alleged violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing.

Section 3. Common Area Maintenance Responsibility. Maintenance of, repairs to and replacements within the Common Elements shall be the responsibility of and shall be furnished by the Association. The cost of maintenance of, repairs to and replacements within the Common Elements shall be part of the Common Expenses, subject to the By-Laws and rules and regulations of the Association.

ARTICLE XII

Architectural and Use and Occupancy Protective Covenants and Restrictions

Use of Lots. The established use of all of the Lots is as follows:

- A. No building shall be located on any lot nearer to the front lot line, nearer to the rear lot line or nearer to the side street line than the minimum building setback lines shown on the recorded plat. For the purpose of this covenant, eaves, steps and open porches shall not be considered as a part of the building, provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot.
- B. No dwelling shall be erected or placed on any lot having an area of less than 1,650 square feet in such building.
- C. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat.
- D. No structures of temporary character, trailer, basement, tent, shack, garage, barn or other out-buildings shall be used on any Lot at any time as a residence, either temporarily or permanently.

E. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tunnels, mineral excavations or shafts be permitted upon or in any lot. No derrick or other structures designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot.

F. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purposes.

G. No fence, wall, hedge, or shrub planting, which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points twenty-four (24) feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. No tree shall be permitted to remain within such distance of such intersections, unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

H. No sign of any kind shall be displayed to the public view of any lot, except one professional sign of not more than one (1) square foot, one sign of not more than eight (8) square feet, advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period.

I. No noxious or offensive activity shall be permitted on or upon any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

J. No lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one (1) detached single family dwelling not to exceed two and one-half (2 1/2) stories in height, with a private garage and not more than three (3) cars and other building incidental to the residential use of the lot.

K. Recreational vehicles of all types will not be parked in the street for more ten (10) days. Recreational vehicles may be parked in the driveway, garage, carport or concrete pad. Recreational vehicles include, but are not limited to, motor homes, 5th wheels, campers, boats, water vehicles and trailers of all types.

L. No building shall be erected, placed or altered on any lot until the construction plans and specifications and a plan showing the location of the structure have been approved by the Architectural Control Committee and the Board of Directors, as to the quality of workmanship and materials, harmony of external design with existing structures and as to the location with respect to topography and finish grade elevations. No fence or wall shall be erected, placed or altered on any lot nearer to any street than the minimum building setback line, unless similarly approved, approval shall be as provided in Paragraph (M) below.

M. The Architectural Control Committee is appointed by the Board of Directors. A majority of the Committee may designate a representative to act for it. In the event of the death or

resignation of any member of this Committee, the Board of Directors shall have full authority to designate a successor. Neither the members of the Committee nor its designated representative shall be entitled to any compensation for the services performed pursuant to this covenant.

N. The Committee's approval or disapproval, as required in these Covenants, shall be approved by the Board of Directors in writing. In the event the Architectural Control Committee, or its designated representatives and the Board, fail to approve or disapprove within thirty (30) days after plans and specifications have been received by the Committee, or in any event, if no suit to enjoin the construction has been commenced thereof, approval shall not be required and the related covenants shall be deemed to have been fully complied with.

ARTICLE XIII

Covenants and By-Laws Expiration and Invalidation

Section 1. Expiration. These Covenants and By-Laws are to run with the land and shall be binding on all parties and all persons claiming under them, for a period of ten (10) years from the date these Covenants and By Laws are recorded, after which time, said Covenants and By-Laws shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by a majority of the then owners of the lots has been recorded agreeing to change said Covenants and By Laws in whole or in part.

Section 2. Invalidation. Invalidation of any of these Covenants and By-Laws by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

ARTICLE XIV

Unpaid Assessments

Section 1. Unpaid Assessments. The Association shall have a lien on each lot for any unpaid assessment duly made by the Association for a share of common expenses, together with late fees thereon and reasonable attorney's fees. Such lien shall be effective from and after the time of recording in the public records of Madison County of a claim of lien stating the description of the unit, the name of the record Lot Owner, the amount due and the date when due. Such claim of lien shall include sums which are due and payable when the claim of lien is recorded and continuing late fees and attorney expenses. The lien shall be signed and verified by an officer or agent of the Association.

If the Lot Owner continues to refuse to pay the annual assessment and related charges, the matter shall be referred to court to obtain a judgment that the debt is owed. Afterwards, the case shall be referred to an attorney for collection by any legal means. All costs connected with the above process shall be imposed upon the respective Lot Owner(s).

Upon full payment of all sums secured by the lien, the party making payment shall be entitled to a recordable satisfaction of lien.

Section 2. Liability for Assessments upon Conveyance of Lot. Upon any voluntary conveyance of a Lot, the grantor and grantee of such Lot shall be jointly and severally liable for all unpaid assessments pertaining to such Lot duly made by the Association or accrued up to the date of such conveyance without prejudice to the right of the grantee to recover from the grantor any amounts paid by the grantee, but the grantee shall be exclusively liable for those accruing while they are the Lot Owner.

Section 3. Request for Amounts Due for Assessments or Liens. Any Lot Owner, Realtor or prospective purchaser of a Lot prior to completion of a voluntary sale may require from the Association a certificate showing the amount of unpaid assessments and/or liens pertaining to such unit, and the Association shall provide such certificate within ten (10) days after request thereof. The holder of a mortgage or other lien on any unit may request a similar certificate with respect to such unit. Any person other than the Lot Owner at the time of issuance of any such certificate who relies upon such certificate shall be entitled to rely thereon, and his liability for such unpaid assessments shall be limited to the amounts set forth in such certificate.

Section 4. Foreclosure of Liens. Liens for unpaid assessments or other reason may be foreclosed by an action brought in the name of the Association in the same manner as a foreclosure of a mortgage on real property

ARTICLE XV Amendments

Unless otherwise provided in this Declaration, the provisions of this Declaration may be changed, modified or rescinded by an instrument in writing, setting forth such change, modification or rescission, signed by Lot Owners owning not less than sixty-seven percent (67%) of the total ownership of the Common Elements.

ARTICLE XVI Notices

Notices provided for in this Declaration and By-Laws shall be in writing or email and shall be addressed to Gladstone Place Homeowners Association, P.O. Box 10091, Huntsville, Alabama, 35801, or the email address of the current Association Secretary and President, or any Lot Owner at the Owner's Lot or at such other address as hereinafter provided. The Association or Board may designate a different address or addresses for notices to them, respectively, by giving written notice of such change of address to all Lot Owners. Any Lot Owner may designate a different address for notices to them by giving written notice to the Association. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail, when delivered in person or by unreturned email.

ARTICLE XVII Severability

If any provision of the Declaration or By-Laws, or any section, sentence, clause, phrase, word in the application thereof in any circumstance, is held invalid, the validity of the remainder of

this Declaration and the By-Laws and of the application of any such provision, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby and the remainder of this Declaration and the By-Laws shall be construed as if such invalid part was never included therein.

ARTICLE XVIII
Rights and Obligations

Each Lot Owner, by the acceptance of a deed of conveyance, accepts the same subject to all restrictions, conditions, Covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration. All future Lot Owners and Occupants shall be subject to and shall comply with the provisions of this Declaration and By-Laws. All rights, benefits and privileges of every character hereby imposed shall be deemed and taken to be Covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such grantee in like manner as though the provisions of this Declaration and By-Laws were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

All present and future Lot Owners, tenants and occupants of a Lot shall be subject to, and shall comply with, the provisions of the Covenants and the By-Laws appended hereto and recorded herewith, as they may be amended from time to time. The acceptance of a deed of conveyance, devise or of a lease to a Lot or the entering into occupancy of any Lot shall constitute an agreement that the provisions of this Declaration, and said By-Laws and any rules and regulations promulgated there under, as they may be amended from time to time, are assumed, accepted and ratified by such Lot Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Lot as though such provision were recited and stipulated at length in each and every deed, conveyance or lease, thereof.

ARTICLE XIX
Trustee as Lot Owner

In the event title to any Lot is conveyed to a land title holding trust, under the terms of which all powers of management, operation and control of the Lot remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder shall be considered Lot Owners for all purposes and they shall be responsible for payment of all obligations, liens or indebtedness and for the performance of all agreements, Covenants and undertakings chargeable or created under this Declaration and By-Laws against such Lot. No claim shall be made against any such title holding trustee personally for payment of any lien or obligations hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of any such lien or obligations shall continue to be a charge or lien upon the Lot and the beneficiaries of such trust, notwithstanding any transfers of the beneficial interest of any such trust or any transfer of title to such Lot.

ARTICLE XX
Rights Reserved

The Lot Owner's right of enjoyment in the Common Elements as herein created shall be subject to the rights of the Association, as provided in its Covenants and By Laws, to suspend the enjoyment rights of any member for any period during which any assessment or lien remains unpaid, and for such period as it considers appropriate for any infraction of its published rules and regulations.

ARTICLE XXI
Review of Association Records

The Board shall make available for inspection, on request, during normal business hours, to Lot Owners, copies of the Declaration, By-Laws, rules and regulations of the property, and the books, records, financial statements of the Association.

ARTICLE XXII
Reserve Funds

An adequate reserve fund for the replacement of Common Elements shall be established and funded by the annual dues. If reserve is inadequate, the Board may impose a special assessment.

ARTICLE XXIII
Leases and Rental Agreements

All leases or rental agreements for Lots shall be in writing and shall be subject specifically to the requirements of this Declaration and the By-Laws. No Lots may be leased or rented for a period of less than thirty (30) days.


ARTICLE XXIV
Lot Access

The authorized representatives of the Association, Board, or its agent with the approval of the Board, shall be entitled to reasonable access to the Lots as may be required in connection with the preservation of any individual Lot or Common Elements in the event of an emergency, or in connection with the maintenance of, repairs to, or replacement within the Common Element, or any equipment, facilities, or fixtures affecting or serving other Lots any Common Elements, or to make any alteration required by any governmental authority.

ARTICLE XXV
Association Contracts

Any agreement for professional management of the Property, or any other contract providing services may not exceed three (3) years and any such agreement must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice.

IN WITNESS WHEREOF, the Gladstone Place Homeowners Association has caused this instrument to be executed by its President, Amy Boller, this 23 day of September 2019.

By 
Amy Boller, President
Gladstone Place Homeowners association

GLADSTONE PLACE HOMEOWNERS ASSOCIATION

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EXHIBIT A
BY-LAWS
OF
GLADSTONE PLACE HOMEOWNERS ASSOCIATION

ARTICLE I

Members

Section 1. Eligibility. The Members of the Gladstone Place Homeowners Association, a nonprofit organization (hereinafter the "Association"), shall consist of the respective fifty-nine (59) Lot Owners of the Property known as Gladstone Place, plats of which are recorded in the Office of the Probate Judge of Madison County, Alabama. The words "member" or "members" as used in these By-Laws mean and shall refer to "Lot Owner" or "Lot Owners," as the case may be, as defined in the Declaration.

Section 2. Succession. The membership of each Lot Owner shall terminate when they cease to be a Lot Owner and upon the sale, transfer or other disposition of their ownership interest in the Property, their membership in the Association shall automatically be transferred to the new Lot Owner succeeding to such ownership interest.

Section 3. Annual Meetings. The annual meeting of Lot Owners shall be held, subject to the terms hereof, on any date, at the option of the Board in September or October. All such meetings of Lot Owners shall be held at such place in Madison County, Alabama, and at such time as specified in the written notice of such meeting which shall be delivered to all members at least ten (10) days prior to the date of such meeting.

Section 4. Special Meetings. Special Meetings of the Lot Owners may be called by the President or by a majority of the Directors of the Board, or by Lot Owners having at least twenty percent (20%) of the votes entitled to be at such meeting. Special Meetings shall be called by delivering written notice to all Lot Owners not less than ten (10) days prior to the date of the meeting, stating the date, time and place of the Special Meeting and the matters to be considered.

Section 5. Delivery of Notice of Meetings. Notices of meetings may be delivered either personally, email or by mail to a Lot Owner at the address given to the Board by said Lot Owner for such purpose, or to the Lot Owner, if no address for such purpose has been given to the Board.

Section 6. Voting. The aggregate number of votes for all Lot Owners of the Association shall be fifty-nine (59) and shall be divided and allocated among the respective Lot Owners, one (1) vote for each Lot. No Lot Owner who is in default in the payment of their assessments shall be entitled to exercise their right to vote until the default has been paid. A Lot Owner shall be deemed to be in default if the assessment has not been paid to the Board, or their agent, by the due date. A Lot Owner may protest the amount of the assessment, but it still must be paid during the pendency of the protest to the Board.

Section 7. Quorum. A quorum of Lot Owners for any meeting shall be constituted by Lot Owners represented in person or by proxy and hold a majority of the votes entitled to be cast at such meeting.

ARTICLE II

Board of Directors

Section 1. Number, Election and Term of Office. The Board of Directors of the Association (sometimes referred to herein as the "Board") shall consist of five (5) members (hereinafter referred to as "Directors"). Directors shall be elected in October by the vote of all qualified Lot Owners. The election shall be held via email and/or mail to all eligible Lot Owners. Those candidates for election as Director receiving the greatest number of votes shall be elected. Every Director shall hold office for the term of three (3) years and until their successor shall be elected and qualified. Terms of office run for three years starting from November 1st after the election.

Section 2. Qualification. Each Director shall be a Lot Owner or the spouse of a Lot Owner (or, if a Lot Owner is a trustee of a trust, a director may be a beneficiary of such trust, and if a Lot Owner or such beneficiary is a corporation or partnership, a Director may be an officer, partner or employee of such Lot Owner or beneficiary). If a Director shall cease to meet such qualifications during their term, they shall thereupon cease to be a Director and their place on the Board shall be deemed vacant.

Section 3. Vacancies. Any vacancy occurring in the Board shall be filled by majority vote of the remaining Board members thereof. Any Director so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the Director which they succeed.

Section 4. Regular and Special Meetings. A regular annual meeting of the Board shall be held within fifteen (15) days following the election. Regular meetings of the Board shall be held upon a call by the President or by a majority of the Board on not less than forty-eight (48) hours notice in writing to each Director, delivered personally, email or by mail. Any Director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action proposed to be taken by the Board without a meeting. A Director's attendance at a meeting shall constitute their waiver of notice of the meeting.

Section 5. Removal. Any Director may be removed from office for cause by the vote of two-thirds (2/3) of the total membership of the Association.

Section 6. Compensation. Directors shall receive no compensation for their services as Directors, unless expressly provided for in resolutions duly adopted by the Lot Owners.

Section 7. Quorum. Three (3) Directors shall constitute a quorum.

Section 8. Powers and Duties. The Board shall have the following powers and duties:

- A. To elect and remove the Officers of the Association as hereinafter provided.
- B. To administer the affairs of the Association as hereinafter provided.

C. To formulate policies for the administration, management and operation of the Property and the Common Elements.

D. To adopt rules and regulations, with written notice to all Lot Owners governing the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time to time.

E. To provide for the maintenance, repair, and replacement of the Common Elements and payments thereof.

F. To provide for the designation, hiring and removal of personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements.

G. To appoint Committees of the Board. Committee recommendations shall be considered by the Board for action.

H. To determine the fiscal year of the Association and to change the fiscal year from time to time as the Board deems advisable.

I. To estimate the amount of the annual budget, and to provide the manner of assessing and collecting it from the Lot Owners.

J. To exercise any rights and authority granted it in the Declaration.

ARTICLE III Officers

Section 1. Designation. At the first regular meeting of a new Board, the Directors present shall elect the following Officers of the Association from the Board by a majority vote:

A. A President, who shall preside over the meetings of the Board and of the Lot Owners and who shall be the chief executive officer of the Association.

B. A Secretary, who shall keep the minutes of all meetings of the Board and of the Lot Owners, and who shall, in general, perform all the duties incident to the office of Secretary.

C. A Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported;

D. Such additional Officers as the Board shall see fit to elect.

Section 2. Powers. The respective Officers shall have the general powers usually vested in such Officers, provided that the Board may delegate any specific powers to any other Officer or impose such limitations or restrictions upon the powers of any Officer as the Board may see fit.

Section 3. Term of Office. Each Officer shall hold office for the term of one (1) year and until his successor shall have been appointed or elected and qualified.

Section 4. Vacancies. Vacancies in any office shall be filled by the Board by a majority vote of the remaining members at a regular or Special Meeting of the Board. Any person so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the Officer they succeed. Any Officer may be removed for cause at any time by a vote of two-thirds (2/3) of the total membership of the Board at a Special Meeting, in which event, a non-Board member may be elected to the office.

Section 5. Compensation. The Officers shall receive no compensation for their services as Officers, unless expressly provided for in a resolution duly adopted by the Lot Owners.

ARTICLE IV Assessments

Section 1. Annual Budget. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. The budget shall take into account the estimated common expenses and cash requirements for the year including but not limited to legal and accounting fees, working capital fund, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, utilities and all other common expenses. To the extent that the assessments and other cash income collected from the Lot Owners during the preceding year shall be more or less than the expenditures for the preceding year, the surplus or deficit, as the case may be, shall also be taken into account. The annual budget shall also take into account the estimated net available cash income for the year and a reserve for capital replacements, in reasonable amounts as determined by the Board.

Section 2. Assessments. The estimated annual budget for each fiscal year shall be approved by the Board, and copies shall be furnished by the Board to each Lot Owner not later than thirty (30) days prior to the beginning of the calendar year (currently the Association's fiscal year). Lot Owners are encouraged to pay the annual assessment in full by March 31 making the funds available and minimizing the administrative time and effort required of volunteer Board members that involves invoicing, trips to the post office, recording, banking and reporting. For those Lot Owners that choose to pay dues incrementally, at least 25% of assessed dues are due and payable by the end of each calendar quarter (March 31, June 30, September 30 and December 31). A late fee of fifty cents (\$.50) per day shall be assessed through December 31 each year for late dues payment. Dues that are delinquent after December 31 shall incur a late fee of one-half the total amount owed plus one dollar (\$1.00) per day until the delinquency is remedied. The total amount owed shall be doubled after each December 31. Members may contact the Board in writing regarding a waiver of penalties under special circumstances. Requests, however, should be made before a dues delinquency late fee is incurred.

Section 3. Partial Year. Commencing with the date of occupancy of a Lot, each Lot Owner shall pay their assessment for the remaining fraction of a year.

Section 4. Annual Report. Within sixty (60) days after the end of each fiscal year covered by an annual budget or as soon thereafter as shall be practicable, the Board shall furnish to each Lot Owner a statement for the year so ended, showing the receipts and expenditures and such other information as the Board may deem desirable.

Section 5. Supplemental Budget. In the event that during the course of any year, it shall appear to the Board that the annual 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 the year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of the year. Copies of the supplemental budget shall be furnished to each Lot Owner and thereupon a supplemental assessment shall be made to each Lot Owner for their proportionate share of the supplemental budget.

Section 6. Expenditures. The Board shall not approve any expenditure in an amount in excess of ten percent (10%) of the annual budget for the then current year, unless required for emergency repair, protection, or operation of the common elements, nor enter into any contract for more than three (3) years, without the prior approval of two-thirds (2/3) of the total votes in the Association. The Board shall designate three (3) Board members authorized to sign checks, two (2) signatures shall be required on each check.

Section 7. Audit. An audit by a qualified individual, selected by the Board of Directors, shall be completed annually by 30 November, of all records of the Treasurer for the previous fiscal year – 1 November to 31 October. A qualified auditor would include a previous Treasurer or person qualified by vocation in the field of accounting or budget. A copy of the audit shall be provided to all Lot Owners with the first newsletter of the new Board or by 31 December, whichever comes first.

Section 8. Records and Statement of Account. The Board shall cause to be kept detailed and accurate records in chronological order of the receipts and expenditures affecting the Association and the Common Elements, specifying and itemizing the common expenses and limited Common Expenses incurred. Payment vouchers may be approved in such manner as the Board may determine.

The Board shall, upon receipt of ten (10) days written notice to it or the Association, furnish to any Lot Owner a statement of their account setting forth the amount of any unpaid assessments or other charges.

Section 9. Discharge of Liens. The Board may cause the Association to discharge any mechanic's lien or other encumbrance, which in the opinion of the Board may constitute a lien against the Common Elements, rather than a lien against only a particular Lot Ownership. When less than all the Lot Owners are responsible for the existence of any such lien, the Lot Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses, including attorneys' fees, incurred by reason of the lien.

Section 10. Holding of Funds. All funds collected shall be held and expended for the purposes designated and shall be deemed to be held for the benefit, use and account of all the Lot Owners.

ARTICLE V
Use and Occupancy Restrictions

Section 1. General. The restrictions on use and occupancy of the Units as contained in the Declaration of Covenants, Conditions and Restrictions and any subsequent amendments or modifications thereto duly made and recorded in accordance with the terms hereof, are incorporated herein by reference as if fully set out.

Section 2. Rules and Regulations. Lot Owners shall be subject to further restrictions as may be contained in rules and regulations of the Association concerning the use of Lots and the Common Elements which may be enacted from time to time by the Board. All such rules and regulations shall be binding rules and regulations of the Association unless rejected by at least sixty-seven percent (67%) of the votes of the Lot Owners. Copies of such rules and regulations and any amendments or additions thereto shall be furnished to all Lot Owners upon request.

ARTICLE VI
Contractual Powers

There shall be no contract between this Association and one or more of its Directors or between this Association and any corporation, firm or association in which one or more of the Directors of this Association, or their family members, are directors, employed, or has any financial interest. The intent of this provision is to prevent abuse of Position or the appearance of abuse.

ARTICLE VII
Amendments

These By-Laws may be amended or modified from time to time by action or approval of sixty-seven percent (67%) of the votes in the Association. Such Amendments shall be recorded in the Office of the Probate Office of Madison County Alabama.

ARTICLE VIII
Indemnification

Section 1. General. To the extent permitted by law, the Association shall indemnify and hold harmless each of its Directors, Officers and each Member of any Committee appointed pursuant to the By-Laws of the Association, and the Board against all contractual and other liabilities to others arising out of contracts made by or other acts of such Directors, Officers, or Committee Members, on behalf of the Lot Owners or arising out of their status as Directors, Officers, or Committee Members, unless any such contract or act shall have been made fraudulently or with

gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such Director, Officer or Committee Member may be involved by virtue of such persons being or having been such Director, Officer, or Committee Member.

Section 2. Success on Merits. To the extent that a member of the Board of Directors or an Officer of the Association or a Member of any Committee appointed pursuant to the By-Laws of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1, or in defense of any claim, issue or matter therein, they shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by them in connection therewith.

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

Section 4. Miscellaneous. The Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Article, provided, however, that the liability of any Lot Owner arising out of any contract made by or other acts of the Directors, Board, Officers, or Members of such Committees, or out of the aforesaid indemnity in favor of the Directors, Officers, or Members of such Committees, shall be limited to said Lot Owner's percentage of interest in the Common Elements. Every agreement made by the Directors, Officers, or Members of such Committees, shall provide that the Directors, Officers, or Members of such Committees, as the case may be, are acting only as agents for the Lot Owners and shall have no personal liability there under (except as Lot Owners), and that each Lot Owner's liability there under shall be limited to their percentage of interest in the Common Elements. The indemnification provided by this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of Lot Owners of the Association or disinterested members of the Board of Directors or otherwise, both as to action in their official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity that has ceased to be a Directors, Officer of the Association or a Member of such Committee, and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of such person or entity.

ARTICLE IX
Definition of Terms

The terms used in these By-Laws, to the extent they are defined therein, shall have the same definition as set forth in the Declarations for Gladstone Place, a Planned Housing Development, of which these Declarations and By-Laws are on Exhibit A.

ARTICLE X
Conflict of Provisions

In the event any of these By-Laws conflict with the provisions of the Declaration of Covenants, Conditions and Restrictions for Gladstone Place, a Planned Development, the provisions of the Declaration shall control.

By 
Amy Boller, President
Gladstone Place Homeowners Association

Date September 23, 2019

ROBERT ARCHER
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HUNTSVILLE, AL 35811

Filed/Cert: 09/25/2019 01:55:00 PM
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FRANK BARGER Probate Judge
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