

SECOND AMENDMENT TO BYLAWS OF LAKE CREST
RESIDENTIAL ASSOCIATION, INC.

THIS SECOND AMENDMENT TO BYLAWS OF LAKE CREST RESIDENTIAL ASSOCIATION, INC. (this "Amendment") is made and entered into as of the ____ day of _____, 2011.

R E C I T A L S :

Lake Crest Residential Association, Inc. (the "Association") was incorporated as an Alabama nonprofit corporation pursuant to Articles of Incorporation (the "Articles") recorded on March 19, 2007 in BK:LR 200761, Page 9229 in Office of the Judge of Probate of Jefferson County, Alabama (the "Probate Office").

The Bylaws of the Association adopted by the Board of Directors of the Association have been amended by Amendment to Articles of Incorporation, By-Laws and Covenants, Conditions and Restrictions of the Property of Lake Crest Residential Association, Inc. dated May 1, 2010 (the "2010 Amendment") and recorded in BK:LR 201062, Page 27649 in the Probate Office (which Bylaws, as amended by the 2010 Amendment, are hereinafter collectively referred to as the "Bylaws").

The Association was formed for the purposes set forth in the Articles, the Bylaws and in the Lake Crest Residential Declaration of Covenants, Conditions and Restrictions recorded on or about November 4, 1994 in Real 1056, Page 812 in the Probate Office, and re-recorded on or about September 13, 1996 as Instrument No. 9662/3186 in the Probate Office, as the same have been amended from time to time (collectively, as amended through the date hereof, the "Declaration"). *Capitalized terms not otherwise expressly defined herein shall have the same meanings given to them in the Declaration.*

The Board of Directors and Developer have agreed that the Bylaws should be amended to allow for (a) an increase in the number of positions on the Board and (b) a ballot vote in lieu of the holding of any annual or special meeting of the members of the Association and desire by this Amendment to incorporate the same into the Bylaws.

Contemporaneously herewith, the Owners have approved an amendment to the Declaration which, among other things, adopts definitions for the terms "Major Decision" and "Major Decision Majority Vote" as used below.

As provided in the Amendment, any amendments to the Bylaws required a quorum of at least 200 members of the Association for a vote to amend the Bylaws. Contemporaneously herewith, a special meeting of the members of the Association was held pursuant to the notice requirements set forth in the Bylaws and, at such special meeting, at least 200 members of the Association were in attendance, either in person or by proxy, and _____ percent (____ %) of the members in attendance, in person or by proxy, at such special meeting voted in favor of the adoption of this Amendment.

Developer has also consented to, approved and agreed to all of the terms and provisions of this Amendment.

Accordingly, the Bylaws of the Association are further amended as follows:

1. Section 2.02 of the Bylaws is amended by adding the phrase "Subject to the provisions of Section 2.10 below," at the beginning of the third and fourth sentences of said Section.

2. Sections 2.03 through 2.07 are amended by adding the phrase "Subject to the provisions of Section 2.10 below," at the beginning of the first sentence of each of the aforesaid Sections.

3. The Bylaws are amended by adding the following thereto as Section 2.10:

"Section 2.10 Ballot Voting in Lieu of Meetings.

(a) Notwithstanding anything provided to the contrary in the Declaration, the Articles of Incorporation or these Bylaws, as previously amended, any matter which is required or permitted to be approved by the members of the Association, including, without limitation, amendments to the Declaration, the Articles of Incorporation and the Bylaws which require any consent or approval of the members, the election and removal of members of the Board of Directors and the approval of Special Assessments, may, subject to the rights retained and reserved by Developer pursuant to the terms of Sections 2.01 and 3.03 hereof, be submitted to the members of the Association by a ballot vote, without any requirement that either an annual or special meeting of the members of the Association be held, subject to the satisfaction of the following terms and conditions:

(i) Any matters to be submitted to the members for approval pursuant to a ballot vote shall (1) be set forth on a ballot, the form of which must be approved by the Board of Directors, (2) subject to the provisions of Section 2.11 below, be mailed to all members of the Association (utilizing the notice provisions set forth in Section 5.10 hereof) not less than ten (10) days nor more than fifty (50) days before the date such ballots shall be counted by the Board of Directors and (3) specify that all such ballots must be returned to and received by the Association no later than 12:00 p.m. on the date specified on such ballot as the date on which the ballots will be counted by the Board of Directors; and

(ii) Subject to the provisions of Section 2.11 below, any matter submitted to the members for approval by ballot vote shall be deemed approved only if (1) ballots are cast (whether for or against a

proposal or matter) by a Major Decision Quorum and (2) a Major Decision Majority Vote is voted in favor of such matter.

(b) The ballot voting procedures set forth above may be utilized in lieu of the holding of any annual or special meeting of the members of the Association."

4. The Bylaws are amended by adding the following thereto as Section 2.11:

"Section 2.11 Suspension of Voting Rights. Any member who has not timely paid any Assessments due to the Association pursuant to any of the provisions of the Declaration or, pursuant to Section 11.01 of the Declaration, had his or her voting rights in the Association suspended or revoked, shall not be entitled to vote on any matters submitted to the members for a vote and shall not be included in determining whether a quorum exists or whether the requisite number of members have voted in a ballot vote. A member shall be deemed "in good standing" so long as all Assessments payable by such member have been paid in full and such member's voting rights are not currently suspended or revoked pursuant to Section 11.01 of the Declaration."

5. Section 3.02 of the Bylaws is amended by deleting the first sentence of said Section and by substituting in lieu thereof the following:

"The number of Directors of the Association shall be eight (8)."

6. Section 8.03 of the Bylaws is deleted in its entirety and the following is substituted in lieu thereof:

"Section 8.03 Amendments to Bylaws. Any amendment to these Bylaws shall constitute a Major Decision which must be approved by the members (Owners) as a Major Decision requiring a Major Decision Majority Vote as set forth in the terms and provisions of Section 8.07 of the Declaration."

7. The foregoing amendments to the Bylaws amend the Bylaws, as previously amended by the 2010 Amendment, and shall be binding upon all members of the Association from and after the date hereof. In the event of any conflict or ambiguity between the terms and provisions set forth in this Amendment and the terms and provisions of the Bylaws and the 2010 Amendment, the terms and provisions of this Amendment shall at all times control. Except as expressly set forth herein, all of the terms and provisions of the Bylaws shall remain in full force and effect.

8. As provided in the Bylaws, as amended by the 2010 Amendment, any amendments to the Bylaws may be made only if approved by the Board of Directors of the Association and by a vote of the members of the Association at which a quorum of at least 200 members is in attendance either in person or by proxy. Accordingly, this Amendment is being executed by the undersigned as the entire Board of Directors of the Association and the President of the Association who has executed the certificate attached hereto.

BOARD OF DIRECTORS:

Printed Name

Printed Name

Printed Name

As President of the Association

AWTREY DEVELOPMENT, INC.

By: _____
Albert Awtrey

CERTIFICATION

The undersigned hereby certifies and affirms the following:

1. My name is _____ and I serve as President of Lake Crest Residential Association, Inc., an Alabama nonprofit corporation (the "Association").

2. This Certification is attached to and constitutes a part of the Amendment to the Bylaws of the Lake Crest Residential Association, Inc. dated as of _____, 2011 (the "Amendment").

3. As provided in the Amendment, a special meeting of the members of the Association was held on _____, 2011. Prior written notice of such meeting was given to all members on _____, 2011.

4. At such meeting, _____ members in the Association were present, either in person or by proxy, at such meeting, and _____ members voted, either in person or by proxy, in favor of the Amendment.

5. The undersigned hereby unequivocally states that the agreement of the requisite number of owners in the Association was lawfully obtained to the adoption of the Amendment.

Dated as of the ____ day of _____, 2011.

President

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a notary public in and for said county in said state, hereby certify that _____, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this _____ day of _____, 2011.

[NOTARIAL SEAL]

Notary Public
My commission expires: _____