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**ARTICLES OF INCORPORATION
OF
LAKE CYRUS--6TH SECTOR
RESIDENTIAL ASSOCIATION, INC.**

This instrument prepared by:
Stephen R. Monk, Esq.
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Birmingham, Alabama 35203
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**ARTICLES OF INCORPORATION
OF
LAKE CYRUS--6TH SECTOR
RESIDENTIAL ASSOCIATION, INC.**

The undersigned, for the purpose of forming a corporation pursuant to the provisions of the Alabama Nonprofit Corporation Act (Code of Alabama (1975), Sections 10-3A-1, et seq.) hereby adopts the following Articles of Incorporation (the "Development Articles of Incorporation") and certify as follows:

1. **NAME.** The name of the corporation is "Lake Cyrus--6th Sector Residential Association, Inc." (the "Development Association").
2. **DURATION.** The period of duration of the Development Association shall be perpetual.
3. **PURPOSES.** The purposes for which the Development Association is organized are:
 - (a) To provide for the efficient preservation of the appearance, value and amenities of the property which is subject to the Supplemental Development Covenants for Lake Cyrus--6th Sector Residential Association, Inc. dated as of ~~November~~ ^{January} ~~13~~, 1998 (the "Supplemental Covenants") recorded or to be recorded in the Office of the Judge of Probate of Jefferson County, Alabama (Bessemer Division). *Capitalized terms not otherwise specifically defined herein shall have the same meanings given to them in the Supplemental Covenants or the Master Declaration, as defined in the Supplemental Covenants.*
 - (b) To own, operate, maintain, manage, repair and replace Development Common Areas.
 - (c) To perform and carry out the acts, duties, responsibilities and conditions delegated to the Development Association in the Supplemental Covenants, these Development Articles of Incorporation, the Development Bylaws of this Development Association and all amendments thereto, including, specifically, taking any action authorized or allowed to be taken by the Development Association in the Supplemental Covenants, these Development Articles of Incorporation and the Development Bylaws.
 - (d) To own, lease, license, operate, purchase, acquire, hold, improve, develop, manage, sell, convey, transfer, exchange, release and dispose of, either alone or in conjunction with others, real and personal property, tangible and intangible, of every kind, character and description.
 - (e) To enforce all of the terms and provisions of the Supplemental Covenants and to make, establish and enforce reasonable rules and regulations governing the administration, operation and management of the Development Property.
 - (f) To make, levy, collect and enforce Development Assessments, as defined in the Supplemental Covenants, and to use and expend such Development Assessments in the manner set forth in the Supplemental Covenants.
 - (g) To employ personnel and contract for services, material and labor, including contracting for the management of the Development Common Areas of the Development Property.
 - (h) To purchase and maintain insurance for such coverages, with such insurance carriers, in such amounts, at such rates and with such deductibles as may be necessary for the protection of the

Development Association, its officers, directors and Members or as may be otherwise required in the Supplemental Covenants.

(i) To enforce any of the provisions of the Supplemental Covenants by legal and equitable actions as may from time to time be necessary.

(j) To enter into, make and perform contracts of every kind for any lawful purpose without limit as to amount, with any person, firm, Development Association, partnership, limited partnership, corporation, municipality, county, state, territory, government, governmental subdivision, or body politic.

(k) To operate without profit for the sole and exclusive benefit of its Members; provided, however, that the Development Association may, at any time and from time to time, authorize and grant to persons who are not Members rights to use and enjoy the Development Common Areas on such terms and conditions as the Board of Directors of the Development Association may, in its sole and absolute discretion, determine.

(l) To carry on any other business in connection with the foregoing, to transact any or all lawful business for which corporations may be incorporated under the Alabama Nonprofit Corporation Act, as amended, and to have and exercise all powers necessary or convenient to effect the purposes of the Development Association in accordance with and subject to the terms and provisions of the Supplemental Covenants.

THIS DEVELOPMENT ASSOCIATION DOES NOT CONTEMPLATE PECUNIARY GAIN OR PROFIT FOR THE MEMBERS THEREOF AND THE FUNDS OF THE DEVELOPMENT ASSOCIATION, WHETHER RECEIVED BY GIFT OR OTHERWISE, REGARDLESS OF THE SOURCE THEREOF, SHALL BE EXCLUSIVELY USED IN THE PROMOTION OF THE BUSINESS OF THE DEVELOPMENT ASSOCIATION, AS THE BOARD OF DIRECTORS MAY FROM TIME TO TIME DETERMINE.

4. **INITIAL REGISTERED OFFICE AND AGENT.** The location and mailing address of the initial registered office of the Development Association, and the name of its initial registered agent at such address, are as follows:

Charles S. Givianpour
5101 Cyrus Drive, Suite 100
Birmingham, Alabama 35242

5. **NONSTOCK AND NONPROFIT STATUS.** The Development Association shall have no capital stock, is not organized for profit, and does not contemplate pecuniary gain or profit to the Members thereof. No part of the earnings of the Development Association shall inure to the benefit of any Member, individual, officer, or director. The Development Association does not contemplate the distribution of gains, profits or dividends to the members thereof and is organized solely for nonprofit purposes.

6. **MEMBERS AND VOTING RIGHTS.**

(a) **Members.** The Members of the Development Association shall consist of all Owners. Membership in the Development Association shall be appurtenant to, and may not be separated from, ownership of a Lot. Developer shall be entitled to all voting rights attributable to any Lots owned by Developer. As used in these Development Articles of Incorporation, the term "Member" shall mean any Owner, as defined in the Supplemental Covenants. Notwithstanding anything provided herein or in the Development Bylaws of the Development Association to the contrary, until the Turnover Date, as defined

in the Master Declaration, (i) Developer shall have the exclusive right to appoint and remove the members of the Board of Directors of the Development Association and (ii) Developer shall have the exclusive right to exercise all voting rights in the Development Association otherwise reserved to the Members of the Development Association for the time period and on the terms and conditions provided in Paragraph 6(b) below.

(b) **Reservation of All Voting Rights By Developer Until Turnover Date.** Until the occurrence of the Turnover Date, as defined in the Master Declaration, Developer shall have the sole and exclusive right to exercise all voting rights in the Development Association; provided, however, that with respect to (i) any Special Assessments to be made pursuant to Section 7.04 of the Supplemental Covenants which would require the consent and approval of a specified percentage in interest of the Members, then Developer shall submit such Special Assessment to the Members for approval (in accordance with the voting requirements set forth in the Development Bylaws) and (ii) amendments to the Supplemental Covenants which, pursuant to Section 9.02 of the Supplemental Covenants, require the consent or approval of a specified percentage in interest of the Members, then Developer shall submit such amendment to the Owners for approval (in accordance with the voting requirements set forth in the Development Bylaws). From and after the Turnover Date, as defined in the Master Declaration, the Members shall thereafter have the exclusive right to all voting rights in the Development Association previously held and exercised by Developer pursuant to this Paragraph 6(b).

(c) **Voting Rights of Members.** Subject to the rights reserved by Developer pursuant to Paragraphs 6(a) and 6(b) above, the voting rights of the Members are set forth in the Development Bylaws. The voting rights of any Member who has violated the Supplemental Covenants or who is in default in the payment of Development Assessments (as defined in the Supplemental Covenants) may be limited and suspended in accordance with the provisions of the Supplemental Covenants, the Development Bylaws or any rules and regulations adopted by the Board of Directors of the Development Association.

7. **DIRECTORS.**

(a) **Number of Directors.** The affairs of the Development Association shall be managed by a Board of Directors. The number of Directors constituting the Board of Directors shall be three (3). Developer shall have the right to appoint and remove all members of the Board of Directors for the period of time and in the manner described in Paragraph 7(b) below. Prior to the Turnover Date, as defined in the Master Declaration, Directors need not be Members, Owners or residents of the State of Alabama. From and after the Turnover Date, as defined in the Master Declaration, all Directors must be Members. The names and addresses of each person who is to serve as an initial Director of the Development Association until their successors are elected and qualified or until such Directors are removed as provided in Paragraph 7(b) of these Articles are as follows:

Charles S. Givianpour
5101 Cyrus Circle, Suite 100
Birmingham, Alabama 35242

Concetta S. Givianpour
5101 Cyrus Circle, Suite 100
Birmingham, Alabama 35242

Sandra Oliver
5101 Cyrus Circle, Suite 100
Birmingham, Alabama 35242

(b) **Election and Removal of Directors.** The members of the Board of Directors of the Development Association shall be elected and may be removed as follows:

(i) Until the occurrence of the Turnover Date, as defined in the Master Declaration, Developer shall have the sole and exclusive right to appoint and remove all members of the Board of Directors; and

(ii) From and after the Turnover Date, as defined in the Master Declaration, the Members of the Development Association shall be entitled to elect or remove any of the members of the Board in accordance with the terms and provisions of the Development Bylaws.

(c) **Powers.** Except as may be otherwise provided to the contrary in the Supplemental Covenants, these Development Articles of Incorporation or the Development Bylaws of the Development Association, all powers of the Development Association shall be exercised by or under authority of, and the business and affairs of the Development Association shall be managed under the direction of, the Board of Directors.

(d) **Conflicts of Interest.** No contract or other transaction between the Development Association and one or more of its Directors or any other corporation, firm, Development Association or entity in which one or more of its Directors are directors or officers or are financially interested, shall be either void or voidable because of such relationship or interest. Any Director of the Development Association or any corporation, firm, Development Association or entity of which any Director of the Development Association is a director or officer or is financially interested may be a party to, or may be pecuniarily or otherwise interested in, any contract or transaction of the Development Association, provided that such relationship or interest in such contract or transaction shall be disclosed or known to the Board of Directors at the meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction and, if such fact shall be disclosed or known, any Director so related or interested may be counted in determining a quorum at such meeting and may vote on such matter or action with the same force and effect as if he were not so related or interested. Any Director of the Development Association may vote on any contract or other transaction between the Development Association and any affiliated corporation without regard to the fact that he is also a director of such affiliated corporation.

8. **INCORPORATOR.** The name and address of the sole incorporator is as follows:

Charles S. Givianpour
5101 Cyrus Circle, Suite 100
Birmingham, Alabama 35242

9. **DISTRIBUTION OF ASSETS UPON DISSOLUTION.**

(a) Upon dissolution of the Development Association, all of its assets remaining after provision for creditors and payment of all costs and expenses of such dissolution shall be distributed in the following manner:

(i) Real property contributed to the Development Association without the receipt of other than nominal consideration by Developer shall be returned to Developer, unless it refuses to accept the conveyance (in whole or in part); and

(ii) Unless otherwise agreed to the contrary in the plan of distribution, all remaining assets shall be distributed among the Members of the Development Association, as tenants in common, with each Member's share of the assets to be determined in accordance with their respective voting rights, as set forth in Paragraph 6 above.

(b) Dissolution of the Development Association shall be accomplished as set forth in the Alabama Nonprofit Corporation Act.

10. **POWER OF PRESIDENT AND VICE PRESIDENTS TO EXECUTE DOCUMENTS.**
The President and each Vice President of the Development Association shall each have authority to execute all instruments, documents and contracts on behalf of the Development Association.

11. **INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS.**

(a) The Development Association shall indemnify, defend and hold harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, including appeals (other than an action by or in the right of the Development Association), by reason of the fact that such person is or was a director, officer, employee or agent of the Development Association (including any person designated by the Board of Directors to serve as an agent and representative of the Development Association) or is or was serving at the request of the Development Association as a director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such claim, action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Development Association; and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any claim, action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Development Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Development Association shall indemnify, defend and hold harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action or suit by or in the right of the Development Association to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee or agent of the Development Association (including any person designated by the Board of Directors to serve as an agent and representative of the Development Association) or is or was serving at the request of the Development Association as a director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Development Association; provided, however, that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for willful, deliberate or wanton misconduct in the performance of his duty to the Development Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

(c) To the extent that a Director, officer, employee or agent of the Development Association (including any person designated by the Board of Directors to serve as an agent and representative of the Development Association) has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Paragraphs 11(a) and (b) above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, notwithstanding that such person has not been successful on any other claim, issue or matter in any such action, suit or proceeding.

(d) Any indemnification under Paragraphs 11(a) and (b) above (unless ordered by a court) shall be made by the Development Association only as authorized in the specific case upon a determination that indemnification of the Director, officer, employee or agent of the Development Association (including any person designated by the Board of Directors to serve as an agent and representative of the Development Association) is proper in the circumstances because such person has met the applicable standard of conduct set forth in Paragraphs 11(a) or (b) above. Such determination shall be made (1) first, by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to, or who have been wholly successful on the merits or otherwise with respect to, such claim, action, suit or proceeding, or (2) second, if such a quorum is not obtainable, or, even if obtainable, if a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (3) if (1) and (2) above are not applicable (or are not utilized), then by a majority vote of the Members of the Development Association voting on such matter at an annual or special meeting of the Members or a ballot vote of the Members held, in either case, in accordance with the terms, provisions and requirements of the Development Bylaws.

(e) Expenses (including attorneys' fees) incurred in defending a civil or criminal claim, action, suit or proceeding may be paid by the Development Association in advance of the final disposition of such claim, action, suit or proceeding as authorized in the manner provided in Paragraph 11(d) above upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent of the Development Association (including any person designated by the Board of Directors to serve as an agent and representative of the Development Association) to repay such amount if and to the extent that it shall be ultimately determined that such person is not entitled to be indemnified by the Development Association as authorized in this Paragraph 11.

(f) The indemnification authorized by this Paragraph 11 shall not be deemed exclusive of and shall be in addition to any other right to which those indemnified may be entitled under any statute, rule of law, provisions of these Development Articles of Incorporation, the Development Bylaws or any other agreement, vote of Members or disinterested Directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, employee or agent of the Development Association (including any person designated by the Board of Directors to serve as an agent and representative of the Development Association) and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) The Development Association shall purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Development Association (including any person designated by the Board of Directors to serve as an agent and representative of the Development Association) or is or was serving at the request of the Development Association as a Director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity or arising out of his status as such, whether or not the Development Association would have the power to indemnify such person against such liability under the provisions of this Paragraph 11.

12. **AMENDMENT.** At any time prior to the Turnover Date, as defined in the Master Declaration, these Development Articles of Incorporation may be amended at any time and from time to time only by Developer, without the consent and approval of any of the Members of the Development Association. From and after the Turnover Date, as defined in the Master Declaration, these Development Articles of Incorporation may be amended at any time and from time to time by the affirmative vote of both (a) a majority of the members of the Board of Directors and (b) a majority of the Members of the Development Association voting, either in person or by proxy either (i) at a duly convened meeting of the Members held pursuant to the terms and provisions of the Development Bylaws or (ii) in a ballot vote held pursuant to the provisions of Section 2.09 of the Development Bylaws. Notwithstanding anything provided in this Paragraph 12 to the contrary, any amendments to Paragraphs 6, 7, 11 and 12 of the Development Articles of Incorporation must also be approved by Developer for so long as Developer has any voting rights in the Development Association.

13. **INCORPORATION BY REFERENCE.** All of the terms, provisions, definitions, covenants and conditions set forth in the Supplemental Covenants are hereby expressly incorporated herein by reference as if fully set forth herein. In the event of any conflict or ambiguity between the terms, provisions, definitions, covenants and conditions set forth in these Development Articles of Incorporation and the Supplemental Covenants, then the provisions of the Supplemental Covenants shall at all times control.

IN WITNESS WHEREOF, the undersigned Incorporator has hereunto subscribed his name to these Development Articles of Incorporation as of the 13 day of ~~November~~, ^{January} 1998.

CS
Charles S. Givianpour

STATE OF ALABAMA)

COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said county in said state, hereby certify that Charles S. Givianpour, 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 13 day of ~~November~~, ^{January} 1998.

[Signature]
Notary Public

[NOTARIAL SEAL]

My commission expires: 05 13 2000

State of Alabama - Jefferson County

I certify this instrument filed on:

1999 JUL 08 A.M. 08:24

Recorded and \$

Mtg. Tax

and \$

\$ 26.00

Deed Tax and Fee Amt.

26.00

Total \$

GEORGE R. REYNOLDS, Judge of Probate



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BARW_11416163.1

State of Alabama
Jefferson County

CERTIFICATE OF INCORPORATION

OF

LAKE CYRUS--6TH SECTOR RESIDENTIAL ASSOCIATION, INC.

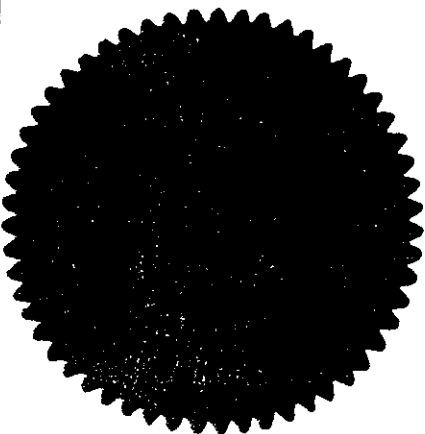
The undersigned, as Judge of Probate of Jefferson County, State of Alabama, hereby certifies that _____ Articles of INCORPORATION

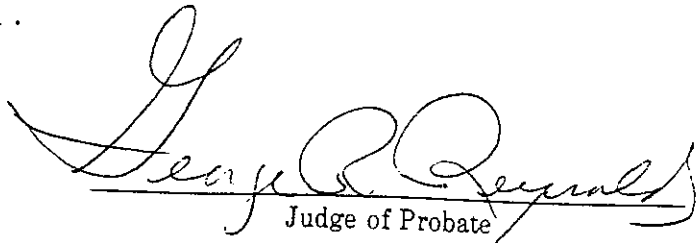
_____ duly signed and verified pursuant to the provisions of Alabama NONPROFIT Corporation Act, have been received in this office and are found to conform to law.

Accordingly the undersigned, as such Judge of Probate, and by virtue of the authority vested in him by law, hereby, issues this Certificate of INCORPORATION of LAKE CYRUS--6TH SECTOR RESIDENTIAL ASSOCIATION, INC. and attaches hereto a copy of the _____ Articles of

INCORPORATION

Given Under My Hand and Official Seal on this the 8TH day of JULY, 19 99.





Judge of Probate