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STATE OF ALABAMA
COUNTY OF TUSCALOOSA

BY-LAWS
OF
HARPER CREEK HOMEOWNERS ASSOCIATION, INC.

These By-Laws of HARPER CREEK HOMEOWNERS ASSOCIATION, INC., are promulgated pursuant to the Alabama Non-Profit Corporation Act (Section 10-3A-1 et seq., Code of Alabama (1975)) for the purpose of governing THE HARPER CREEK HOMEOWNERS ASSOCIATION, INC., a non-profit corporation (hereinafter referred to as the "Association"). It is anticipated by MAGA MATERIALS, INC. (herein "Maga"), REACH PLUMBING AND CONSTRUCTION COMPANY, INC. (herein "Reach"), WENDELL W. BARTON, INC. (herein "Barton"), BURNS CONSTRUCTION COMPANY, INC. (herein "Burns"), CRIMSON PROPERTIES, L.L.C. (herein "Crimson"), and BUILDER'S GROUP OF WEST ALABAMA, L.L.C. (herein "BGWA") (collectively hereinafter the "Declarant"), that the residential subdivision known as HARPERS CREEK (the "Subdivision") may have certain common areas containing items such as signage, street lights, a water sprinkling system, shrubs, trees, bushes and other landscaping, a swimming pool and/or recreation area, a club house, fences, and walls (hereinafter the "Improvements"). The care and upkeep of the Improvements and any other common areas (the "Common Areas") in the Subdivision, as well as the payment of all utility bills associated therewith, shall be the responsibility of the Association and shall be governed by the Articles of Incorporation of the Association and these By-Laws.

All present and future owners, mortgagees, lessees and occupants of lots in the Subdivision are subject to these By-Laws, any rules or regulations which may be promulgated by the Association, and all covenants, agreements, restrictions and easements of record which may apply to any lot in Subdivision (hereinafter referred to as the "title conditions"). The acceptance of a deed or the occupancy of any lot in the Subdivision shall constitute an agreement that these By-Laws and all title conditions, as they may be hereafter amended, are accepted and ratified, and shall be complied with.

ARTICLE I - OFFICE

The Association shall have and continuously maintain in this State a registered office and registered

whose office is identical with such registered office. The post office address of the registered office in Alabama at the time of incorporation is 9138 Taylorwood Drive, Tuscaloosa, Alabama 35405. The name of the registered agent of the Association at the time of this incorporation at said address is Wendell W. Barton.

ARTICLE II - MEMBERSHIP AND MEMBERSHIP MEETINGS

1. Qualifications. The members of the Association shall consist of all of the record owners of lots in the Subdivision. In the event that a lot is owned by more than one (1) owner, the owners of said lot shall designate by a certificate signed by all of the record owners which one of the said owners shall represent them as the member of the Association.
2. Change of Membership. Change of membership in the Association shall be established by the recording in the Probate Office of Tuscaloosa County, Alabama, of a deed or other instrument establishing record title to a lot in the Subdivision, and the delivery to the Association of a certified copy of such instrument, the owner designated by such instrument thereby becoming a member of the Association. The membership of the prior owner shall be thereby terminated. If a lot is owned by more than one (1) person, the person entitled to cast the vote for the lot shall be designated by a certificate signed by all of the record owners of the lot and filed with the Association.
3. Voting Rights. The holder of title to each lot in the Subdivision carries with such title the right to cast one (1) vote, on the basis of one (1) vote per lot, at any regularly or specially called meeting of the members of the Association.
4. Annual Meetings. Annual meetings of members shall be held at the office of the Association in the month of April of each year, on a date and at such time as the Board of Directors shall designate in the notice of such meeting provided to the members; subject, however, to the provisions of Section 14 of this Article. The annual meeting shall be held for the purpose of electing directors and of transacting any other business authorized to be transacted by the members.
5. Special Meetings. Special meetings of the members may be called by the Board of Directors, the President or by a member of the Association, for the purpose of considering and acting upon any matters of interest to the Association and its membership, and taking any other action not inconsistent with these By-Laws and the Articles of Incorporation, including the adoption of resolutions declaring the desirability of any further action recommended by the membership.
6. Notice of Meetings. Notice of all members' meetings stating the date, time, place, and object for which the meeting is called shall be mailed to each member not less than ten (10) nor more than thirty (30) days prior to the date of such meeting. Such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Association, postage prepaid. Notices of meetings may be waived either before or after meetings.
7. Voting in Person or by Proxy. A member may vote in person or by proxy executed in writing by the member or his duly authorized attorney-in-fact. No proxy shall be valid except for the particular meeting

designated therein, and no proxy shall be honored unless filed with the Secretary of the Association before the appointed time of the meeting.

8. Quorum. A majority of the members shall constitute a quorum at any meeting. If any meeting of members cannot be organized because of the lack of a quorum, the number of members necessary to constitute a quorum at the next called meeting of the members shall be reduced by fifty (50%) percent.

9. Vote Required to Transact Business. When a quorum is present at any meeting, the holders of a majority of the voting rights present in person or represented by written proxy shall decide any questions brought before the meeting, unless the question is one upon which, by express provision of the law, the Articles of Incorporation, or the By-Laws, a different number is required, in which case the express provision shall govern and control the decision in question.

10. Consents. Any action which may be taken by a vote of the members may also be taken by written consent to such action signed by the members required to take such action if such members were present and voting.

11. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

12. Order of Business. The order of business at annual members' meetings and, as far as practical, at all other members' meetings, shall be according to the latest edition of Robert's Rule's of Order.

13. Parliamentary Rules. The latest edition of Robert's Rules of Order shall govern the conduct of members' meetings when not in conflict with the Articles of Incorporation and these By-Laws.

14. Declarant Control Period. Notwithstanding anything contained herein to the contrary the Declarant shall own all voting rights of the Association until the earlier of:

(i) Six (6) months after seventy-five percent (75%) of the lots in all phases of the Subdivision have been conveyed by the Declarant;

(ii) Six (6) years from the recordation of the Articles of Incorporation of the Association; or

(iii) The date that the Declarant, its successors or assigns, elects to terminate its control of the Association.

During the Declarant Control Period, the Declarant shall obtain the prior approval of the Department of Veterans Affairs ("VA") and the Department of Housing and Urban Development ("HUD") before substantially altering or mortgaging the Improvements or Common Areas or making any material amendments to these By-Laws or the Restrictive Covenants and Easements of Harper Creek.

15. Declarant Weighted Vote Period. After the Declarant Control Period has ended, the Declarant shall have three (3) votes per lot owned by the Declarant until the Declarant has sold or conveyed all of its lots in the Subdivision. During such Declarant Weighted Vote Period all other owners of lots in the Subdivision shall have one (1) vote per lot.

ARTICLE II - BOARD OF DIRECTORS

1. Members. During the Declarant Control Period, the Board of Directors of the Association shall consist of not less than two (2) nor more than five (5) members, as shall from time to time, be determined and fixed by the vote of a majority of the voting rights present at any annual meeting of the members. Thereafter the Board of Directors shall consist of not less than seven (7); nor more than nine (9) members as fixed by the majority vote of the members. Any responsible person, who need not be a member of the Association, shall be eligible to be a director. The first Board of Directors named in the Articles of Incorporation of the Association shall hold office until their successors shall be duly elected and qualified. The word "director" as sometimes used herein shall mean a person elected to and serving on the Board of Directors.
2. Removal. Any director may be removed for cause by the vote of the holders of a majority of the voting rights present in person or represented by written proxy at any annual or special meeting of the members of the Association at which a quorum is present.
3. Vacancies. Any vacancy occurring on the Board of Directors, including vacancies occurring from the removal of a director, may be filled by a majority vote of remaining members of the Board of Directors at any annual or special meeting.
4. Annual Meetings. The annual meeting of the Board of Directors shall be held in April of each year at the office of the Association, Notice of the place and hour of each such meeting shall be given to each director at least five (5) days prior to each such meeting. Such notice may be given in writing or by telephone.
5. Special Meetings. Special meetings of the Board of Directors for any purpose may be called by the President or upon the written request of any two (2) directors, upon at least five (5) days' notice to each director, and shall be held at such place or places as may be determined by the directors, or as shall be stated in the call of meeting. Such notice may be given either in writing or by telephone.
6. Waiver of Notice. Any director may waive notice of a meeting either before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.
7. Quorum. A quorum shall consist of the directors entitled to cast a majority of the votes of the entire Board of Directors. The acts of the Board of Directors approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such director for the purpose of determining a quorum.
8. Powers and Duties. The Board of Directors shall have the following powers and duties:
 - (a) To elect the officers of the Association as hereinafter provided.
 - (b) To administer the affairs of the Association and its property.
 - (c) To estimate the amount of the annual budget and to make and collect assessments, including annual, special and supplemental assessments, against lot owners to defray the costs, expenses, and losses

of the Association.

- (d) To use the proceeds of assessments in the exercise of its powers and duties.
- (e) To maintain, repair, replace, and operate the property of the Association.
- (f) To purchase insurance upon the property of the Association and insurance, including fidelity bond coverage, for the protection of the Association and its members.
- (g) To reconstruct improvements after casualty and to further improve the Association property.
- (h) To make and amend reasonable rules and regulations respecting the use of Association property.
- (i) To enforce by legal means the provisions of the Articles of Incorporation, these By-Laws, and other Rules and Regulations of the Association.
- (j) To retain legal counsel.
- (k) To employ personnel to perform the services required for proper operation of the Association.
- (l) Unless otherwise provided herein, to comply with the instructions of a majority of the members, as expressed in the resolution adopted at any annual or special meeting of the members.
- (m) To exercise all other powers and duties of the Board of Directors of a corporation organized under the Alabama Non-Profit Corporation Act, and all powers and duties of the Board of Directors referred to in these By-Laws, and any other powers and duties consistent with Alabama law.

9. Compensation. No director shall be compensated for his services as such.

ARTICLE IV - OFFICERS

1. Election. At each annual meeting, the Board of Directors shall elect the officers of the Association, any two (2) or more of which may be held by one (1) person, except that the President shall not be the Secretary. The officers of the Association shall be as follows:
 - (a) A President, who shall be a director and who shall preside over the meetings of the Board of Directors and of the members, and who shall be the chief executive officer of the Association.
 - (b) A Vice President, who shall be a director and who shall, in the absence or disability of the President, perform the duties and exercise the powers of the President.
 - (c) A Secretary, who shall keep the minutes of all meetings of the Board of Directors and of the members, and the minute book wherein resolutions enacted at such meetings shall be recorded, and who shall, in general, perform all of the duties incident to the office of Secretary.
 - (d) A Treasurer, who shall keep the financial records and books of the account.
 - (e) Such additional officers as the Board of Directors shall see fit to elect.
2. Powers. The respective officers shall have the general powers usually vested in such officer of a non-profit corporation; provided that the Board of Directors may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board of Directors may see fit.
3. Term. Each officer shall hold office for the term of one (1) year and until his successor shall have been elected and qualified.

4. Vacancies. Vacancies in any office shall be filled by the Board of Directors at special meetings thereof. Any officer may be removed at any time by a majority vote of the Board of Directors at a special meeting thereof.
5. Compensation. The compensation, if any, of all officers shall be fixed by the Board of Directors.
6. Declarant Control. Anything to the contrary contained herein notwithstanding, until such time as the conditions referred to in ARTICLE II, Section 14, shall have occurred, Declarant shall be entitled to nominate and appoint all directors and officers of the Association and remove same in exercise of its absolute discretion.

ARTICLE V- ASSESSMENTS AND ACCOUNTING MATTERS

1. Accounting Records. The Board of Directors shall provide for the maintenance of accounting records for the Association, such records to be maintained in accordance with generally accepted accounting principles.
2. Budget. The Board of Directors shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated expenses of the Association, and the financial requirements for the year, including salaries, wages, payroll taxes, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, utilities and their expenses, including any expenses necessary for the care and upkeep of the Improvements and the Common Areas in the Subdivision (as distinguished from individual mortgage payments, real estate taxes, and individual expenses for utility services billed or charged to the separate lot owners on an individual or separate basis). The expenses of the Association shall be those expenses designated by the Board of Directors pursuant to these By-Laws. The annual budget shall provide for amounts required to provide for contingencies for the year, and a reserve for replacements in reasonable amounts as determined by the Board of Directors.
3. Assessments. The estimated annual budget for each fiscal year shall be approved by the Board of Directors, and copies thereof shall be furnished by the Board to each member not later than ten (10) days before the beginning of such year. Each member will be assessed an annual assessment. Any increase in the annual assessment and any special assessment must be approved by a two-thirds vote of the members. The assessment for each member shall be equal; provided, however, that the Declarant's assessment shall be twenty-five percent (25%) of the assessment charged to all other lot owners in the Subdivision. On or before the first day of the year covered by the annual budget, each member shall pay his respective annual assessment.
4. Accounts. The Board of Directors shall cause to be kept a separate account record for each member showing the assessments charged to and paid by such member, and the status of his account from time to time.
5. Payment of Assessments. It shall be the duty of every member to pay his annual assessment. If any member shall fail or refuse to make any such payment when due, the Association and the Board of

Directors shall have the authority to exercise and enforce any and all rights and remedies as provided for in these By-Laws, or otherwise available at law or in equity, for the collection of all unpaid assessments. The partial exemption of the Declarant from payment of assessments as set forth in Paragraph three (3) above shall not in any way affect the liability of a member for payment of the assessments due from him.

6. Non-Payment of Assessment. Any assessment levied pursuant to these By-Laws which is not paid on the date when due shall be delinquent and shall, together with such interest thereon and cost of collection thereof, as hereinafter provided, thereupon become a continuing lien upon the lot against which such assessment is levied and shall bind such lot in the hands of the then owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then owner to pay such assessment, however, shall also remain his personal obligation for the applicable statutory period. If the assessment is not paid within thirty (30) days after its delinquency date, the assessment may, upon resolution of the Board of Directors, bear interest at the rate of six percent (6%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the lot (to the same extent, including a foreclosure sale and deficiency decree, and subject to the same procedures as may then be applicable to mortgages or other liens upon real property under the laws of the State of Alabama), in either of which events, interest, costs and reasonable attorneys' fees shall be added to the amount of each assessment. No Owner may waive or otherwise escape liability for the assessments herein provided for by non-use of the common areas or abandonment of his lot,

7. Subordination Provision. The lien of the assessments provided for in these By-Laws shall be subordinate to the lien of any mortgage or mortgages hereafter placed upon any lot subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such lot pursuant to a foreclosure deed, decree of foreclosure, or any other proceeding or transfer in lieu of foreclosure. Such sale or transfer shall not relieve such lot from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

8. Records. The Board of Directors shall cause to be kept a detailed and accurate record in chronological order of the receipts and expenditures of the Association.

ARTICLE VI - MISCELLANEOUS

1. Seal. The Association shall not have a seal.

2. Bank Accounts. The Board of Directors may, from time to time, by resolution, authorize the maintenance of one (1) or more deposit accounts by the Association. All checks, drafts or other orders for the payment of money issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association, and in such manner as shall be determined from time to time by resolution of the Board of Directors.

3. Notice. Whenever any notice or demand is required to be given by these By-Laws or the Declaration, any notices or demands so required shall be deemed sufficient if given by depositing the same in person, or depositing the same in the United States mail, postage prepaid, addressed to the person

entitled thereto at his last known post office address according to the records of the Association, and such notice shall be deemed given on the day of such mailing.

4. Waiver of Notice. Whenever any notice whatsoever is required to be given under the provisions of any law, or under the provisions of the Articles of Incorporation, or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto.

5. Fiscal Year. The fiscal year of the Association shall end on the last day of December of each year, unless otherwise determined by the Board of Directors.

ARTICLE VII - AMENDMENTS

Subject to the VA and HUD approvals set forth in Article II, Paragraph 14 above, these By-Laws may be amended or modified from time to time by a majority vote of the members of the Association, any amendment to be set forth in writing, signed by the Secretary of the Board of Directors and recorded in the Probate Office of Tuscaloosa County, Alabama. Upon recording, each such amendment shall be effective.

The foregoing were adopted as the By-Laws of HARPER CREEK HOMEOWNERS ASSOCIATION, INC., an Alabama non-profit corporation, at the first meeting of the Board of Directors on the _____ day of _____, 200__.

DECLARANT:

MAGA MATERIALS, INC.

By: _____
Its: _____

REACH PLUMBING AND CONSTRUCTION
COMPANY, INC.

By: _____
Its: _____

WENDELL W. BARTON, INC.

By: _____
Its: _____

BURNS CONSTRUCTION COMPANY, INC.

By: _____
Its: _____

CRIMSON PROPERTIES, L.L.C.

By: _____
Its: _____

BUILDER'S GROUP OF WEST ALABAMA, L.L.C.

By: _____
Its: _____

STATE OF ALABAMA
COUNTY OF TUSCALOOSA

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that _____, whose name as _____ of MAGA MATERIALS, INC., 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, as such officer and with full authority, executed the same voluntarily for and as the act of said entity.

Given under my hand and official seal, this the _____ day of _____, 200__.

NOTARY PUBLIC
My Commission Expires: _____

STATE OF ALABAMA
COUNTY OF TUSCALOOSA

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that _____, whose name as _____ of REACH PLUMBING AND CONSTRUCTION COMPANY, INC., 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, as such officer and with full authority, executed the same voluntarily for and as the act of said entity.

Given under my hand and official seal, this the _____ day of _____, 200__.

NOTARY PUBLIC
My Commission Expires: _____

STATE OF ALABAMA
COUNTY OF TUSCALOOSA

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that _____, whose name as _____ of WENDELL W. BARTON, INC., 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, as such officer and with full authority, executed the same voluntarily for and as the act of said entity.

Given under my hand and official seal, this the _____ day of _____, 200__.

NOTARY PUBLIC
My Commission Expires: _____

STATE OF ALABAMA
COUNTY OF TUSCALOOSA

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that _____, whose name as _____ of BURNS CONSTRUCTION COMPANY, INC., 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, as such officer and with full authority, executed the same voluntarily for and as the act of said entity.