

BY LAWS OF SHADES CLIFF POOL, INC.
AS AMENDED APRIL 10, 1994

ARTICLE I
(General)

- Section I: The name of the corporation shall be Shades Cliff Pool, Inc.
- Section II: The office and place of business shall be in Jefferson County, Alabama.
- Section III: The seal of the corporation shall be in a circular form and shall contain the words:
"Shades Cliff Pool, Inc."
- Section IV: The purpose for which this corporation is formed is to promote the health and general welfare of its members and in pursuance thereof to construct, own and operate a swimming pool and other recreational facilities, together with such incidental objects and goals of investments, sale and transfer of property both real and personal in the conduct of its activities in the county of Jefferson and the state of Alabama for the exclusive use of its members and their families.

ARTICLE II
(Board of Directors)

- Section I: The general management of the property and affairs of the corporation shall be under the control of a Board of Directors and the number of Directors shall be eleven (11). The Board shall be presided over by a President, to be elected by the Board.
- Section II: At the first meeting of the Board of Directors, the Board shall be divided into three classes. The term of the office of one of the classes containing four (4) Directors shall be one year and expire at the first annual meeting of the membership; the term of office of the second class containing four (4) Directors shall expire at the second annual meeting of the membership; and the term of office of the third class containing three (3) Directors shall expire at the third annual meeting. At each annual meeting the necessary number of Directors shall be elected to fill the class whose term is expiring at the meeting and they shall be elected to serve for three years.
- Section III: All vacancies occurring on the Board of Directors during their term of office shall be filled by the remaining members of the Board. A majority of the existing Board shall constitute a quorum for that or any other purpose. Directors elected to the Board in this manner shall serve out the term of the vacating members.
- Section IV: The Board of Directors shall have the power to make rules for their own government and for the government of the corporation; to prescribe and enforce for violation of the rules and the By-Laws of the corporation and shall have such other powers as may be necessary to carry out the purpose and object of the corporation. The Board shall establish rules governing the use of the corporation's facilities by the members and their immediate families. Use of the facilities by guests may be provided for by the Board under such regulations as the Board shall establish. Each member shall receive in writing any rule established by the Board or any Committee, and such rule shall apply to all members equally.

- Section V: The Board shall elect the President, Vice President, Secretary, and Treasurer of the corporation and such other officers as they may deem necessary for the corporation. The Board shall appoint employees of the corporation and shall have the power for any cause deemed sufficient by them to discharge all employees and may delegate their powers to do so to their officers and committees.
- Section VI: The Board shall have power to remove any of the officers of the corporation by a majority vote of the members of the entire Board for conduct prejudicial to the interest of the corporation or for failure or inability to exercise their official duty.
- Section VII: Nominations for Directors shall be made by a nominating committee to be appointed by the President at least ten days prior to the annual meeting of the membership. Nominations from the floor may be made at the annual meeting.

ARTICLE III (Officers)

- Section I: The officers of the corporation shall consist of a President, Vice President, Secretary, Treasurer, and such others as the Board may deem necessary, all of whom shall be chosen by the Board immediately following the annual meeting.
- Section II: All officers shall be chosen for a term of one year or until their successors are elected.
- Section III: The President shall preside at all meetings of the membership of the corporation and shall have general supervision of all the affairs of the corporation. He/she shall, with the Secretary, execute all conveyances, sign all written contracts and obligations of the corporation, and perform the duties usually annexed to his/her office.
- Section IV: The Vice President, in the absence or upon the failure, refusal or inability of the President to act as such, shall perform all duties and has all powers of the President.
- Section V: The Secretary shall give notice of all meetings of the membership and of the Board of Directors, and keep the minutes thereof. He/she shall conduct the correspondence and keep the records and papers of the corporation, and he/she shall, with the President, execute all conveyances, sign all written contracts, and shall be the keeper of the seal of the corporation.
- Section VI: The Treasurer shall collect and preserve all funds of the corporation and supervise the keeping of the books of the account thereof. These books shall be open at all times to the inspection of the Board of Directors as well as any member of the corporation in good standing, and shall submit to the Board at any of their meetings and to the members at their annual meeting, a report of the financial condition of the corporation and the number of members. The funds of the corporation shall be disbursed only as ordered by the Board. He/she shall give bond for the faithful discharge of his/her duties in such amount as the Board may prescribe and the corporation shall pay the premium for such bond.
- Section VII: All officers shall serve without compensation.
- Section VIII: Other officers elected by the Board shall have such duties as may be assigned to them by the Board.

ARTICLE IV
(Meetings)

- Section I: The annual meeting of the membership of the corporation shall be held on a Sunday in April of each year, at a place and time within the limits of Jefferson County designated by the President.
- Section II: Special meetings of the membership may be called by any four of the Directors. At the written request of ten percent of the members, the president shall call a special meeting. At a special meeting, action may be taken only on subjects stated in the notice of call of such meeting.
- Section III: The placing in the mail by the Secretary of a written communication, bearing sufficient postage to each member at his last known address at least five days prior to said meeting stating the time, place, and purpose thereof, shall constitute a notice of the time and place of any regular or special meeting. Twenty percent of the regular members in good standing shall constitute a quorum for all regular and special meetings, and if a quorum is not present then, if the notice of such meeting was duly given, the majority of the members present at such meeting shall call for a further meeting of the members for the same purpose. Notice shall be given to all members, and at such second meeting the members present shall constitute a quorum. This procedure will also apply to instances where more than a quorum of members is required.
- Section IV: The Board of Directors shall meet once during each month of the year at a place and time to be designated by the President.
- Section V: Special meetings of the Board may be called by the President or any four members of the Board at any time.
- Section VI: There shall be no voting by proxy or absentee ballot at any meeting of the membership.

ARTICLE V
(Committees)

- Section I: The Board of Directors may provide for such committees as it deems necessary and defines their powers and duties.
- Section II: By a vote of a majority of all members of the Board, the Board may provide for committees of not less than three Directors to exercise the authority of the Board within limits set up in the resolution establishing such committees.

ARTICLE VI

(Membership, Certificates of Membership, and Use of Facilities)

Section I: The membership shall consist of 375 members. If the Board of Directors determines that the costs of providing adequate services requires a greater number of members, and that the use of the facilities by present members would not preclude an increase in membership, then the Board of Directors may, without further approval from the general membership, increase the membership to no more than 400 members on obtaining a two-thirds vote of the entire Board of Directors.

A member is a person who holds a certificate of membership and must at the time of acquisition of said certificate be a bona fide resident of, or the owner of a house within the area hereinafter set forth, and in addition must be approved for membership by two-thirds vote of the entire Board of Directors. The term bona fide resident shall include a person or entity (e.g., church) who has made a binding contract to lease or purchase a house or other dwelling within said area, and intends to and within reasonable time thereafter does actually reside therein.

Section II: The Board of Directors shall issue a certificate of membership to each person or entity entitled to membership. A certificate shall be made out to a husband and wife as Joint Tenants with Right of Survivorship. All limits on the transferability of a certificate shall be placed on the certificate.

Section III: A certificate may be transferred, subject to the limitations set forth in Section I of this article on residence and approval by the Board, as follows:

- (a) The holder of a certificate may upon the sale of his/her house or upon the termination of his/her rental occupancy within said area by written notice and demand require the corporation to purchase said certificate at a price of two hundred dollars (\$200) less any dues, fees or assessments owing at the time.
- (b) In all other cases a member who wishes to sell his membership shall so notify the corporation may, at its option, purchase the certificate for the sum of two hundred dollars (\$200) less any dues, fees or assessments owing at the time. If the corporation does not elect to purchase the certificate, the member may then sell it to any person who meets the qualifications set forth in Section I of this Article.
- (c) The corporation shall maintain a waiting list of persons wishing to purchase certificates of membership. To be placed on the waiting list, a person must file an application with the corporation. Such application shall verify residence within the area specified in Section VI of this article and shall be accompanied by the names of two current members as references.
- (d) Upon expulsion of a holder as hereinafter provided for, the corporation shall be required to pay the holder the sum of two hundred dollars (\$200) less any dues, fees or assessments owing at the time and the holder shall be required to assign the certificate to the corporation forthwith.

Section IV: Members of the corporation may use the swimming pools and other facilities upon payment of annual dues as hereinafter provided for. The spouse and unmarried and dependent children of members may use the swimming pools and facilities without any additional payment of dues. Other permanent occupants of a member's home, except employees of the members working in said home may at the discretion of the Board use the swimming pools and facilities upon the payment of annual dues. Use of the swimming pools and facilities by members, non-members, guests, and others shall be determined and regulated by the Board of Directors.

- Section V: A certificate of membership may be rendered null and void by two-thirds vote of the entire Board of Directors, for cause; provided, however, at least five (5) days prior to any such action, the Board shall cause to be served upon the member a written complaint showing the grounds for the action sought and the member may within said five days or such additional time as may be granted by the Board file with the Secretary his/her reply in writing, in which event, the Board shall consider said reply in reaching its determination of the matter.
- Section VI: Membership shall be open to residents of Shades Mountain in Jefferson County in an area within three (3) miles of the pool location of this corporation. If the desired membership is not obtained from this area the Board of Directors may open membership to any area they deem advisable.
- Section VII: Certificate holding members shall be entitled to one vote at elections of the Board of Directors and at meetings of the membership. A certificate held jointly by man and wife shall entitle them to one vote between them. No member shall be entitled to more than one vote regardless of the number of certificates owned.
- Section VIII: No member of the corporation shall be personally liable, nor shall any of the property, real or personal, owned by a member be liable, for any debt liabilities, or other obligations of the corporation.
- Section IX: Any member may be suspended for up to thirty (30) days or expelled as prescribed in Article VI, Section V for unbecoming conduct or persistent refusal to conform to the By Laws, rules, and regulations of the corporation; provided however, that a suspension shall be had only after opportunity to be heard has been accorded in the same manner as is prescribed for expulsion in Article VI, Section V.

ARTICLE VII
(Dues and Assessments)

- Section I: Annual dues for use of the facilities of the corporation shall be fixed annually by the Board of Directors and shall be payable on or before April 15 or such other date as the Board may designate each year. The amount of dues may be increased or decreased by the Board.
- Section II: The certificate holder shall pay annual dues. Any additional occupant, not an unmarried and dependent child, or as approved by the Board of Directors, shall have the option of either paying said dues or not using the facilities of the corporation.
- Section III: Facilities of the corporation shall not be available to those in any household entitled thereof until the current year's dues have been paid.
- Section IV: At the discretion of the Board of Directors, nonpayment of dues may be deemed sufficient cause for expulsion as herein before provided in Article VI, Section V. If the Board has been unable to recover any unpaid dues by the sale of summer rights, the unrecovered portion of the dues shall be deducted from the amount paid the certificate holder under Article VI, Section III(d).
- Section V: Assessments may be levied only by two-third vote of a quorum at any regular or special meeting of the membership.

ARTICLE VIII
(Corporation Office and Books)

- Section I: The principal office of the corporation shall be the site of the pool. The mailing address shall be a Post Office box maintained at the Bluff Park Post Office Branch. The Principal Agent shall be the Treasurer of the corporation and shall be reported to the Secretary of State of Alabama as such individual changes.
- Section II: The books and records of the corporation shall be kept at the address of the Principal Agent of the corporation who is the Treasurer. At the discretion of the Principal Agent and/or Board of Directors, storage of inactive or files over two years old shall be stored at the principal office of the corporation, i.e. the site of the pool or at some other location as deemed appropriate by the Board of Directors.
- Section III: The financial records of the corporation shall be audited annually by an independent accountant approved by the Board of Directors.

ARTICLE IX
(Amendment of the By Laws)

- Section I: These By Laws may be amended or changed by the majority of all the members present at any regular or special meeting called for that purpose.