

BYLAWS  
OF  
VALLEY LAKE ASSOCIATION, INC.  
An Alabama nonprofit corporation

REVISION APPROVED BY THE BOARD OF DIRECTORS ON SEPTEMBER 9, 2014

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**BYLAWS OF  
VALLEY LAKE ASSOCIATION, INC.  
An Alabama nonprofit corporation**

Article I.           Offices

The principal office of the corporation shall be located in Shelby County, Alabama. The corporation may have such other offices, within the State of Alabama, as the board of directors may determine or as the business of the corporation may require.

The registered office of the corporation, required by the Alabama Nonprofit Corporation Act to be maintained in the State of Alabama, may but need not be the same as its principal office in the State of Alabama. The address of the registered office may be changed from time to time by the board of directors in the manner provided in the Alabama Nonprofit Corporation Act.

Article II.           Members

Section 2.1 Annual Meetings. The annual meeting of the members shall be held no later than the last business day, not a legal holiday in the State of Alabama, in February in each year, or at such other date and time as shall be designated from time to time by the board of directors and stated in the notice of the meeting, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the election of directors is not held on the day designated herein for the annual meetings of the members, or at any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the members as soon thereafter as may be conveniently held.

Section 2.2 Special Meetings. Special meetings of the members may be called by the board of directors, the president or by members of the corporation having one-tenth of the votes entitled to be cast at such meeting.

Section 2.3 Place of Meetings. Annual and special meetings of the members shall be held at the principal office of the corporation in the State of Alabama, or at such other place, within the State of Alabama, as may be designated by the board of directors or the person or persons calling the meeting and stated in the notice of the meeting.

Section 2.4 Notice of Meetings. Unless otherwise required by law, written notice of meetings of the members, stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall, unless otherwise prescribed by statute, be delivered not less than ten nor more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the president, the secretary, or the officer or other persons calling the meeting, to each member entitled to vote at such meeting. If mailed, 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 in the records of the corporation, with postage thereon prepaid.

Section 2.5 Proxies. At all meetings of members, a member may vote in person or by proxy executed in writing by the member or by his duly authorized attorney-in-fact. Such proxy shall be filed with the secretary of the

corporation before or at the time of the meeting. The proxy must be for a specific vote on a single specific motion. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

Section 2.6 Quorum. Unless otherwise provided in the articles of incorporation, members having one-tenth of the votes entitled to be cast represented in person shall constitute a quorum at a meeting of members. If a quorum is not present at a meeting, members holding a majority of the votes so represented may adjourn the meeting from time to time without further notice, other than announcement at the meeting. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally noticed. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 2.7 Voting Rights. Valley Lake Association, Inc. is a representative democracy. The members vote for the board of directors; the board then makes or changes the lake rules or the bylaws. Any other votes by the members are advisory to the board. Subject to the provisions of the next sentence of this Section 2.7, each member entitled to vote (one person per parcel, see Articles of Incorporation, Section 2.5) shall be entitled to one vote on each matter submitted to a vote at a meeting of members. At each election for directors, every member entitled to vote at such election shall have the right to one vote, in person or by proxy, for as many persons as there are directors to be elected and for whose election he has a right to vote. If a quorum is present, the affirmative vote of a majority of the votes entitled to be cast by the members present at the meeting and, for a specific motion, members represented by proxy for that specific motion shall be the act of the members, unless the vote of a greater number or voting by classes is required by the Constitution of Alabama, the Alabama Nonprofit Corporation Act, the articles of incorporation or these bylaws. Voting rights shall be extended only to those members that are current in dues and assessments.

Section 2.8 Members. Members must be owners of parcels of property contiguous to Indian Valley Lake based on definitions contained in Sections 2.5 through 2.11 and Section 5.1 of the Articles of Incorporation.

Section 2.9 Associate Members. Only those persons or classes of persons who are designated as "Members" in the articles of incorporation shall be considered as members of the corporation for purposes of these bylaws. The board of directors of the corporation may, however, authorize from time to time one or more categories of associate members of the corporation for the purpose of permitting persons, corporations, partnerships and associations having an interest in and desiring to further the purposes of the corporation to become affiliated with the corporation on the terms and conditions set forth in the resolution of the directors establishing such category of associate membership. Such associate members shall not be considered members of the corporation within the meaning of the Alabama Nonprofit Corporation Act.

Article III. Board of Directors

Section 3.1 Management of Corporation. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the board of directors except as otherwise provided by law or the articles of incorporation.

Section 3.2 Number and Terms of Office. The number of directors constituting the initial board of directors is six, as set forth in the articles of incorporation, and the members of the first board shall hold office until the first annual meeting of the members and until their successors shall have been elected and qualified. Thereafter, the number of directors constituting the board of directors shall be six. At the meeting held for the purpose of electing the directors who will succeed the initial directors, three directors shall be elected to serve one-year terms and three directors shall be elected to serve two-year terms. Thereafter, all directors shall be elected to serve two-year terms. There shall be no limit to the number of terms a director may serve. The number of directors may be increased or decreased from time to time in the manner provided by the bylaws or the amendment thereof, but no decrease shall have the effect of shortening the term of any incumbent director. Directors shall hold office until the next succeeding annual meeting of the members and until their successors shall have been elected and qualified or until they shall resign or shall have been removed from office with or without cause by the affirmative vote of two-thirds of the board of directors.

Section 3.3 Vacancies. Any vacancy occurring in the board of directors may be filled by the affirmative vote of a majority of the remaining directors. A director elected to fill a vacancy shall be elected to serve for the unexpired term of his predecessor in office, and a director elected to fill a vacancy to be filled by reason of an increase in the number of directors shall be elected to serve only until the next election of directors.

Section 3.4 Meetings. Meetings of the board of directors, regular or special, shall be held within the State of Alabama. A regular meeting of the board of directors, which shall be the annual meeting of the board of directors, shall be held within two weeks of the annual meeting of members. Other regular meetings may be held upon such notice, if any, and at such time and place as shall be determined by resolution of the board of directors. Special meetings of the board of directors may be called by the president or by any two directors with three days notice to each director, which notice either (i) may be in writing (A) delivered personally or (B) delivered by mailing to a director at his address as it appears in the records of the corporation or (C) delivered by email or (ii) may be verbally given either in person or by telephone. The secretary, at the request in writing of the president or any two directors, shall send such written notice and give such verbal notice on his or their behalf. If mailed, such notice shall be deemed to be delivered when deposited in the United States Postal Service mail, so addressed, with postage thereon prepaid. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice, if any is required, of such meeting.

Section 3.5 Meeting by Telephone. Members of the board of directors or any committee designated thereby may participate in a meeting of such board or committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at a meeting.

Section 3.6 Quorum. A majority of the whole number of directors of the board shall constitute a quorum for the transaction of business at any meeting of the board of directors. If less than a majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 3.7 Acts of the Board. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors.

Section 3.8 Action Without a Meeting. Any action required or permitted to be taken by the board of directors or a committee thereof at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors or all of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote of the directors or the members of such committee.

Section 3.9 Committees of Directors. The board of directors, by resolution adopted by a majority of the directors in office, may designate one or more committees, each of which shall consist of two or more directors, which committees, to the extent provided in such resolution, shall have and shall exercise the authority of the board of directors in the management of the corporation, except that no such committee shall have the authority of the board of directors in reference to amending, altering or repealing these bylaws; electing, appointing or removing any member of any such committee or any director or officer of the corporation; amending the articles of incorporation, restating articles of incorporation, adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage or all or substantially all of the property and assets of the corporation; authorizing the voluntary dissolution of the corporation or revoking proceedings therefore; adopting a plan for the distribution of the assets of the corporation; or amending, altering or repealing any action or resolution of the board of directors which by its terms provides that it shall not be amended, altered or repealed by such committee. Other committees not having and exercising the authority of the board of directors in the management of the corporation may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present.

Section 3.10 Compensation. The directors of the corporation shall serve without compensation but, by resolution of the board of directors, may receive a reasonable amount as reimbursement of expenses incurred in attending to their authorized duties. To the extent deemed necessary or appropriate by the directors, however, a director may be employed by the corporation and may be compensated for his services other than as a director as the directors may from time to time determine to be necessary or desirable, but such employment shall always remain terminable at the discretion of the directors.

Section 3.11 Loans to Employees and Directors. The corporation shall not lend money to its directors or officers.

Article IV. Waiver of Notice

Section 4.1 Directors. Whenever any notice is required to be given to any director of the corporation under the provisions of the Alabama Nonprofit Corporation Act, the articles of incorporation or these bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors or any committee designated thereby need be specified in the waiver of notice. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose

of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4.2 Members. Whenever any notice is required to be given to any member of the corporation under the provisions of the Constitution of Alabama, the Alabama Nonprofit Corporation Act, the articles of incorporation, or the bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Article V.           Officers.

Sections 5.1 Positions. As indicated in the Articles of Incorporation, the officers of the corporation shall be elected by the board of directors and shall consist of a president, one or more vice-presidents, a secretary, and a treasurer. Also as indicated in the Articles of Incorporation, any two or more offices may be held by the same person except the offices of president and secretary.

Section 5.2 Election and Term of Office. The first officers of the corporation shall be elected by the board of directors at the first meeting of the board of directors. Thereafter, the officers of the corporation shall be elected for one-year terms by the board of directors at its annual meeting. If the election of officers is not held at an annual meeting of the board of directors, or at any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the board as soon thereafter as may be conveniently held.

Each officer shall hold office at the pleasure of the board of directors from the date of his election until the next annual meeting of the board of directors and until his successor shall have been duly elected and qualified or until he shall resign or shall have been removed from office in the manner hereinafter provided. A person may serve a maximum of four consecutive one-year terms in the same office. After the maximum term, a person may be re-elected to the same office after the expiration of at least one year from the end of the maximum served.

Section 5.3 Vacancies. A vacancy in any office may be filled by the board of directors.

Section 5.4 Removal. Any officer may be removed with or without cause by the affirmative vote of two-thirds of the board of directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer shall not itself create contract rights.

Section 5.5 Duties of Officers. The officers of the corporation, if and when elected by the board of directors of the corporation, shall have the following duties.

(a) President. The president shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, supervise and control the business affairs of the corporation. He shall, when present, preside at all meetings of the members and of the board of directors. The president may sign deeds, mortgages, bonds, contracts or other instruments on behalf of the corporation except where required by law to be otherwise

signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation. In general, he shall perform all duties incident to the office of president and such other duties as may be prescribed by the board of directors.

(b) Vice-Presidents. In the absence of the president or in the event of his death or inability to act, the vice-president (or in the event there be more than one vice-president, the vice-presidents in the order determined by the board of directors) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. Any vice-president shall perform such duties as from time to time may be assigned to him by the president or the board of directors.

(c) Secretary. The secretary shall keep the minutes of the proceedings of the members and of the board of directors in one or more books provided for that purpose; shall see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; shall be custodian of the corporate records and of the seal of the corporation; shall see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized; shall keep a register of the United States Postal Service address of each member which shall be furnished to the secretary by such member; and in general shall perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or the board of directors. If there is no treasurer of the corporation, the secretary shall assume the authority and duties of treasurer.

(d) Treasurer. The treasurer shall have charge and custody of, and shall be responsible for, all funds and securities of the corporation, shall receive and give receipts for moneys due and payable to the corporation from any source whatsoever, shall deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as may be designated by the board of directors, and in general shall perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or the board of directors. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with surety or sureties as the board of directors shall determine.

Section 5.6 Compensation. The officers of the corporation shall serve without compensation but, by resolution of the board of directors, may receive a reasonable amount as reimbursement of expenses incurred in attending to their duties.

Article VI.           General

Section 6.1 Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

Section 6.2 Checks. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate.

Section 6.3 Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in one or more banks, trust companies or other depositories as the board of directors may from time to time designate, upon such terms and conditions as shall be fixed by the board of directors. The board of directors may from time to time authorize the opening and keeping, with any such depository as it may designate, of general and special bank accounts and may make such special rules and regulations with respect thereto, not inconsistent with the provisions of these bylaws, as it may deem necessary.

Section 6.4 Corporate Seal. At its discretion, the board of directors may select a corporate seal which shall have inscribed thereon the name of the corporation and the words "Alabama" and "Corporate Seal," and such seal may include the date of incorporation of the corporation. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

Section 6.5 Gifts. The board of directors may accept on behalf of the corporation any contribution, gift, bequest or devise for and consistent with the general purposes, or for and consistent with any specific purpose, of the corporation

Section 6.6 Limitation on Financial Obligations. No financial obligation of more than \$500.00 shall be undertaken by the corporation without prior approval by the board of directors.

Section 6.7 Additional Organizations. The board of directors may authorize the formation of such subsidiary, auxiliary, associated and affiliated organizations as will in the opinion of the board of directors assist in effecting the purposes of the corporation. The organizational and governing documents and instruments of any subsidiary, auxiliary, associated or affiliated organization so authorized shall be subject to the approval of the board of directors. Each such authorization shall, regardless of its terms, be revocable at any time in the sole discretion of the board of directors.

Section 6.8 Parliamentary Authority. The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Valley Lake Association in all cases to which they are applicable and in which they are not inconsistent with these bylaws and with any special rules of order that the Valley Lake Association may adopt.

Article VII. Exculpation of Directors.

Section 7.1 Acts of Director. No director shall be liable to anyone for any acts on behalf of the corporation or any omissions with respect to the corporation committed by such director, except for his or her own willful neglect or default.

Section 7.2 Acts of Other Directors. No director shall be liable to anyone for any act of neglect or default on the part of any one or more of the other directors in the absence of specific knowledge on the part of such director of such neglect or default.

Section 7.3 Indemnification of Directors, Officers and Others. The corporation shall indemnify any member of the board of directors or officer or former member of the board of directors or former officer or any person who is serving or who has served at the request of the corporation as a director or officer of another corporation, whether such other corporation be for profit or not for profit, in which the corporation owns shares of capital stock or of which it is a creditor, against expenses (including attorneys fees) actually and reasonably incurred by him in connection with the defense of any action, suit or proceeding, civil or criminal, in which he is made a party by reason of his being or having been such director or officer, except in relation to matters as to which he shall have been adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duty with respect to the matter in which indemnity is sought. By order of the board of directors, the corporation may under comparable terms and limitations indemnify employees and agents of the corporation with respect to activities within the scope of their services.

Section 7.4 Insurance. Nothing herein provided shall limit or otherwise affect the power of the corporation to purchase and maintain insurance on behalf of any person who is or was a director, trustee, officer, employee or agent of the corporation or is or was serving at the request of the corporation in any of such capacities with respect to another corporation, against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the corporation would have the power or would be required to indemnify him against such liability under the provisions of these bylaws or any applicable law. To the extent such insurance operates to protect any person against liability, the corporation's obligation to indemnify shall be deemed satisfied.

Article VIII. Amendment of Bylaws

These bylaws may be altered, amended or repealed and new bylaws may be adopted by vote of a majority of all of the directors, but no amendment may be made so as to avoid any limitations imposed by the articles of incorporation of the corporation as they may at any time exist.