

BY-LAWS  
OF  
RIVERCHASE TOWNHOME OWNERS ASSOCIATION, INC.

A Corporation not for Profit under  
the Laws of the State of Alabama

These are the By-Laws of Riverchase Townhome Owners Association, Inc. (hereinafter for convenience called "Association"), a corporation not for profit, incorporated under the laws of the State of Alabama.

ARTICLE I

ASSOCIATION

SECTION 1.1 Office: The office of the Association shall be in Birmingham, Alabama, or such other place as shall be selected by a majority of the Board of Directors.

1.2 Fiscal Year: The fiscal year of the Association shall be the calendar year.

ARTICLE II

DEFINITIONS

SECTION 2.1 Association Land: That part of Riverchase property which may at any time hereafter be owned by the Association for so long as the Association or successor thereof may be the owner thereof.

2.2 Board: The Board of Directors of the Association.

2.3 By-Laws: The duly enacted By-Laws of the Association.

2.4 Declaration: The Declaration of Protective Covenants, Agreements, Easements, Charges and Liens (Residential) applicable to Member's Property which shall be recorded in the Probate Records of Shelby County, Alabama as the same may from time to time be supplemented or amended in the manner described therein.

2.5 Deed: Any deed, assignment, lease, or other instrument conveying fee title or a leasehold interest in any part of Riverchase Property subjected to the Declaration.

2.6 Developer: The developer of Riverchase Townhomes, the Davenport Company

2.7 Member: A person or other entity who is a record owner of Member's Property.

2.8 Common Area: Riverchase Townhome Property which is conveyed to the Association by the developers of Riverchase or a part thereof.

2.9 Property or Subject Property or Members Property: That part of Riverchase Property subjected to the Declaration.

2.10 Association: The Riverchase Townhome Owners Association, Inc., its successors and assigns.

## ARTICLE III

### MEMBERSHIP

SECTION 3.1 Membership: The members of the Association shall consist of all owners of Member's Property and shall be all those persons or other entities as set forth in Article V of the Articles of Incorporation.

3.2 Classes of Membership: The Association shall have two classes of membership, Class A and Class B, each such Class consisting of those members meeting the applicable qualifications for membership in each respective Class as set forth in Article V of the Articles of Incorporation.

3.3 Rights and Obligations of Membership: The members shall have all the rights, privileges, duties and obligations applicable to their respective Class of membership as set forth in the Declaration, the Articles of Incorporation, and elsewhere in these By-Laws.

3.4 Assessments: The voting rights of membership are subject to the voluntary payment of annual assessments and charges. The obligation of such assessments and charges is imposed against each owner, but is a voluntary obligation of the owner.

## ARTICLE IV

### VOTING RIGHTS

SECTION 4.1 Each class of membership shall have those voting rights as set forth in Article V of the Articles of Incorporation.

When entitled to vote, each Member shall have one vote for each Parcel owned by such member.

When more than one (1) person (or other entity) holds an ownership interest or interests in any Parcel, the vote for such Parcel shall be exercised as they among themselves shall determine, but in no event shall more than one (1) person be entitled to cast the vote with respect to any Parcel. In the event of disagreement among such persons (or other entities) and an attempt by more than one to cast the vote of such Parcel, such persons (or other entities) shall not be recognized and the vote with respect to such Parcel shall not be counted.

## ARTICLE V

### ASSOCIATION POWERS

SECTION 5.1 Additions to Common Area: The Association shall accept the conveyance to it of additional Common Area by Davenport Development Company, an Alabama Corporation, or by such of its successors and assigns as shall have been specifically granted the right to submit additional property to the Association, provided that the property to be so conveyed meets all the requirements for becoming Open Spaces set forth in Article VIII of the Declaration.

## ARTICLE VI

### BOARD OF DIRECTORS

SECTION 6.1 Selection; Terms of Office: The Board of Directors shall consist of five (5) members, who shall be elected at the time set forth in Section 6.3 and in the manner set forth in Article VII of these By-Laws.

6.2 Vacancies: Vacancies in the Board of Directors shall be filled by the majority of the remaining Directors, any such appointed Director to hold office until his successor is elected by the Class A members, who were entitled to elect the Director, at the next annual meeting of the Members or at any special meeting duly called for that purpose.

6.3 Election of Directors by the Class A Members.

6.3.1 At the first annual meeting of the Class A members there shall be elected in the manner set forth in Article VII of these By-Laws five (5) directors, two (2) such directors being elected for two (2) years, three (3) such directors being elected for one (1) year.

## ARTICLE VII

### ELECTION OF DIRECTORS BY CLASS A MEMBERSHIP

SECTION 7.1 Election of Directors: Elections to the Board of Directors by the Class A membership shall be by written ballot as hereinafter provided. At such elections, the Class A members or their proxies may cast one vote for each vacancy as are vacancies to be filled on the Board of Directors for each Parcel in which they hold any interest required for membership by Article V of the Articles of Incorporation. The names receiving the largest number of votes shall be elected.

7.2 Nominations Committee: Nominations for a full slate of Directors for election to the Board of Directors by the Class A members shall be made by the Nominations Committee. The Nominations Committee shall consist of three (3) persons appointed each year by the Board of Directors, one (1) of whom shall be Directors, and two (2) of whom shall be non-directors. Members of the Nominations Committee shall be appointed each year by the Board of Directors at least sixty (60) days before the date on which the election for the members of the Board of Directors is to be held, and the slate of Directors to be nominated by the Nominations Committee shall be nominated at least thirty (30) days before the date of such election. No member of the Nominations Committee shall be eligible for nomination for the Board of Directors by such Committee.

In addition, nominations for the Board of Directors may be made by petition signed by more than ten (10) members of the Association, provided that such petitions are filed with the Secretary of the Association at least thirty (30) days before the date of the meeting at which the directors are to be elected.

7.3 Ballots: All elections to the Board of Directors shall be made on a written ballot which shall: (a) describe the vacancies to be filled; (b) set forth the names of those nominated by the Nominations Committee for such vacancies and those nominated by petition timely filed with the Secretary of the Association; and (c) containing a space for a write-in vote by the Members for each vacancy. Such ballots shall be prepared and mailed by the Secretary of the Association to the Members at least fourteen (14) days in advance of the date set forth therein for a return (which shall be a date not later than the date for the annual meeting or special meeting called for election).

7.4 Voting Procedures: Each Class A member shall receive as many ballots as he has Parcels in which such member holds an interest required for membership by Article V of the Articles of Incorporation. Each member shall indicate which nominee or nominees for each vacant place that he selects on the ballot that he selects for election to the Board of Directors, or shall write in the name of a person not so nominated in the space on the ballot provided for this purpose.

he wishes to cast for said person. All ballots shall be signed by the Member casting it and returned to the Secretary of the Association, who, upon receipt of each ballot shall immediately place it in a safe or other locked place until the day set forth for the annual or other special meeting at which the elections are to be held. On that date, the ballots shall be turned over to an Elections Committee which shall consist of three (3) Members appointed by the Board of Directors. The Elections Committee shall then adopt a procedure which shall:

7.4.1 Establish that the number of ballots turned in by each Member correspond with the number of Parcels owned by such Member or his proxy identified on the ballot; and

7.4.2 Establish that the signature of the Member or his proxy on the ballot is genuine; and

7.4.3 If the vote is by proxy, establish that a proxy has been filed with the Secretary as provided in Article XII of these By-Laws and that such proxy is valid.

Said procedure by the Elections Committee shall be taken in such a manner that the vote of any Member or his proxy shall not be disclosed to anyone, including the Elections Committee.

If any ballot is found to contain more than the number of votes which the Member signing such ballot is entitled to cast, all votes on such ballot shall be disqualified and shall not be counted. After the announcement of the results by the Elections Committee, unless a review of the procedure is demanded by thirty-five percent (35%) of the Members casting ballots in the election within ten (10) days after the election, the ballots shall be destroyed.

## ARTICLE VIII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

SECTION 8.1 Powers: The Board of Directors shall have the powers:

8.1.1 To call special meetings of the Members whenever it deems necessary, and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting membership, as provided in Section 12.2.

8.1.2 To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any member, officer or Director of the Association in any capacity whatsoever.

8.1.3 To establish, levy, assess and collect the assessments and charges set forth in Article III. ✓

8.1.4 To adopt and establish rules and regulations governing the use of the Common Area and the facilities, and the personal contact of the Members and their guests thereon.

8.1.5 To exercise for the Association all powers, duties and authorities vested in or delegated to the Association, except those reserved to Members in the Declaration, or in the Articles of Incorporation, or elsewhere in these By-Laws.

8.1.6 To appoint such committees as it seems in the best interests of the Association to carry out the functions and duties of the Board of Directors.

8.2 Director Absences: In the event that any member of the Board of Directors of the Association shall be absent from three (3) consecutive regular meetings of the Board of Directors, the Board may by action taken at the meeting during which said third absence occurs, declare the office of said absent Director to be vacant, and the provisions relating to the filling of a vacancy of the Board of Directors as set forth in Article VI.4 shall become operative.

8.3 Duties: It shall be the duty of the Board of Directors:

8.3.1 To cause to be kept a complete record of all its acts and corporate affairs and to present the statement thereof to the voting Members at the annual meeting of the voting members or at any special meeting when such is requested in writing by one-fourth (1/4) of the total voting membership, as provided in Article XII.2.

8.3.2 To supervise all officers, agents and employees of the Association, and to insure that their duties are properly performed.

8.3.3 To prepare a roster of the Parcels and assessments applicable thereto which shall be kept in the offices of the Association and shall be open to inspection by any Member thereof, and, to send written notice of each assessment to every Member subject thereto.

8.3.4 To issue, or cause an appropriate officer to issue upon demand by any person, a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

8.3.5 To obtain and maintain a liability insurance policy for the protection of the Association covering the Common Area and covering such risks and with such deductible amounts as the Board of Directors shall determine.

## ARTICLE IX

### DIRECTORS MEETING

SECTION 9.1 Time and Place: Meetings of the Board of Directors may be held at any place within or without the State of Alabama. The Board of Directors shall meet immediately following the close of the annual meeting of the Members and at the place thereof, or the Board of Directors may hold such meeting at such place and time as shall be fixed by the consent in writing of all the directors. Regular meetings of the Board of Directors may be held at such time and place (within or without the State of Alabama) as shall from time to time be determined by the Board of Directors.

9.2 Notice: Notice of regular meetings of the Board of Directors is hereby dispensed with. If the day for a regular meeting shall fall upon a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday, and no notice thereof need to be given.

9.3 Special Meetings: Special meetings of the Board of Directors shall be held when called by any officer of the Association or by any two (2) Directors after not less than three (3) days' notice to each Director.

9.4 Waivers, Consents and Approvals: The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present and, if either before or after the meeting, each of the Directors not present signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and shall be made a part of the minutes of the meeting.

9.5 Quorum: The majority of the Board of Directors shall constitute a quorum thereof.

9.6 Adjourned Meetings: If at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called, may be transacted without further notice.

## ARTICLE X

### OFFICERS

SECTION 10.1 Officers: The officers shall be a President, a Vice President, a Secretary, and a Treasurer. The President and the Vice President shall be members of the Board of Directors.

10.2 Majority Vote: The officers shall be chosen by majority vote of the Directors.

10.3 Term: All officers shall hold office during the pleasure of the Board of Directors.

10.4 President: The President shall preside at all meetings of the Board of Directors, and shall see that orders and resolutions of the Board of Directors are carried out, and sign all notes, checks, leases, mortgages, deeds and all other written instruments as may be incidental to the orders and resolutions of the Board of Directors.

10.5 Vice President: The Vice President shall perform all the duties of the President in his absence.

10.6 Secretary: The Secretary shall be "ex-officio" the Secretary of the Board of Directors, and shall record the vote and keep the minutes of all proceedings in a book to be kept for such purpose. He shall keep the records of the Association together with their addresses as registered by such members.

10.7 Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer shall sign all checks and notes of the Association, provided that such checks and notes shall also be signed by the President or the Vice President in his absence.

10.8 Bookkeeping: The Treasurer shall keep proper books of account. The Treasurer shall prepare the annual budgets and an annual balance sheet statement and the budget and balance sheet statement shall be presented to the membership at its regular annual meeting.

## ARTICLE XI

### COMMITTEES

SECTION 11.1 Standing Committees: There shall be no requirement of standing committees of the Association.

## ARTICLE XII

### MEETINGS OF MEMBERS

SECTION 12.1 Annual Meeting: The regular annual meeting of the members shall be held at 8:00 P.M. on the first Monday in February of each year (beginning the year in which said meeting date is more than twelve months following the initial meeting), provided, however, if that date is a legal holiday, the meeting shall be held at the same hour on the following Monday. The place of the annual meetings shall be determined by the Board of Directors.

12.2 Special Meetings: Special meetings of either class of membership for any purpose may be called at any time by the President, Vice President, the Secretary or the Treasurer, or by any two (2) or more members of the Board of Directors. In addition, special meetings of the voting membership must be called upon the written request of the Members who have a right to vote one-fourth ( $\frac{1}{4}$ ) of the total votes entitled to be cast under the provisions of Article V of the Articles of Incorporation at the time such written request is made.

12.3 Notice: Notice of any meetings of a class of membership shall be given to the Members either personally, or by sending a copy of the notice through the mail, postage thereon fully prepaid, to his address appearing on the books of the Association. Each member shall register his address with the Secretary, and notices of meetings shall be mailed to him at such address. Notice of any regular or special meeting shall be mailed at least six (6) days in advance of the meeting, and shall set forth in general the nature of the business to be transacted; provided, however, that if the business of any meeting shall involve and election governed by Article VII, notice of such meeting shall be given or sent as therein provided.

12.4 Quorum: The presence at the meetings of Members entitled to cast, or of proxies entitled to cast, one-tenth ( $\frac{1}{10}$ ) of the vote of the class of membership so meeting shall constitute a quorum for any actions governed by these By-Laws unless it is provided otherwise in the Declaration, or the Articles of Incorporation, or elsewhere in these By-Laws.

## ARTICLE XIII

### PROXIES

SECTION 13.1 Form of Vote: At all meetings of Members each member entitled to vote may vote in person or by proxy.

13.2 Proxies: All proxies shall be in writing filed with the Secretary of the Association. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon the sale by the Member of his Parcel or other interest in the Member's Property.

## ARTICLE XIV

### INSPECTION OF BOOKS AND PAPERS

SECTION 14.1 The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any Member.

ARTICLE XV  
PARLIAMENTARY RULE

Section 15.1 Roberts Rules of Order (latest edition) shall govern the conduct of the Association proceedings when not in conflict with the Declaration or the Articles of Incorporation.

ARTICLE XVI  
AMENDMENTS

Section 16.1 These By-Laws may be amended in any respect upon recommendation of the Board of Directors and subsequent approval at a regular or special meetings of the Members by a sixty percent (60%) vote of the total vote of all the then existing classes of membership, present in person or by proxy, provided, however, that those provisions of these By-Laws which are governed by the Articles of Incorporation may not be amended except as provided therein or except as provided by applicable Law; and provided further, that any matter stated herein to be or which is in fact governed by the Declaration may not be amended except as provided in the Declaration.

ARTICLE XVII  
CONFLICTS

Section 17.1 In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

IN WITNESS WHEREOF, we being all of the Directors of the Riverchase Townhome Owners Association, Inc., have heretofore set our hand this 26<sup>th</sup> day of February 1986.

Frank H. Rohde  
William B. Lawrence  
Ray T. White  
William M. Kelly  
Robert C. Smith II