

ARTICLES OF INCORPORATION

OF

CAHABA RIVER ESTATES HOME OWNERS ASSOCIATION

KNOW ALL MEN BY THESE PRESENTS:

That for the purpose of forming a non-profit corporation under and pursuant to the provisions of Section 10-3-1 et seq. of the 1975 Code of Alabama, as last amended, and Section 501 (c) (3) of the Internal Revenue Service Code, the undersigned persons have associated themselves together and have agreed upon and adopted these Articles of Incorporation, the same to constitute and become a charter for carrying on the activities hereinafter specified upon the proper filing hereof pursuant to law.

ARTICLE I: NAME

The name of this corporation shall be the Cahaba River Estates Home Owners Association.

ARTICLE II: LOCATION

The principal office of the corporation shall be located at 780 Cahaba River Estates, Birmingham, Alabama 35244, Shelby County, Alabama, and the registered agent shall be Barry E. Vickery, whose address is 780 Cahaba River Estates, Birmingham, Alabama 35244.

ARTICLE III: OBJECTIVES

The objectives of the corporation shall be:

A. To engage without profit to its members in such activities as may promote the health, safety, welfare and common good of the residents of the community known as Cahaba River Estates.

B. To exercise all the powers and privileges and to perform all of the duties and obligations of the Corporation as defined and set forth in this declaration applicable to the property and recorded in the office of the County Clerk of Shelby County, Alabama, as such may be from time to time amended, including without limitation the establishment and enforcement of payment of charges or assessments pursuant to the terms of such Declaration.

Any monetary profits or other benefits which flow to members shall be merely incidental thereto.

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C. To assure no person shall have pecuniary interest in operation of the corporation.

D. To do any and all such further acts authorized by law as may be necessary, convenient or expedient to accomplish the foregoing purposes or as are incidental thereto.

#### ARTICLE IV: LIMITING OBJECTIVES

A. This corporation shall not have or exercise any power or authority, either expressly, by interpretation, or by operation of law, nor shall it directly or indirectly engage in any activity that would prevent this corporation from qualifying (and continuing to qualify) as a corporation described in Section 501 (c) (3) of the Internal Revenue Code, as to preclude contributions to this corporation from being deductible for purposes of taxation.

B. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation; nor shall it, in any manner, or to any extent, participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office; nor shall it engage in any activities that are unlawful under the laws of the United States of America or the State of Alabama, or any other jurisdiction where such activities are carried on; nor shall it engage in transactions defined at the time as "prohibited" under Section 503 of the Internal Revenue Code.

C. This corporation shall never be operated for the primary purpose of carrying on a trade or business for profit. Neither the whole, nor any part or portion, of the assets or net earnings of this corporation shall ever be organized or operated for purposes that are not exclusively religious, charitable, scientific, literary or educational within the meaning of Section 501 (c) (3) of the Internal Revenue Code.

D. No compensation or payment shall ever be paid or made to any member, officer, director, trustee, incorporator or organizer of this corporation, or any contributor to it, except as a reasonable allowance for actual expenditures made or services actually rendered to or for this corporation; and neither the whole nor any part or portion of the assets or net earnings, current or accumulated, of this corporation shall ever be distributed to or divided among any such persons; provided, further, that neither the whole nor any part or portion of such assets or net earnings shall ever be sued for, accrue to, or inure to the benefit of any member or private individual within the meaning of Section 501 (c) (3) of the Internal Revenue Code.

#### ARTICLE V: MEMBERSHIP

A. The corporation shall have one class of members. There should be no limitation on the number of members except as provided for in the by-laws of the corporation. All other qualifications, rights and duties of the members of said corporation shall be set out and established in the by-laws of the corporation.

B. Members of the Corporation shall be every owner of a fee or an undivided fee interest in any Building Site or Living Unit subject by covenant of record to assessments by the corporation and every person who holds a contract purchaser's interest of record in a Building Site or Living Unit. There shall be no other qualification for membership except as set forth above. Membership shall terminate on transfer of a fee simple title by an Owner or the contract purchaser's interest by the contract purchaser who qualifies as a member. If an owner sells a Building Site or Living Unit by contract of sale, upon recordation thereof, the Owner's membership shall terminate and the contract purchaser's membership shall commence.

#### ARTICLE VI: VOTING RIGHTS

A. Members will be entitled to one vote for each Building Site or Living Unit in which they hold the interest required for membership by Article III. If more than one person holds such interest or interests, all such persons shall be members, but the vote for such Building Site or Living Unit shall be exercised as the persons holding such interest shall determine between themselves, provided that in no event shall more than one vote be cast with respect to any such Building Site or Living Unit.

#### ARTICLE VII: INCORPORATORS

A. The names and addresses of the incorporators are as follows:

William Harris, President  
1593 Cahaba River Estates  
Birmingham, Alabama 35244

Dan Lott, Vice President  
406 Cahaba River Estates  
Birmingham, Alabama 35244

Barry E. Vickery  
780 Cahaba River Estates  
Birmingham, Alabama 35244

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ARTICLE VIII: DIRECTORS

A. The number of directors constituting the initial board of directors of the association is five, and the names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and take office are:

Barry E. Vickery  
780 Cahaba River Estates  
Birmingham, Alabama 35244

William Harris  
1593 Cahaba River Estates  
Birmingham, Alabama 35244

Dan Lott  
406 Cahaba River Estates  
Birmingham, Alabama 35244

Imy Smith  
1510 Cahaba River Estates  
Birmingham, Alabama 35244

David Clements  
1162 Cahaba River Estates  
Birmingham, Alabama 35244

B. At the first annual meeting the members shall elect one director for a term of one year, one director for a term of two years and one director for a term of three years. Thereafter the members shall elect directors for a term of three years to fill the terms of office of directors whose terms expire at such annual meeting.

C. Directors elected by members may be removed from office by majority vote of the members voting in person or by proxy at a meeting called for the purpose of considering such removal.

ARTICLE IX: OFFICERS

A. Principal Officers of the Corporation. The principal officers of the Corporation shall be the President, Vice-President, the Clerk and the Treasurer. The President and Vice-President shall be elected by and from the Board. Except as provided in the Articles with respect to the initial Treasurer

and Clerk, the Treasurer and Clerk shall be chosen by the members of the Corporation at the Annual Meeting. Any vacancies which may occur in these latter two offices shall be filled by the Board. The successors so chosen shall serve until the next Annual Meeting of the Corporation or until a Special Meeting properly and duly called for this purpose. The Board may appoint an Assistant Treasurer, an Assistant Clerk, and such other officers as in its judgments may be necessary.

B. Officers Chosen by Board. Those officers of the Corporation to be chosen by the Board shall be elected annually at a meeting of the Board and shall hold office at the pleasure of the board and until their successors are elected.

C. Removal of Officers Chosen By Board. Upon the affirmative vote of the majority of the Board at a regular or special meeting thereof called for that purpose, any officer chosen by said Board may be removed, either with or without cause, and his successor elected. However, only the members of the Corporation, at an Annual Meeting or a Special Meeting duly called expressly for such purpose, may remove an officer chosen by the members.

D. President. The President shall be the chief executive officer of the Corporation. He shall preside at all meetings of the property owners and of the Board. He shall have all of the general powers and duties which are incidental to the office of President of a stock corporation under the Corporation Law of Alabama, including but not limited to the power to appoint committees from among the property owners from time to time, as he may in his discretion decide are appropriate to assist in the conduct of the affairs of Cahaba Rivers Estates. The President is elected by the Board.

E. Vice-President. The Vice-President shall take the place of the President, and shall perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board shall appoint some other member of the Board to act in place of the President, on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board or by the President. The Vice-President is elected by the Board.

F. Clerk. The Clerk shall keep the minutes of all meetings of the property owners and of the Board; shall have charge of such books and papers as the Board may direct; and shall perform all the duties incidental to the office of the Clerk of a stock corporation under the Corporation Laws of Alabama, and as described elsewhere in the By-Laws. The Clerk is elected by the members of the Corporation.

G. Treasurer. The Treasurer shall have the responsibility of Cahaba River Estates funds and shall be

responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board. No payment voucher shall be paid unless and until approved by the Treasurer, or in his absence, the Assistant Treasurer. The Treasurer is elected by the members of the Association. The Assistant Treasurer is appointed by the Board.

H. Execution of Documents for the Board. All agreements, contracts, checks and other instruments of the Community shall be executed by such officer or officers of the Corporation or by such other person(s) as may be authorized by the Board.

I. Compensation of Officers. No officer shall receive any compensation from the Corporation for acting as such, except for reimbursement of necessary and duly incurred expenses.

J. Resignation. Any officer may resign at any time by giving written notice to the Board, the President or the Clerk. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

K. The initial officers of the corporation shall be as follows:

William Harris, President

1593 Cahaba River Estates  
Birmingham, Alabama 35244

Dan Lott, Vice-President

406 Cahaba River Estates  
Birmingham, Alabama 35244

Barry E. Vickery, Clerk and  
Treasurer

780 Cahaba River Estates  
Birmingham, Alabama 35244

#### ARTICLE X: TIME LIMIT

A. The period of duration of this corporation shall be perpetual.

#### ARTICLE XI: MERGERS AND CONSOLIDATIONS

A. Subject to the provisions of the Declaration and to the extent permitted by law, the Association may merge or consolidate with other non-profit corporations organized



for the same purposes, provided that such merger or consolidation shall have the assent of two-thirds of the vote of members who are voting in person or by proxy at a meeting duly called for such purpose.

#### ARTICLE XII: LIABILITY OF DIRECTORS

A. The directors shall not be liable to the members of the Corporation for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The property owners shall indemnify and hold harmless each Director against all contractual liability to others arising out of contract made by the Board on behalf of the Community of Cahaba River Estates, Shelby County, Alabama, unless any such contract shall have been made in bad faith or contrary to the provisions of the Declarations or contrary to the By-laws. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Corporation. The original Board is specifically authorized to contract for goods or services with the Grantors, or employees or affiliates of the Grantors whether or not such persons are members of the Board and no such contracting shall be deemed to involve a conflict of interest. It is also intended that the liability of any property owner arising out of any contract made by the Board out of the aforesaid indemnity in favor of the Directors shall be limited to such proportion of the total liability thereunder as the number of units of property owned by him bears to the total number of parcels or units in Cahaba River Estates. Every agreement made by the Board or by the Agent on behalf of the Corporation shall provide that the Directors or Agent as the case may be, are acting only as agents for property owners and shall have no personal liability thereunder (except as unit owners), and that each property owner's liability thereunder shall be limited to that proportion which the number of units owned by him bears to the total number of units of property in Cahaba River Estates.

#### ARTICLE XIII: NOTICES

A. Whenever under the provisions of the Declaration or the By-laws, notice is required to be given to the Board or property owners, it shall not be construed to mean personal notice; but such notice may be given in writing, either by mail, by depositing the same in a post office or letter box in a postpaid sealed wrapper, addressed to the Board or property owner, respectively, at such address as appears on the books of the Association. Notice shall be deemed given as of the date of mailing or by delivery to such person's address, provided that such mailing is made in the State of Alabama.

#### ARTICLE XIV: SPECIAL PROVISIONS

A. The corporation reserves the right to amend, alter, modify, change or repeat any provision contained in

this certificate of incorporation in the manner now or hereafter provided by law and all rights conferred upon the officers, directors herein are granted subject to this reservation.

B. The corporation shall have power to make by-laws for the regulation and government of this corporation, its agents, servants and officers, and for all other purposes not inconsistent with the constitution and laws of the State of Alabama.

C. The voting members of the corporation shall have the authority to adopt such rules, by-laws and regulations for the governing of the corporation as they may deem necessary or expedient.

D. The fiscal year of the corporation shall begin January 1 of each year and continue until December 31 of each year.

E. In the event of dissolution, the residual assets of the organization will be turned over to one or more organizations exempt as organizations described in Sections 501(c) (3) and 170(c) (2) of the Internal Revenue Code of 1986 or corresponding sections of any prior or future Internal Revenue Code, or to the Federal, State, or local government or exclusive public purpose.

IN WITNESS WHEREOF, the incorporators of this corporation have hereunto set their hands and seals, and pray that this instrument shall be filed and recorded as provided by the Law, to the end that these incorporators, their successors and assigns, shall constitute a body corporate under the name hereinabove set forth, with all powers to which said Corporation may be entitled under the Laws of Alabama, on this 10 day of January, 19994.

Barry E. Hester  
Incorporator

Dan Lee  
Incorporator

Dan Lee  
Incorporator

Emergent T. Smith  
Incorporator

William  
Incorporator

Incorporator



# State of Alabama

SHELBY

## County

CERTIFICATE OF INCORPORATION

OF

CAHABA RIVER ESTATES HOME OWNERS ASSOCIATION

The undersigned, as Judge of Probate of SHELBY County, State of Alabama, hereby certifies that duplicate originals of Articles of NON-PROFIT of CAHABA RIVER ESTATES HOME OWNERS ASSOCIATION, duly signed and verified pursuant to the provisions of Section NON-PROFIT of the Alabama Business 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 CAHABA RIVER ESTATES HOME OWNERS ASSOCIATION, and attaches hereto a duplicate original of the Articles of INCORPORATION.

GIVEN Under My Hand and Official Seal on this the 19th day of

JANUARY, 19 94.



*Thomas A. Snowden, Jr.*

Judge of Probate

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