

**ARTICLES OF INCORPORATION**

**OF**

**WATERFORD FALLS COMMUNITY ASSOCIATION, INC.**  
(An Alabama Nonprofit Corporation)

**TO THE JUDGE OF PROBATE OF SHELBY COUNTY, ALABAMA:**

This is to certify that, for the purpose of forming a corporation pursuant to the provisions of the "Alabama Nonprofit Corporation Act" [1975 Code of Alabama Section 10-3A-1, et seq.], the undersigned does hereby make and file the following Articles of Incorporation. Capitalized terms not defined herein shall have the meanings ascribed to them in that certain Declaration of Covenants, Conditions, and Restrictions for Waterford Falls filed or to be filed in the Public Records of Jefferson County, Alabama (the "Declaration").

**Article 1.     Name.** The name of the corporation is Waterford Falls Community Association, Inc. (the "Association").

**Article 2.     Nonprofit Corporation.** The Association is organized as a nonstock, nonprofit corporation pursuant to the laws of the State of Alabama, Title 10, Chapter 3A, Article 1, et seq., 1975 Code of Alabama.

**Article 3.     Principal Office.** The initial principal office of the Association is located in Shelby County, Alabama at the following address:

100 First Alabama Bank Drive  
Pelham, Alabama 35123

**Article 4.     Duration.** The Association shall have perpetual duration.

**Article 5.     Purposes.** The Association does not contemplate pecuniary gain or profit, direct or indirect, to its Members. The purposes for which the Association is formed are:

(a) to be and constitute the Association to which reference is made in the Declaration, to perform all obligations and duties of the Association, and to exercise all rights and powers of the Association, as specified in the Declaration and the By-Laws and as provided by law; and

(b) to provide an entity for the furtherance of the interests of the Owners.

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**Article 6. Powers.** The powers of the Association shall include and be governed by the following provisions:

(a) The Association shall have all of the common law and statutory powers conferred upon nonprofit corporations under Alabama law and all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in these Articles, the By-Laws, or the Declaration, including, without limitation, the power:

(i) to establish, collect, and enforce payment, by any lawful means, of assessments and other charges to be levied against the Units;

(ii) to manage, control, operate, maintain, repair, and improve the Properties and any other property for which the Association by rule, regulation, covenant, or contract has a right or duty to provide such services;

(iii) to enforce covenants, conditions, or restrictions affecting any property to the extent the Association may be authorized to do so under the Declaration or By-Laws;

(iv) to engage in activities which will actively foster, promote, and advance the common interests of all Owners;

(v) to buy or otherwise acquire, sell, dedicate for public use, or otherwise dispose of, mortgage, or otherwise encumber, exchange, lease, own, hold, use, operate, grant easements, and otherwise deal in and with real and personal property of all kinds and any right or interest therein for any purpose of the Association, subject to such limitations as may be set forth in the Declaration or By-Laws;

(vi) to borrow money for any purpose, subject to such limitations as may be set forth in the Declaration or By-Laws;

(vii) to enter into, make, perform, and enforce contracts of every kind and description, and to do all other acts necessary, appropriate, or advisable in carrying out any purpose of the Association, with or in association with any other association, corporation, or other entity or agency, public or private;

(viii) to act as agent, trustee, or other representative of other corporations, firms, or individuals, and as such to advance the business or ownership interests in such corporations, firms, or individuals;

(ix) to adopt, alter, and amend or repeal such By-Laws as may be necessary or desirable for the proper management of the affairs of the Association; provided, however, such By-Laws may not be inconsistent with or contrary to any provisions of the Declaration; and

(x) to provide any and all supplemental municipal services to the Properties as may be necessary or proper.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other rights and powers which may now or hereafter be permitted by law; the powers specified in each of the paragraphs of this Article are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph of this Article.

(b) The Association does not contemplate pecuniary gain or profit, direct or indirect, to its Members and shall make no distributions of income to its Members, directors, or officers.

#### **Article 7. Members.**

(a) The Owner of each Unit shall be a Member of the Association and shall be entitled to vote in accordance with the terms of the Declaration and the By-Laws. Membership is appurtenant to, and inseparable from, ownership of a Unit.

The Association shall have two classes of membership, Class "A" and Class "B". The Class "A" Members shall be all Owners, except the Class "B" Member, if any. The Class "B" Member shall be the Declarant. The Class "B" Member's rights are specified in the Declaration and By-Laws. The manner of exercising voting rights shall be as set forth in the Declaration and in the By-Laws of the Association.

(b) Change of membership in the Association shall be established by recording in the Public Records a deed or other instrument establishing record title to real property subject to the Declaration. Upon such recordation, the owner designated by such instrument shall become a Member of the Association and the membership of the prior owner shall be terminated.

(c) The share of a Member in the privileges, rights and assets of the Association cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance of its Unit.

#### **Article 8. Directors and Officers.**

(a) The business and affairs of the Association shall be conducted, managed, and controlled by a Board of Directors. The initial Board shall consist of three directors. The number of directors may be increased in accordance with the By-Laws. Directors may be removed in accordance with the By-Laws.

(b) The names and mailing addresses of the initial directors, who shall hold office until



their successors are elected and qualified, or until removed, are as follows:

Name:

Address:

Jack D. Harris

100 First Alabama Bank Drive  
Pelham, Alabama 35123

Jack A. Harris

100 First Alabama Bank Drive  
Pelham, Alabama 35123

Rebecca B. Harris

100 First Alabama Bank Drive  
Pelham, Alabama 35123

**Article 9. By-Laws.** The By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended, or rescinded in the manner provided in the By-Laws. The quorum requirements for meetings of Members, and directors shall be set forth in the Declaration and By-Laws.

**Article 10. Liability of Directors, Officers and Committee Members.** To the fullest extent that Alabama law, as it exists on the date hereof or as it may hereafter be amended, permits the limitation or elimination of the liability of directors, officers and committee members, no director, officer or committee member of the Association shall be personally liable to the Association or its Members for monetary damages for breach of duty of care or other duty as a director, officer or committee member. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director, officer or committee member of the Association for or with respect to any acts or omissions of such director, officer, or committee member occurring prior to such amendment or repeal. The Association shall indemnify any director, former director, officer, former officer, committee member or former committee member of the Association against liability to the fullest extent permitted under Alabama law.

**Article 11. Dissolution.** The Association may be dissolved only upon a resolution duly adopted by the Board of Directors and the affirmative vote of Members representing at least two-thirds (2/3) of the Class "A" votes in the Association and the written consent of the Declarant so long as the Declarant owns any property subject to the Declaration or which may be unilaterally subjected to the Declaration by the Declarant. In the event of dissolution, liquidation or winding up of the Association, subject to the Declaration, the Association's assets remaining after payment, or provisions of payment, of all known debts and liabilities of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was

created. In the event that acceptance of such dedication is refused or not available, such assets may be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to similar purposes or if no such entity is found to accept such assets, they may be divided among and distributed to the Members thereof in accordance with their respective rights therein.

**Article 12. Merger and Consolidation.** The Association may merge or consolidate only upon a resolution duly adopted by the Board of Directors and the affirmative vote of Members representing at least two-thirds (2/3) of the Class "A" votes in the Association and the consent of the Class "B" Member so long as the Class "B" membership exists.

**Article 13. Amendments.** These Articles may be amended only upon a resolution duly adopted by the Board of Directors and the affirmative vote of Members representing at least two-thirds (2/3) of the total Class "A" votes and the written consent of the Declarant so long as the Declarant owns any property subject to the Declaration or which may be unilaterally subjected to the Declaration by the Declarant; provided however, no Members shall be entitled to vote on any amendment to these Articles which is for the sole purpose of complying with the requirements of any governmental or quasi governmental entity or institutional lender authorized to fund, insure or guarantee Mortgages on individual Units, as such requirements may exist from time to time.

**Article 14. Incorporator.** The name and address of the incorporator is as follows:

✓ Edward J. Ashton  
Walston, Wells, Anderson & Bains, LLP  
505 20th Street North, Suite 500  
Birmingham, Alabama 35203

**Article 15. Registered Agent and Address.** The Association hereby appoints Jack D. Harris, whose address in Shelby County, Alabama is 100 First Alabama Bank Drive, Pelham, Alabama 35123 as its lawful statutory agent upon whom all notices and processes, including service of summons, may be served, and which when served, shall be lawful, personal service upon this corporation. The Board may, at any time, appoint another agent for such purpose and the filling of such appointment shall revoke this or any other previous appointment of such agent.

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation this 19<sup>th</sup> day of April, 2000.

Edward J. Ashton (SEAL)  
EDWARD J. ASHTON

Walston, Wells, Anderson & Bains, LLP  
505 20th Street North, Suite 500  
Birmingham, Alabama 35203  
(205) 251-9600

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# State of Alabama

SHELBY

## County

CERTIFICATE OF INCORPORATION

OF

WATERFORD FALLS COMMUNITY ASSOCIATION, INC.

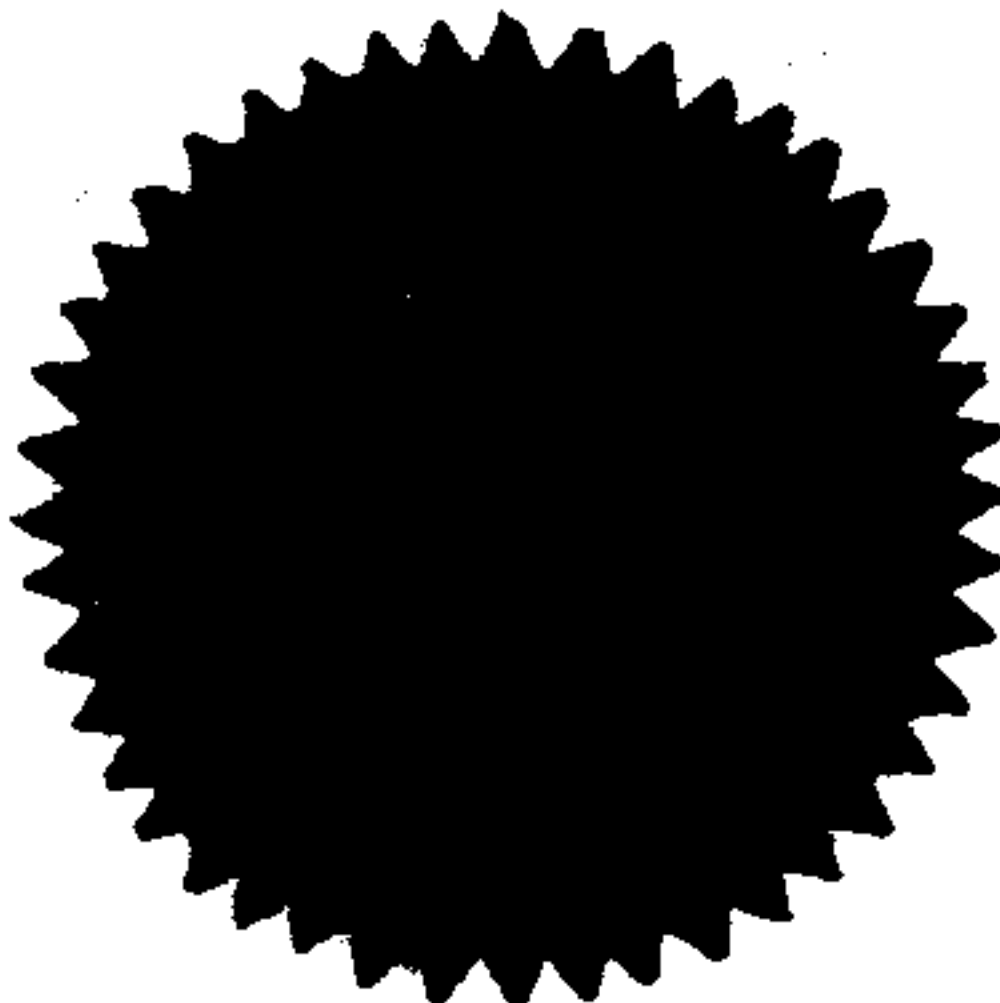
The undersigned, as Judge of Probate of SHELBY County, State of Alabama, hereby certifies that duplicate originals of Articles of INCORPORATION of WATERFORD FALLS COMMUNITY ASSOCIATION, INC., duly signed and verified pursuant to the provisions of Section NON PROFIT of the Alabama Business Corporation 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 WATERFORD FALLS COMMUNITY ASSOCIATION, INC., and attaches hereto a duplicate original of the Articles of INCORPORATION.

GIVEN Under My Hand and Official Seal on this the 19TH day of APRIL, 20 00.



Judge of Probate



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