

**BY – LAWS
OF
STILLWATERS RESIDENTIAL ASSOCIATION, INC.
(a corporation not for profit)**

Revised 1/10/2005

**BY-LAWS
OF
STILLWATERS RESIDENTIAL ASSOCIATION, INC.**

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

These are the By-Laws of StillWaters Residential Association, Inc. (hereinafter for convenience called “Association” or “Corporation”), 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 at 1000 StillWaters Drive, Dadeville, Alabama 36853, 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.

1.3 Seal. The corporate seal of the Association shall consist of two concentric circles, between the edges of which shall be engraved the words: STILLWATERS RESIDENTIAL ASSOCIATION, INC., Alabama, Not for Profit, and across the center thereof the words: Corporate Seal, all as show by an imprint of such seal in the margin of these by-laws. Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or otherwise.

ARTICLE II

DEFINITIONS

SECTION 2.1 Association: The StillWaters Residential Association, Inc., its successors and assigns.

2.2 Association Land: That part of StillWaters Property, which may at any time hereafter be owned by the Association for so long as the Association or successor thereof may be owner thereof.

2.3 Board: The Board of Directors of the Association.

2.4 By-laws: The duly enacted By-Laws of the Association.

- 2.5 Declaration: The Declaration of Protective Covenants for StillWaters applicable to Member's Property, which shall be recorded in the Probate Records of Tallapoosa County, Alabama, as the same may from time to time be supplemented or amended in the manner described therein.
- 2.6 Developer: Coosa Resort Company, Inc., an Alabama Corporation, its successors and assigns.
- 2.7 Member: A person or other entity who is a record owner of Subject Property.
- 2.8 Open Spaces or Common Areas: Still Waters Property, which is conveyed to the Association by the owners or Developers of StillWaters or a part thereof.
- 2.9 Parcel: A Residential Parcel.
- 2.10 Resident: Any person or persons occupying or leasing a Residential Parcel.
- 2.11 Residential Parcel: Any unit, lot, part, or parcel of the Subject Property designed for a single-family residence including condominium units, townhouses and single-family residential lots platted of record, regardless of whether a dwelling has or has not been constructed on such lot.
- 2.12 StillWaters or StillWaters Property: The property described as StillWaters in the Declaration and in the StillWaters Covenants, and other property, which may be acquired by Developer and developed as a part of StillWaters.
- 2.13 StillWaters Covenants: Those certain Restrictions and Protective Covenants on parts of StillWaters Property previously filed for record in the Probate Office of Tallapoosa County, Alabama and more particularly described in the Declaration as "StillWaters Covenants".
- 2.14 Subject Property: That part of StillWaters Property originally subjected to the Declaration, along with any other real property in StillWaters, which is subjected to the Declaration by separate instrument.

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.

SECTION 3.2 (*Revised 1/10/2005*) Only Class A Membership exists in the Association, since all Class B membership was terminated in writing on February 10, 2004 and no Class B member owns any undeveloped Parcel within StillWaters. Furthermore no Developer exists effective that same date. Class A members must continue to be recorded owners of property within StillWaters subject to the 1987 Declaration and Covenants and may be hereafter referred to as simply members of the Association.

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 rights of membership are subject to the payment of annual assessments and charges. The obligation of such assessments and charges is imposed against each owner of, and is a lien upon, the Member's Property against which such assessment or charge is made, as provided by the Declaration.

3.5 Suspension of Membership Rights: The membership rights of any Member, including the right to vote, may be suspended by the Board of Directors (a) for any period during which any assessment or charge owed to the Association by such Member remains unpaid, and (b) for a period not to exceed thirty (30) days for any infraction of the Association's published rules and regulations. Any such suspension shall not affect such Member's obligation to pay assessments coming due during the period of suspension and shall not affect the permanent charge and lien on the Member's Property in favor of the Association.

ARTICLE IV

VOTING RIGHTS

Each class of memberships shall have those voting rights as set for the in Article V of the Articles of Incorporation.

When entitled to vote, each Member shall have one vote for each Parcel (including townhouses and condominium units) owned by such Member.

When more than one (1) person (or other entity) holds an ownership interest or interests in any Parcel (including owners of time share interests in a condominium unit), the vote for such Parcel (or unit) 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 attempt by more than one to cast the vote of such Parcel (or unit), 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 Open Spaces: The Association shall accept the conveyance to it of Open Spaces and additional Open Spaces by Coosa Resort company, Inc., an Alabama corporation, or by its successors and assigns. No approval from any Member of the Association or anyone else is required for Coosa Resort Company, Inc., or its successors and assigns, to convey Open Spaces or additional Open Spaces to the Association.

5.2 Other Property Owned by the Association: In addition to acquiring Open Spaces in the manner described in Section 5.1 hereof, the Association may, in the discretion of the Board of Directors, accept the conveyance to it by Coosa Resort company, Inc., or by its successors and assigns, of property which shall not be held by the Association as Open Spaces under the terms and provisions of the Declaration, but rather, which may be used or leased by the Association for any purpose which the Board of Directors shall choose.

5.3 Mortgages: The Association shall have the power to mortgage or otherwise burden or encumber all or part of its properties.

5.4 Dedication or Transfer of Properties: The Association shall have the power to transfer the ownership of all or part of its properties, by dedication to a public authority or otherwise, provided that any such transfer shall be authorized by fifty-five percent (55%) affirmative vote, on a class basis, of the Members entitled to vote.

5.5 Other Powers: the Association shall have all those other rights and powers set forth in the Articles of Incorporation of the Association.

ARTICLE VI *(Revised 1/10/2005)*

BOARD OF DIRECTORS

SECTION 6.1 The business affairs of the corporation shall be conducted by a Board of Directors, referred to as Class II Directors in the Articles of Incorporation and elsewhere in the Bylaws as Class A Directors, which shall consist of seven Class A members, who are current with all fees. Should any Board Member cease to be a parcel owner or become delinquent in any fees, they will automatically vacate the Board position.

6.2 Nominations and election of Board Members shall be as set forth in 6.3 below and Article VII herein.

6.3 Members of the Board of Directors shall serve staggered three year terms from the annual meeting at which elected. To provide a transition to the staggered terms, members of the existing Board shall continue to serve subject to the following: two (2) Board positions shall be elected at the 2005 annual members

meeting for a term of three years with those positions being elected for successive three year terms thereafter; two (2) Board positions shall be elected at the 2006 annual members meeting with those two positions being elected for successive three year terms thereafter; three (3) Board positions shall be elected at the 2007 annual members meeting for a three year term with those three positions being elected for successive three year terms thereafter. The Board shall determine which presently serving Board members fill positions under this provision. Nominations and election procedures shall be as set forth in **Article VII below**.

6.4 Vacancies in the Board shall be filled by the majority vote of the remaining Board with the replacement Board member to serve until the next annual members meeting at which a replacement shall be elected to serve the remaining term of that member.

ARTICLE VII *(Revised 1/10/2005)*

NOMINATIONS AND ELECTION OF DIRECTORS

SECTION 7.1 The Board of Directors shall appoint a Nominations Committee of five (5) members, two (2) of whom shall be Directors and three shall be non-Directors. The Committee shall be appointed at least 60 days before any members' meeting at which elections for the Board of Directors is to be held. The Committee shall nominate candidates to fill Board vacancies at least 30 days prior to the election and provide that list to the Secretary. No member of the Nominations Committee shall be eligible to be nominated. Nominations of members, ** in good standing, may also be made by petition signed by twenty (20) or more members, in good standing, filed with the Secretary at least thirty (30) days prior to the election.

7.2 The Board of Directors shall appoint an Elections Committee consisting of five (5) members, in good standing, at least 60 days prior to the election. The Committee's duties include verifying all ballots and proxies and announcing the results to the membership at the annual meeting and by other means. The Nominations Committee may serve as the Elections Committee at the discretion of the Board of Directors.

7.3 Elections to the Board of Directors shall be by written ballot. The Secretary shall prepare ballots listing the Board vacancies and those properly nominated to fill them and shall mail ballots to each member at least 14 days prior to the election. The member may cast as many votes as parcels owned for each candidate but may not cumulate those votes for one candidate in elections with more than one vacancy. The ballot must be signed by the member or proxy and returned to the Elections Committee for verification. The Elections Committee will verify all votes including those made by proxy and comparing the number of votes to the number of parcels owned. All Ballots will be held by the Committee as confidential. The Elections Committee may disallow all ballots not received by the due date or improperly executed by the member or proxy.

7.4 The Elections Committee will count all proper ballots and publicize the results to the membership at the members' meeting and by such other means deemed appropriate. All ballots will be destroyed unless a recount request is filed with the Elections Committee by at least one third (1/3) of members casting ballots within ten (10) days of the members' meeting.

** Members in good standing means current with all fees.

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 publish rules and regulations governing the use of the Open Spaces and the facilities, and the personal conduct 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 deems 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 Section 6.4 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 Section 12.2.
 - 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 As more fully provided in Article III of the Declaration and Article III of these By-Laws, to fix the amount of the assessment against each Parcel owned by a Member at least thirty (30) in advance of the date of any payment of such assessment is due.
 - 8.3.4 To prepare a roster of the Parcels and assessments applicable thereto which shall be kept in the offices of the Association and which shall be open to inspection by any member thereof, and , to send written notice of each assessment to every Member subject thereto.
 - 8.3.5 To issue, or cause an appropriate officer to issue upon demand by any person, 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.
 - 8.3.6 To obtain and maintain a liability insurance policy or policies for the protection of the Association covering the Open Spaces and covering such risks and with 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 an 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. He shall record in a book kept for such purpose

the names of all Members 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 and cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year. 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: Until the earlier of December 31, 2006, or the time at which the Class B membership terminates, there shall be no requirement of standing committees of the Association. From and after the first annual meeting of the Class A Members following December 31, 2006, or such earlier time as may be determined by the Board of Directors, the standing committees of the Association shall be:

The Recreation Committee
The Maintenance Committee
The Publicity Committee
The Audit Committee

Unless otherwise provided herein, each committee shall consist of a Chairman, and two (2) or more members and shall include a member of the Board of Directors. The committees shall be appointed by the Board of Directors immediately after each annual meeting to serve until the close of the next annual meeting. The Board of Directors may appoint such other committees as it is deemed desirable.

- 11.2 Recreation Committee: The Recreation Committee shall advise the Board of Directors on all matters pertaining to the recreational programs and activities of the Association and shall perform such other functions as the Board, in its discretion, shall determine.

- 11.3 Maintenance Committee: The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Open Spaces and shall perform such other functions, as the Board shall, in its discretion, determine.
- 11.4 Publicity Committee: The Publicity Committee shall inform the Members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association.
- 11.5 Audit Committee: The Audit Committee shall supervise the annual audit of the Association books and approve the annual budget and balance sheet statement to be presented to the membership at its regular annual meeting as provided in Section 10.8 hereof. The Treasurer shall be an “ex-officio” member of this Committee.
- 11.6 Subcommittees: Each Committee shall have the power to appoint a subcommittee from among its membership and may delegate to any such subcommittee any of its powers, duties and functions set forth in this Article XI, and as delegated by the Board of Directors.
- 11.7 Review of Complaints: It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions, duties, and activities in its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, Director or officer of the Association as is further concerned with the matter presented.

ARTICLE XII

MEETING OF MEMBERS

SECTION 12.1 Annual Meeting: Until the earlier of December 31, 2006, or such earlier time at which the Class B membership may terminate, as provided in Article V of the Articles of Incorporation, the regular annual meeting of the Class B members shall be on the first Friday in March of each year, or within two (2) weeks thereafter, at a time and place to be agreed upon by the Class B members.

Unless sooner called by the Board of Directors, the first annual meeting of the Class A Members shall be held at 8:00 o'clock P. M. on the first Friday in March of 1988, and thereafter the regular annual meeting of the members shall be held at such time and on such day in each subsequent year; provided, however, if that day is a legal holiday, the meeting shall be held at the same hour on the following Friday. 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, the 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 (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 of that class by the Secretary. Notice may 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 an 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, each Member entitled to cast, or of proxies entitled to cast, one-tenth (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

INSPECTIONS OF BOOKS AND PAPERS

The book, 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

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

INDEMNIFICATION

Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or officer of the Association, or any settlement thereof, whether or not he is a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

ARTICLE XVII

AMENDMENTS

Until the earlier of December 31, 2006, or the time at which the Class B membership terminates, at which time the Class A membership is entitled to full voting privileges, as provided for in Article V of the Articles of Incorporation, these By-Laws may be amended upon a majority vote of the Board of Directors in any respect. After such time as the Class A members shall be entitled to full voting privileges, 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 XVIII

CONFLICTS

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.

Revisions of 1/10/2005 applied to By-Laws

I hereby certify that the foregoing Amendment to the By-Laws of StillWaters Residential Association, Inc., was approved by vote of members and announced at the Annual Meeting of the residential association on March 11, 2005.

Done this 11th day of March 2005.



Ladelle Russell
Secretary