

**BYLAWS
OF
YELLOWLEAF RIDGE ESTATES HOMEOWNERS' ASSOCIATION, INC.
(An Alabama Nonprofit Corporation)**

**ARTICLE I
NAME AND OBJECTIVES**

Section 1.01 Name. The name of the corporation is YELLOWLEAF RIDGE ESTATES HOMEOWNERS' ASSOCIATION, INC. (the "Association"), a non-profit corporation organized and existing under the laws of the State of Alabama.

Section 1.02 Objectives. The objectives of this Association shall be:

Section 1.02.1 To implement through joint efforts of the owners of single-family dwellings located within Yellowleaf Ridge Estates, Shelby County, Alabama, an exemplary community which will combine change with tradition and beauty with functional advancement, while preserving the natural serenity of the gently rolling Alabama countryside in which it is situated.

Section 1.02.2 To achieve a high quality of life for those residing in Yellowleaf Ridge Estates subdivision through joint effort.

Section 1.02.3 To encourage through joint effort, the beautification of individual property; the safety and security of homeowners, children, and property; effective traffic safety measures to protect pedestrians, vehicle users of public roadways and personal property adjacent to such roadways.

Section 1.02.4 To foster cooperative efforts with neighboring homeowner associations.

Section 1.02.5 To foster effective measures to improve common services including fire protection and garbage collection, and the improvement of the furnishing of water, gas, telephone, electricity service, and police protection.

Section 1.03 Powers and Authority of the Association. The Association shall be vested with authority and power for the purpose of managing the following affairs, property and business of the Yellowleaf Ridge Estates subdivision:

- (a) to collect dues from the Members of the Association in order to:
 - (i) pay the utility bills, such as for the public street lights and water for the entrance area;
 - (ii) maintain the entrance area, including, without limitation the sprinkler system and landscaping;
 - (iii) maintain the ability of the Association to effectively operate as such through the utilization of accounting, legal, maintenance or similar services;
 - (iv) purchase insurance;
 - (v) pay applicable taxes; and

- (vi) work with the Developer to improve, revise or amend the Restrictive Covenants so that the intent of the Developer in drafting the Restrictive Covenants can be fulfilled.
- (b) reasonably utilize any authority and power granted to it under the Restrictive Covenants; and
- (c) reasonably utilize such authority and powers, as limited by these Bylaws, as provided in Section 10-3A-20, 1975 Code of Alabama.

ARTICLE II

MEMBERS

Section 2.01 Members. Any household that includes the property owner in Yellowleaf Ridge Estates subdivision is eligible for membership in the Association. If a property owner is not the occupant of the household he or she may still be eligible for membership at the discretion of the Association. Such property owner shall only be entitled to one vote per dwelling owned regardless of the number of co-owners. A designated voter must be submitted with a membership application to the Association. The designated voter may be changed with sixty (60) days written notice to the Association signed by all co-owners. A Yellowleaf Ridge Estates subdivision household whose Association membership application is accepted by the Association shall be a "Member" of the Association. An "Eligible Member" is a Member that has paid its dues in full for the current operating year and for all previous years during which the property owner was a Member.

Section 2.02 Dues. All Members of the Association are subject to annual and special dues as approved by the Association Members.

Section 2.02.1 Operating Year. The operating year of the Association shall be July 1 to June 30. The annual budget shall cover the operating year and shall be prepared on the basis of dues payable for the coming operating year.

Section 2.02.2 Amount of Annual Dues. The initial annual Association dues shall be determined by the Board and approved by the Members. The approval of the initial dues for the first operating year of the Association shall be done in a method determined by the Board, in its sole discretion, to be most effective. At least two-thirds (2/3) of the Members must be present, either in person or by proxy, at the special meeting and at least seventy-five percent (75%) of the Eligible Members present, either in person or by proxy, at the special meeting must approve the amount of the initial dues. For the first operating year dues shall be payable following approval by the Members in accordance with the payment plan selected by the Board of Directors. Thereafter, dues are payable to the Association during the annual membership drive from April 1 to June 30 and may be paid on an installment basis as determined by the Board. Dues, either annual or special, are not subject to refund. Changes to the amount of the annual dues and the levying of special dues shall be done by the approval of the Members in accordance with these Bylaws.

Section 2.02.3 Revision to Annual Dues. The Directors may revise the amount of the annual dues only upon the approval of the Members at a special meeting called to propose the increase or decrease in annual dues to the Members. At the meeting, the Board of Directors shall present the reasons for the proposed increase or decrease in the annual dues. At least two-thirds (2/3) of the Eligible Members must be present, either in person or by proxy, at the special meeting and at least seventy-five percent (75%) of the Eligible Members present, either in person or by proxy, at the special meeting must approve the increase or decrease.

Section 2.02.4 Imposition of Special Dues. The Directors may impose special dues upon the Members only upon the approval of the Members at a special meeting called to propose the special dues. At the meeting, the Board of Directors shall present the reasons for the proposed special dues. At least two-thirds (2/3) of the Eligible Members must be present, either in person or by proxy, at the meeting and at least seventy-five percent (75%) of the Eligible Members present, either in person or by proxy, at such meeting must approve the special dues. The special dues shall remain in effect for one (1) operating year only.

Section 2.02.5 Amend Powers and Authority of Association. The Members may amend the powers and authority of the Association at a special meeting called to present the proposed amendments. At the meeting, the Board of Directors shall present the reasons for the amendments. At least two-thirds (2/3) of the Eligible Members must be present, either in person or by proxy, at the meeting and at least seventy-five percent (75%) of the Eligible Members present, either in person or by proxy, at the meeting must approve each of the amended subsections.

Section 2.03 Restrictive Covenants. All residents and property owners of the Yellowleaf Ridge Estates Subdivision, including the Members of the Association, shall abide by the Restrictive Covenants as recorded as Instrument Number 1994-24553, Probate Court, Shelby County, Alabama, and such subsequent restrictions applying to all sections throughout Yellowleaf Ridge Estates subdivision.

Section 2.04 Voting. Only Eligible Members may vote. Only a single vote per individual dwelling is allowed. Unless otherwise provided in these Bylaws, a simple majority of Eligible Members shall be considered sufficient to transact business at a meeting of Members. All Members, even those ineligible to vote, shall be entitled to notice of all meetings.

Section 2.05 Annual Meetings. The annual meeting of the Members shall be held on the second Sunday of June of each calendar year at such place as the Board of Directors may designate for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the day fixed for the Annual Meeting of the Members shall be a holiday in the state of Alabama or the Board of Directors deems the scheduled day inappropriate, such meeting may be on the next succeeding Sunday or at such other time as the Board of Directors believe will allow an appropriate number of Members to participate. Notice for the annual meeting shall be given to the Members at least three (3) weeks in advance of the meetings. The majority of the Eligible Members, either in person or by proxy, shall constitute a quorum at any meeting of the Members. Notwithstanding this section, the initial annual meeting

may be called for a convenient time and location with reasonable notice provided to the Members.

Section 2.06 Special Meetings. Subject to the authority of the Board of Directors to call emergency meetings, special meetings of the Members shall be called by the Board of Directors upon written request of at least twenty-five percent (25%) of the Members of the Association. No less than two (2) week notice of a special meeting shall be given to the Members, and only that business specified in the notice may be transacted. Unless otherwise provided in these Bylaws, at least fifty percent (50%) of the Eligible Members, either in person or by proxy, shall constitute a quorum at any special meeting of the Association thus called. The Board shall have the power to call special meetings of the Association whenever it deems necessary. All business to be considered at a special meeting shall be stated in the notice.

Section 2.07 Initial Actions of the Members. For the initial operating year of the Association, the Members may vote upon the directors of the Association and the Bylaws without the payment of dues. A majority of the Members, in person or by proxy, at the initial annual meeting of the Members shall select the Board of Directors and may adopt these Bylaws as the Bylaws of the Association.

Section 2.08 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 Association before or at the time of the meeting. Each proxy shall only be effective for the meeting or meetings specified in such proxy.

Section 2.09 Record Date for Notice and Voting. For the purpose of determining Members entitled to notice of and/or to vote at any meeting of Members or any adjournment thereof or in order to make a determination of the Members for any other proper purpose, the Board of Directors of the Association may fix in advance of any Member meeting a date as the record date for any such determination of Members entitled to notice and/or to vote, such date in any case to be not more than sixty (60) and not less than ten (10) days prior to the date on which the particular meeting, requiring such determination of Members, is to be taken.

Section 2.10 Voting Lists. The officer or agent having charge of the membership books for the Association shall make, at least ten (10) days before each meeting of Members, a complete list of the Members entitled to vote at such meeting, or any adjournment thereof, which list, for a period of ten (10) days prior to such meeting, shall be subject to inspection by any Member making written request therefore at any time during reasonable hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting. This membership list shall be prima facie evidence as to who are the Members entitled to examine such list(s) or to vote at any meeting of Members.

ARTICLE III **BOARD OF DIRECTORS**

Section 3.01 General Powers. The management of all the affairs, property and business of the Corporation shall be vested in the Board of Directors. The Board of Directors shall have full

power, by majority vote, to adopt rules and regulations governing the actions of the Board of Directors.

Section 3.02 Election of Directors and Tenure. The Directors constituting the initial Board of Directors as named in the Articles of Incorporation shall hold office until their successors are named at the initial annual meeting of the Members. Every Member in good standing and having paid their dues in full for the current year and for all applicable years shall be eligible to be elected. At the initial annual meeting of the Members, one half (1/2) of the Directors shall be elected for a one year term and one half (1/2) of the Directors shall be elected for a two year term. Prior to such vote, the candidates for each group shall be noted. As a result of this method, at each annual meeting of the Members half of the Director positions shall be open for election, while the other half shall continue to serve as Directors. The purpose of these staggered terms is to help maintain continuity of the leadership of the Association. Thereafter, each Director shall be elected for two (2) year terms by a majority of the Eligible Members attending, either in person or by proxy, the annual meeting. A Director may be eligible for re-election. However, no Director may serve for more than four (4) consecutive years, but such Member is eligible to re-election after one year. Each Director will hold office for the term for which the Director is appointed and until a successor has been selected and qualified.

At the January meeting of the Board, the Board of Directors shall appoint a Nominating Committee which consists of three (3) Members of the Association whose duty shall be to compile a list of Members interested in being a candidate for the Board of Directors for the upcoming year. The slate of Members will be presented at the annual meeting of Members. Only one person of a Member household may serve as a director or officer for any given term.

Section 3.03 Number. The number of Directors with voting power shall be not less than four (4) nor more than twelve (12) persons who shall be elected as provided herein. Each Director shall hold office until the next annual meeting of the Members and until his or her successor shall have been elected and qualified, subject to removal by the Members with or without cause at a special meeting called for such purpose. Directors shall be residents of Yellowleaf Ridge Estates subdivision and Members of the Association.

Section 3.04 Directors' Meetings. The Board of Directors shall meet at least four (4) times a year. One such regular meeting of the Board of Directors shall take place on the first Monday of the each calendar quarter at such place as the Board of Directors may designate and for the transaction of such other business as may come before the meeting. If the day fixed for the meeting of the Board of Directors shall be a legal holiday in the state of Alabama or the Board of Directors determines it is inappropriate for such meeting, the meeting shall be on the next succeeding Monday. Additionally, the Board of Directors may hold monthly meetings at any other time or place which shall be specified in a notice given as hereinafter provided for meetings of Directors. The regular meetings of the Association shall be for the purpose of receiving reports from the officers and standing committees; for the receiving of reports from ad hoc committees; for establishing programs and budgets in furtherance of the objectives of the Association; and for any other business that may arise. A simple majority of the Board of Directors present shall be considered sufficient to transact business at the meetings.

Section 3.05 Special Directors' Meetings. Special meetings of the Board of Directors may be called by or at the request of the president or any two (2) Directors and shall be called by the Board upon written request of at least twenty-five percent (25%) of the Eligible Members of the Association, and shall be held at such other place as the Directors may determine. The Board shall have the power to call special meetings of the Association whenever it deems necessary. All business to be considered at a special Board meeting shall be stated in the notice. In the event of an emergency the Board of Directors may call a special meeting of the Board of Directors or the Members upon reasonable notice.

Section 3.06 Notice of Meetings. Notice of any meeting shall be given at least ten (10) days prior thereto by written notice delivered personally or mailed to each Member at his or her place of residence and/or by email to the address provided to the Board of Directors by the Member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. Any Director may waive notice of any meeting. 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. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 3.07 Quorum of Directors. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at any meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice. If a quorum is present when the meeting is convened, the Directors present may continue to do business, taking action by a vote of the majority of a quorum, until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum present, or the refusal of any Director present to vote.

Section 3.08 Board Decisions. 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, unless the act of a greater number is required by law.

Section 3.09 Vacancies. Any vacancy occurring in the Board of Directors and any Directorship to be filled by reason of an increase in the number of Directors shall be filled by the Members at a special meeting called for such purpose. A Director appointed to fill a vacancy shall serve for the unexpired term of his or her predecessor in office.

Section 3.10 Resignation. Any Director may resign at any time by giving thirty (30) day written notice of such resignation to the Board of Directors.

Section 3.11 Removal. Any Director elected by the Members may be removed at any time, with or without cause, by the affirmative vote of a majority of the entire Board of Directors and the affirmative vote of two-thirds (2/3) of the Eligible Members and the vacancy in the Board caused by any such removal may be filled in accordance with section 3.09.

Section 3.12 Remuneration to Directors. No Director of the Association shall receive any compensation, remuneration or other emolument for services rendered as a Director or officer of

this Association other than reimbursement of actual expenses incurred in the discharge of duties as such; and no loans shall be made by the Association to any of its Directors or officers.

Section 3.13 Legal Proceedings. The Board of Directors may institute and defend any and all suits or legal proceedings in any court relating to the Association, employ counsel and compromise or submit to arbitration all matters of dispute in which the Association may be involved, as the Board of Directors may deem necessary and proper.

Section 3.14 Presumption of Assent. A Director of Association who is present at a meeting of the Board of Directors at which action on any Association matter is taken shall be presumed to have assented to the action taken unless he or she voted against such action or he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

ARTICLE IV **OFFICERS**

Section 4.01 Officers. The officers of the Association shall be a president, one or more vice presidents, a secretary, and a treasurer, all of whom shall be elected at the first meeting of the Directors for one operating year at the first regular meeting of the Board of Directors, by a majority of the Directors present, and the officers shall hold office until their successors are elected and qualified. An officer may be eligible for re-election. No officer may hold more than one office. The failure of the Board of Directors to elect any officer other than a President and a Secretary shall not constitute a violation of these Bylaws. The Officers shall perform the duties prescribed in this article and such others as the Articles of Incorporation, the Bylaws of the Association or the parliamentary authority adopted by the Association.

Section 4.02 Additional Officers. The Board of Directors may also so choose additional assistant secretaries and assistant treasurers.

Section 4.03 Qualifications. All officers must be members of the Board of Directors.

Section 4.04 President. The President shall be the chief executive officer of Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of Association. He or she shall, when present, preside at all meetings of the Board of Directors. He or she may sign, with the Secretary or an Assistant Secretary, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officers or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 4.05 Vice-Presidents. In the absence of the President or in the event of his or her death, inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) 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 other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

Section 4.06 Secretary. The Secretary shall: (a) record the votes and keep the minutes of the proceedings of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of Association and see that the seal of Association is affixed to all documents the execution of which on behalf of Association under its seal is duly authorized; (d) keep a register of the address of each Member which shall be furnished to the Secretary; and (e) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

Section 4.07 Minutes. The Secretary shall keep minutes of all meetings, shall have charge of the seal and the Association's minute books and shall make such reports and perform other duties as are incident to the office, or as may be lawfully required by the Board of Directors.

Section 4.08 Assistant Secretaries. The assistant secretaries, in order of their seniority, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties as the Board of Directors shall lawfully prescribe.

Section 4.09 Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of Association; (b) receive and give receipts for monies due and payable to Association from any source whatsoever, and deposit all such monies in the name of Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VI of these Bylaws; and, (c) in general perform all of the duties as from time to time may be assigned to him or her by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

Section 4.10 Assistant Treasurers. The assistant treasurers, in order of their seniority, shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer and shall perform such other duties as the Board of Directors shall lawfully prescribe.

Section 4.11 Delegation of Powers. In the case of absence or inability to act of any officer of the Association and of any person herein authorized to act in his or her place, the Board of Directors may from time to time delegate the powers or duties of such officer to any other officer, or any Director or other person whom it may select.

Section 4.12 Vacancies. Vacancies in any office arising from any cause may be filled by the Directors at any regular or special meeting where there is a quorum present by majority vote of the Directors attending.

Section 4.13 Removal. The officers of the Association shall hold office until their term as Directors expires or their successors are chosen and qualified. Any officer elected or appointed by the Board of Directors may be removed from such office at any time, with or without cause, by the affirmative vote of a majority of the entire Board of Directors.

Section 4.14 Bonding. The Board of Directors may require any of the officers, custodians or agents to give bond to the Association, with sufficient surety or sureties, contingent upon the satisfactory performance of the duties of their respective positions and to comply with such other conditions as may from time to time be required by the Board of Directors.

ARTICLE V **COMMITTEES**

Section 5.01 Formation and Composition of Committees. The Board of Directors by resolution may designate one or more committees, each of which shall consist of two or more Directors together with Members who may not be Directors; and such committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Association. The designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed by these Bylaws, the Restrictive Covenants or any applicable law. Other committees not having and exercising the authority of the Board of Directors in the management of the Association and not consisting of two or more Directors or of any Directors may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present.

Section 5.02 Minutes of Committee Meetings. All committees appointed shall keep regular minutes of the transactions of their meetings and shall cause them to be recorded in books kept for that purpose in the records of the Association and shall report to the Board of Directors at its next meeting.

Section 5.03 Auditor. An independent auditor or auditors shall be appointed by the Board of Directors at the regular January meeting. The auditor(s) shall examine the books of the Association and shall submit a written statement for the regular annual meeting of the Members of the Association.

Section 5.04 Finance Committee. The Finance Committee shall be appointed by the Board of Directors after the annual meeting and shall consist of the Treasurer (as Chair) and two other Directors. It shall consider requests for funds, plan a budget, and recommend to the Board of Directors such expenditures as the committee deems expedient. It shall report at the next meeting of the Board of Directors.

ARTICLE VI
CONTRACTS, CHECKS, DEPOSITS AND GIFTS

Section 6.01 Contracts. The Board of Directors may authorize any officers or agent(s) of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association; and such authority may be general or may be confined to specific instances.

Section 6.02 Checks, Drafts, or Orders. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers or agent or agents of the Association, and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the treasurer or an assistant treasurer and countersigned by the president or a vice president of the Association.

Section 6.03 Deposits. All funds of the Association shall be deposited within three (3) business days of receipt of the amounts to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 6.04 Gifts. The Board of Directors, in its discretion, may accept on behalf of the Association any contribution, gift, bequest, or devise for any purpose of the Association.

Section 6.05 Loans. No loans shall be contracted on behalf of Association and no evidences of indebtedness shall be issued in its name unless authorized at a special meeting called for such purpose. At least two-thirds (2/3) of the Eligible Members must be present, either in person or by proxy, at such meeting and at least seventy-five percent (75%) of the Eligible Members present, either in person or by proxy, at the special meeting must approve the loan. Such authority shall be confined to specific instances.

ARTICLE VII
BOOKS AND RECORDS

Section 7.01 Books and Records. This Association shall keep correct and complete books and records of account, shall also keep minutes of the proceedings of its Board of Directors and committees having and exercising any of the authority of the Board of Directors. All books and records of the Association may be inspected by any Member, or his or her agent or attorney, for any proper purpose at any reasonable time.

ARTICLE VIII
AMENDMENTS

Section 8.01 Amendment of Articles of Incorporation. The Articles of Incorporation of this Association may be amended from time to time by the Members present at a special meeting called for such purpose. At least two-thirds (2/3) of the Eligible Members must be present, either in person or by proxy, at the meeting and at least seventy-five percent (75%) of the Eligible Members present, either in person or by proxy, at the special meeting must approve each of the amended subsections. Thirty (30) day written notice must be given of intention to alter, amend,

or repeal the Articles of Incorporation at such meeting. In addition, such notice shall contain the proposed amendments to be considered at such meeting.

Section 8.02 Amendment of Bylaws. These Bylaws may be altered, amended, or repealed, and new provisions may be adopted by the Members present at a special meeting called for that purpose. At least two-thirds (2/3) of the Eligible Members must be present, either in person or by proxy, at the meeting and at least seventy-five percent (75%) of the Eligible Members present, either in person or by proxy, at the special meeting must approve each of the amended subsections. Thirty (30) day written notice must be given of intention to alter, amend, or repeal or to adopt new Bylaws at such meeting. In addition, such notice shall contain the proposed amendments to be considered at such meeting.

Section 8.03 Effective. Unless otherwise provided prior to its adoption or in the motion to adopt, an amendment shall become effective upon adjournment of the meeting at which it is adopted.

ARTICLE IX **EXCULPATION OF DIRECTORS**

Section 9.01 Exculpation of Directors. No Director shall be liable to anyone for any acts on behalf of the Association or any omissions with respect to the Association omitted by such Director, except for his or her own intentional wrongdoing. 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 intentional wrongdoing.

ARTICLE X **IMMUNITY FOR VOLUNTEERS** **AND INDEMNIFICATION OF DIRECTORS, OFFICERS, ETC.**

Section 10.01 Immunity and Indemnification. Pursuant to §10-3A-20-(14) of the Code of Alabama, the Association does hereby intend to provide the broadest indemnification to its Directors and officers that is authorized and permitted by law. The Directors, officers, and any of the volunteers performing services for the Association shall receive the full benefit of the immunity provided by The Volunteer Service Act, as set forth in §6-5-336 of the Code of Alabama.

Section 10.01.01 In furtherance of the above-stated intent, the Association shall indemnify and hold harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, including appeals, by reason of the fact that such person is or was a Director, officer, employee or agent of the Association, against expenses (including without limitation attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such claim, action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any claim, action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of

nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 10.01.02 To the extent that a Director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to herein or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including without limitation attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

Section 10.01.03 Expenses (including attorney's fees) incurred in defending any claim, action, suit or proceeding may be paid by the Association in advance of the final determination, settlement or other disposition of such claim, action, suit or proceeding upon receipt by the Association of an agreement by or on behalf of the Director, officer, employee or agent to repay such amount if it shall be determined that such person was not entitled to be indemnified under this section.

Section 10.01.04 The foregoing right of indemnification shall not be exclusive and shall be in addition to any other rights to which the Director, officer, employee or agent may be entitled under any statute, rule of law, agreement or resolution or vote of the Board of Directors.

ARTICLE XI **WAIVER OF NOTICE**

Whenever any notice is required to be given to any Director of the Association under the provisions of these Bylaws, the Articles of Incorporation, the provisions of the Alabama Nonprofit Corporation Act and any act amendment thereof, supplementary thereto or substituted therefore, or the Alabama Constitution, a waiver thereof in writing, signed by the Director entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII **CONFLICTS WITH ARTICLES**

In the event that any conflict or possibility of conflict arises between these Bylaws and the Articles of Incorporation of Association, the provisions of the Articles of Incorporation shall prevail over and preempt the operation of these Bylaws.

ARTICLE XIII **SEVERANCE**

In the event any article, paragraph, section, or phrase of these Bylaws shall be voided by or contrary to the provisions of the Alabama Nonprofit Corporation Act, it shall not affect or impair the validity and operation of the remaining provisions of these Bylaws.

ARTICLE XIV
CAPTIONS

All captions found within these Bylaws are utilized solely for the purposes of convenience and shall in no way be deemed to define, describe, extend, or limit the scope or intent of these Bylaws or any provision contained therein.

ARTICLE XV
PARLIAMENTARY AUTHORITY

To assist the operation of the meeting, the Association may utilize the rules contained in Robert's Rules of Order Revised in all cases to which they are applicable and in which they are not inconsistent with these Bylaws.

CERTIFICATE

I, the undersigned, as Secretary of **YELLOWLEAF RIDGE ESTATES HOMEOWNERS' ASSOCIATION, INC.**, an Alabama non-profit corporation, hereby certify that the foregoing Bylaws were duly and unanimously adopted at a meeting of the Board of Directors of said Association held on the _____ day of _____, 2004.

DATED this _____ day of _____, 2004.

By: _____

Its Secretary