

ARTICLE I.

SHARES OF STOCK

SEC. 1. CAPITAL STOCK. The Capital of this Corporation shall be divided into 150 non-assessable shares of common stock, \$1.00 par value. Cannon Pool, Inc. stock can only be owned by persons who have purchased and presently own a lot in the Rockford Village, as defined by the stockholder list maintained by the Secretary.

SEC. 2. CERTIFICATE OF SHARES. The Certificates for shares of the Capital Stock of this Corporation shall be in such form, not inconsistent with the Articles of Incorporation of the Corporation.

SEC. 3. TRANSFER OF SHARES. Shares of the Capital Stock of the Corporation shall be transferred by endorsement of the certificates representing said share by the registered holder thereof or his attorney, and its surrender to the Secretary for cancellation. Whereupon the Secretary shall issue to the transferee or transferees, as specified by the endorsement upon the surrendered certificate, a new certificate with the same stock number. Transfers shall be made **only** upon the books of the Corporation and upon said surrender and cancellation; and shall entitle the transferee(s) to all the privileges, rights and interests of a shareholder of this Corporation. Shares of stock of Cannon Pool, Inc. must be transferred only to the purchaser of the property (which has qualified the holder for ownership of this certificate) when lots of the stockholders are sold.

SEC. 6. DIVIDENDS. No dividends will be paid.

SEC. 7. FISCAL YEAR. The fiscal year of the Corporation shall end on the 31st day of December of each year.

SEC. 8. CORPORATE SEAL. This Corporation shall have no seal.

ARTICLE II.

SHAREHOLDERS MEETING.

SEC. 1. TIME, PLACE AND PURPOSE. Meetings of the shareholders of the Corporation shall be held annually during the month of September at a time and place designated by the Board of Directors (Board) for the purpose of electing directors, and for the transaction of such other business as may be brought before the meeting.

SEC. 2. SPECIAL MEETINGS. Special meetings of the Shareholders may be

called by the President and Secretary, and shall be called by either of them at the request in writing or by vote of a majority of the Board of Directors, or at the request in writing by shareholders of record owning a majority in amount of the entire Capital Stock of the Corporation issued and outstanding.

SEC. 3. NOTICE. Written notice of any shareholder's meeting shall be mailed or delivered to each shareholder at least ten (10) day prior to the date of an annual meeting at his or her last known address, as the same appears on the stock book of the Corporation, or otherwise, at least ten days prior to any meeting and any notice of a special meeting shall indicate briefly the object or objects thereof. Nevertheless, *if* all the shareholders waive notice of the meeting, no notice of the same shall be required, and whenever all the shareholders shall meet in person or by proxy, such meeting shall be valid for all purposes, without call or notice, and at such meeting any corporate action shall not be invalid for want of notice.

SEC. 4. DELAYED ANNUAL MEETING. If, for any reason, the annual meeting shall not be held in the month so designated such meeting may be called and held as a special meeting with the same proceedings as at an annual meeting; provided, however, that the notice of such meeting shall be the same as required for a stockholders meeting.

SEC. 5. QUORUM. At any meeting of the shareholders, twenty-five percent (25%) of active members (stockholders who are also members of the pool) present in person or represented by proxy, shall constitute a quorum. Meetings at which less than a quorum is represented may adjourn the meeting for not more than thirty (30) days.

SEC. 6. VOTING. Each shareholder shall be entitled to one vote for each share held of voting stock standing registered the books of the Corporation, in person or by proxy duly appointed in writing and filed with the Secretary of the meeting, on all questions and elections. No proxy shall be voted after three years from its date unless said proxy provides for a longer period.

SEC.7. ORGANIZATION. The President shall call meetings of the shareholders to order and shall act as Chairperson of such meetings, unless otherwise determined by the active member quorum. The Secretary of the Corporation shall act as Secretary of all meetings of the Corporation, but in the absence of the Secretary- at any meeting of the shareholders or his or her inability to act as Secretary, the presiding officer may appoint any person to act as Secretary of the meeting.

SEC.8. INSPECTORS. Whenever any shareholder present at a meeting of shareholders shall request the appointment of inspectors, a majority of the shareholders present at such meeting and entitled to vote thereat, shall appoint inspectors who need not be shareholders. If the right of any person to vote at such meeting shall be challenged, the inspectors of election shall determine such right. The inspectors shall receive and count the votes either upon an election or for the decision of any question and shall determine the result. Their certificate of any vote shall be prima facie evidence thereof.

SEC. 9. GIVING NOTICE. Any notice required by statute or by these By-Laws to be given to the Shareholders, or to the directors of the Corporation shall be deemed to be sufficient to be delivered by hand, US Postal Service or electronically addressed to such shareholder and director at his or her last known address, and such notice shall

be deemed to have been given at the time of such sending.

SEC. 10. NEW SHAREHOLDERS, every person becoming a shareholder in this Corporation shall be deemed to assent to these By-Laws, and shall designate to the Secretary the address to which he desires that the notice herein required to be given may be sent, and all notices delivered to such addresses, shall be considered as duly given at the date of sending, and any person failing to so designate his address shall be deemed to have waived notice of such meeting.

ARTICLE III

BOARD OF DIRECTORS

SEC. 1. NUMBER, CLASSIFICATION AND TERM OF OFFICE. The business and the property of the Corporation shall be managed and controlled by the Board of Directors.

The number of Directors shall be five to nine (5-9) active members, of which a minimum of three (3) must also be stockholders of the Corporation. The number of Directors can be changed from time to time by the alteration of these by-laws.

SEC. 2. ORGANIZATION MEETING OF BOARD. At the place of holding and immediately following the annual meeting of members, the Board as constituted upon final adjournment of such annual meeting shall convene the following month for the purpose of electing officers and transacting any other business properly proposed.

SEC. 3. REGULAR MEETINGS OF THE BOARD. The Directors may hold their meetings at such time and place as determined by the Directors. No notice of regular meetings shall be required to general membership. The Board shall meet at least once a month during the months of March, April, May, June, July, August and September.

SEC. 4. SPECIAL MEETINGS OF BOARD. Special meetings of the Board may be called by the President, Secretary or by any two (2) Directors at any time by means of such written notice of time, place and purpose of such meeting to each Director as the Secretary at his or her discretion shall deem sufficient. Notice of the meeting shall be waived as provided in Section 5 of this article and all business conducted at said meeting shall be lawful.

SEC. 5. WAIVER OF NOTICE. Notice of the time, place and purpose of any meeting of the Board may be waived by mail or personal written notice either before or after such meeting has been held. Attendance at any meeting of the Board constitutes a waiver of notice, except where a Director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

SEC. 6 QUORUM OF DIRECTORS. A majority of the Directors shall constitute a quorum. Less than a quorum may adjourn the meeting to another day.

SEC. 7. VACANCIES. All vacancies in the membership of the Board may be filled by appointment made by the remaining Directors. Each person so appointed

to fill a vacancy shall remain a Director until his or her successor has been elected by the members, who may make such election at their next annual meeting or at any special meeting for that purpose.

SEC. 8. ACTION BY UNANIMOUS WRITTEN CONSENT. If and when the Directors collectively consent to any action to be taken by the corporation, such action shall be as valid corporate action as though it has been authorized at a meeting of the Board.

SEC. 9. POWER TO MAKE BY-LAWS. The stockholders shall have power to amend and alter any by-law or by-laws, provided that there is a quorum, as defined by Article II., Section 5.

SEC. 10. DELEGATION OF POWER. For any reason it deems sufficient, whether occasioned by absence or otherwise, the Board may delegate all or any of the powers and duties of any director to any other director, but no director shall execute, acknowledge or verify any instrument in more than one officer role.

SEC. 11. POWER TO APPOINT EXECUTIVE COMMITTEE. The Board shall have power to appoint by resolution an executive committee composed of two or more directors, who, to the extent provided in such resolution, shall have and exercise the authority of the Board in the management of the business of the Corporation between meetings of the Board.

SEC. 12. POWER TO REQUIRE BONDS. The Board may require a director to file with the corporation a satisfactory bond conditioned for faithful performance of his or her duties.

SEC. 13. COMPENSATION. The compensation of directors shall be the cost of a household pool membership the year of service on the Board, contingent upon faithfully serving their duties for a full term.

SEC. 14. REMOVAL. Any Director may be removed for cause by a majority of the active members either at the Annual Meeting or at any Special Meeting called in accordance with these by-laws. PROVIDED, no more than one meeting of members shall be held and vote recorded for the removal of any individual director during the term for which he or she is elected.

SEC. 15. TERM. Each director shall be elected for a one (1) year term. Each director shall take office on October 1 following the general election at the annual stockholders meeting.

SEC. 16. OFFICERS. The Board of Directors shall select a President, a Secretary and a Treasurer who shall be elected by the Board of Directors at their first meeting held immediately after the adjournment of the regular annual stockholders meeting. All officers need to be a director. Other offices that the Board may decide are necessary are: Operations, Assistant Operations, Grounds, Events, Maintenance, Marketing, Communications, Safety and Membership Directors.:

ARTICLE IV.

DUTIES OF OFFICERS

SEC. 1. PRESIDENT. The President shall preside over all meetings of stockholders and of the Board, shall be ex officio member of all standing committees, and shall be general manager in active control and management of the business and affairs of the Corporation in the absence of the Board.

SEC. 2. SECRETARY. The Secretary shall perform the duties and exercise the powers of the President during his or her absence, disability or death. The Secretary shall attend all meetings of the stockholders, of the Board, and shall preserve in books of the Corporation true minutes of the proceedings of all such meetings and pursue written records of corporation. He or she shall give all notices required by statute, by-laws or resolution.

SEC. 3. TREASURER. The Treasurer shall have custody of all corporate funds and securities and shall keep in books belonging to the Corporation full and accurate accounts of all receipts and disbursements; he or she shall deposit all moneys, securities and other valuable effects in the name of the Corporation in such depositories as may be delegated for that purpose by the Board. He or she shall disburse such funds of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and directors at the regular meetings of the Board, and whenever requested by them, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation. The Treasurer shall submit all books and records for an independent audit at calendar year, this corporation shall operate on a calendar year basis.

ARTICLE V. POOL MEMBERSHIP

SEC. 1. WHO IS ENTITLED TO MEMBERSHIP. Membership is open to families (all persons living in the same household) and individuals who have paid the annual dues for pool membership.

SEC. 2. DUES AND FEES. Dues shall be fixed on an annual basis by the Board of Directors and shall be payable on such date as determined by the Board.

SEC. 3. REFUND OF DUES. No dues of any part thereof shall be refunded in the event that pool operations are suspended for any period.

SEC. 4. USE OF POOL. Use of pool facility shall be limited to active members and their guests. Members must follow the rules and regulations of the pool as shown in the Cannon Pool Member Rules and Guidelines.

SEC. 5. TERMINATION OR SUSPENSION OF MEMBERSHIP. Any member may for just cause and after having been given an opportunity for a hearing, may be suspended for a period not to exceed thirty (30) days by a majority vote of the Directors or have their membership terminated by a majority of Directors. Cause for suspension or expulsion shall include, but not be limited to: violation of the by-laws or rules and regulations of this Corporation, failure to pay dues and unbecoming conduct.

ARTICLE VI

EXECUTION OF INSTRUMENTS

SEC. 1. CHECKS, ETC. All checks, drafts, and orders for payment of money shall be signed in the name of the corporation by such directors or agents as the Board shall from time to time designate for that purpose.

SEC. 2. CONTRACTS, CONVEYANCES. ETC. When the execution of any contract, conveyance or other instrument has been authorized without specification of the Board, the President and the Secretary may undertake the execution in the name and on behalf of this Corporation. The Board shall have power to designate the Board members and agents who shall have authority to execute any instrument on behalf of this corporation.