

**BY-LAWS
OF
SHORESIDE AT SIPSEY PROPERTY OWNERS ASSOCIATION**

Alabama
Sec. Of State
New Entity
833-220
Date 2/02/2021
Time 15:20
210202 22 Pg
Walker County
File \$100.00
County \$100.00
Total \$200.00
09/018

1. IDENTITY

These are the By-Laws of SHORESIDE AT SIPSEY PROPERTY OWNERS ASSOCIATION (hereinafter the "Association"), a corporation not for profit, incorporated under the laws of the State of Alabama.

2. MEMBERS' MEETINGS

2.01. The Association has been organized and the initial Board of Directors and Officers have been elected by the current owners to serve until their successors are duly elected and appointed. The initial Board of Directors will hereafter determine the length of their initial term (not to exceed one year) and when to call the next meeting of the owners to elect a new Board of Directors.

2.02. Thereafter, the annual meeting of the owners shall be held at such time and place fixed by the officers of the Association for the purpose of electing Directors and of transacting any other business authorized to be transacted by the members.

2.03. Special members' meetings shall be held whenever called by the President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast twenty-five percent (25%) of the votes in the Association.

2.04. Notice of all members' meetings stating the time and place and the objects for which a meeting is called shall be given by the President or Vice President or Secretary unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than ten (10) days nor more than fifty (50) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived before or after meetings.

2.05. Change of Date. The time of holding the annual meeting of members may be changed at any time, provided that such notice of change be mailed to each member of record at such address as appears upon the records of the Association not less than fifteen (15) days before the holding of such meeting.

2.06. Voting. Each member shall have one vote for each lot or building site owned (with contiguous lots owned by one owner for privacy or functionality being considered one building site), as indicated by the number of association fees paid by said member; and, provided further, that only one vote shall be cast for a lot owned by two or more persons.

2.07. A Quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. As used in these By-Laws, the term "majority" means fifty-one percent (51%) of the total of all members in the Association.

2.08. Absentee Ballots. Votes may be cast in person or by proxy or by absentee ballot filed with the Secretary before the appointed time of the meeting.

2.09. Vote required to transact business. When a quorum is present at any meeting, the holders of a majority of the voting rights present in person or by absentee ballot shall decide on any questions brought before the meeting, unless the question is one upon which, by express provision of the statutes or the Declaration of Covenants, Conditions and Restrictions ("CCR's"), a different number is required, in which case the express provision shall govern and control the decision in question.

2.10. Adjourned meetings. Any meeting of the Association may be adjourned from time to time to such date and time as may be determined by the majority vote of the members present, whether a quorum be present or not, without notice other than the announcement at the meeting. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

3. **BOARD OF DIRECTORS**

3.01. Membership. The affairs of the Association shall be conducted by the Board of Directors, which shall consist of such number not less than three (3) nor more than five (5), as shall from time to time be determined and affixed by a vote of the voting rights present at any annual meeting of the members. Each Director shall be an Owner or an officer or director of an Owner.

3.02. Election of Directors shall be conducted in the following manner:

(a) Directors shall be elected at the annual meeting of the members of the Association.

(b) Except as to vacancies created by removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors.

(c) Any Director may be removed by concurrence of three-fourths (3/4) of the members of the Association at a special meeting of the members called for that purpose. The vacancy thus created shall be filled at the same meeting by the members of the Association in the same manner as was provided for the election of the removed Director.

3.03. The term of each Director's service shall be for one (1) year and shall extend until the next annual meeting of the members and thereafter until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

3.04. The organization meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of organization meeting shall be necessary, provided a quorum shall be present.

3.05. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone, or email, at least three (3) days prior to the day named for such meeting.

3.06. Special meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of one-third (1/3) of the votes of the Board. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone, or email, which notice shall state the time, place and purpose of the meeting.

3.07. Waiver of notice. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

3.08. A quorum at Directors' meetings shall consist of the Directors entitled to cast a majority of the votes of the entire Board of Directors. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors. If at any meeting of the Board of Directors there be 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 which might have been transacted at the meeting as originally called may be transacted at the adjourned meeting without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

3.09. The presiding officer of the Directors' meetings shall be the President. In the absence of the President, the Vice President shall preside or the Directors present shall designate one of their members to preside.

3.10. Directors shall serve without compensation, and a Director may not be an employee of the Association.

4. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

The Board of Directors, for the benefit of the owners, shall have the following powers and duties:

4.01. To exercise all of the powers of the Association with respect to the operation and regulation of the Association which are conferred upon the Board by the CCR's or by these By-Laws, and to exercise all of the powers of the Association which are conferred upon it by law and by its Certificate of Formation.

4.02. To make contract and incur liabilities in connection with the exercise of any of the powers and duties of the Board.

4.03. To provide or cause to be provided all goods and services required by the By-Laws or by law, or which the Board, at its discretion, deems necessary for the proper operation of the Association and its members.

4.04. To collect annual assessments from the owners, and to render or cause to be rendered statements, when required or useful, of any assessments which remain unpaid by any owner.

4.05. To maintain a class action, and to settle a cause of action on behalf of owners with references to the operation and maintenance of the common areas and community facilities, all as the Board deems advisable.

4.06. To elect the officers of the Association and otherwise exercise the powers regarding officers of the Association as set forth in these By-Laws.

4.07. To determine who shall be authorized to make and sign all instruments on behalf of the Association and the Board.

4.08. To employ a manager, at a compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in this Section, and any such duties so conferred upon the manager by the Board of Directors may at any moment be revoked, modified or amplified by the majority of the votes in a duly constituted meeting.

4.09. To procure such property and other insurance of all kinds and such fidelity bonds as the Board deems advisable covering officers and employees of the Association handling and responsible for Association funds and personal property, the premium of such bonds and insurance shall be paid by the Association as common expense.

4.10. To determine policies and to adopt administrative rules and regulations governing the details of the operation and use of the Property by the Owners, and to amend such administrative rules and regulations from time to time as the Board deems advisable.

4.11. To designate, by resolution passed by a majority of the whole Board, one (1) or more committees to consist of two (2) or more of the Directors. Any such committee, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board of Directors in the management of the business and affairs of the corporation, except where action of the full Board of Directors is required by law, the Certificate of Formation, the CCR's or the By-Laws.

4.12. To designate, by resolution adopted by a majority of the Directors present at a meeting at which a quorum is present, or by the President thereto duly authorized by a like resolution of the Board of Directors, other committees not having and exercising the authority of the Board of Directors in the management of the affairs of the corporation. Membership on such committees may, but need not be limited to Directors of members of the Association.

4.13. All committees so appointed shall keep regular minutes of the transactions of their meetings, and shall cause them to be recorded in books kept for that purpose, and shall report the same to the Board of Directors at the next meeting of such Board.

5. OFFICERS

5.01. The executive officers of the Association shall be a President, a Vice President, a Treasurer and a Secretary, all of whom shall be Directors and shall be elected annually by the Members of the Association. Any person may hold two (2) or more offices except that the President shall not also be Secretary. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board deems appropriate.

5.02. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the president of an association.

5.03. The Vice-President shall, in the absence of or disability of the President, exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

5.04. The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors and other notices required by law. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of the secretary of an association as may be required by the Directors or the President.

5.05. The Treasurer shall have custody of all property of the Association, including funds, securities and evidence of indebtedness. He shall keep the financial records and books of account of the Association in accordance with good accounting practices; shall keep detailed,

accurate records in chronological order of the receipts and expenditures affecting the common areas and facilities, specifying and itemizing the maintenance and repair expense of the common area and facilities and any other expenses incurred; and he shall perform all other duties incident to the office of Treasurer. The records, books of account and the vouchers authorizing payments shall be available for examination by a member of the Association at convenient hours of weekdays.

6. FISCAL MANAGEMENT

6.01. Budget. The Board of Directors shall determine the common expenses of the Association and adopt a budget for each fiscal or calendar year of such estimated common expenses, including a reasonable allowance for contingencies and reserves, less the unneeded fund balances on hand. The fiscal year of the Association shall be such as may from time to time be established by the Association. Within thirty (30) days after the adoption of a proposed budget for the Association, the Board shall provide a copy of the budget and proposed assessments to all the owners.

6.02. Assessments for Recurring Expenses. Assessments for recurring common expenses shall be made for the calendar year annually in advance and transmitted to each member as provided supra. The Board may include a Maintenance Fund Reserve for contingencies in such assessments, and such Maintenance Fund Reserve may from time to time be increased or reduced at the discretion of the Board. Such assessments shall be due in annual installments on the first day of the year for which the assessments are made, and shall be delinquent if not paid within thirty (30) days. The total of the assessments for recurring common expenses shall be not more than one hundred five per cent (105%) of the assessments for this purpose for the prior year unless affirmatively approved by 60% of the owners entitled to cast votes in the Association. In the event such an annual assessment proves to be insufficient, it may be amended at any time after approval in writing by owners entitled to cast a majority of the votes in the Association, and the amended assessment for the remaining portion of the calendar year shall be due within thirty (30) days.

6.03. Assessments for Capital Improvements. Upon written notice to all the owners and upon approval in writing by owners entitled to cast a majority of the votes of the Association, the Board may establish and maintain one (1) or more capital reserve accounts for such term of years as the Board may estimate as needed to cover the Association's obligation to provide for specified capital improvements, such as, by way of illustration and not limitation, the paving or repaving of streets and areas, the construction or reconstruction of common areas and community facilities and the like. Each such capital reserve account shall be earmarked and designated. Any part of each such capital reserve account remaining after full payment of all common expenses of the Association shall be distributed to the Association's general maintenance fund.

6.04. Assessments for Emergencies. Assessments for common expenses for emergencies which cannot be paid from the assessments for recurring expenses shall be made

only after notice of the need for same is provided to the owners. After such notice and upon approval in writing of more than one-half of the members of the Association, the assessment shall become effective, and it shall be due within thirty (30) days notice thereof in such manner as the Board of Directors may require.

6.05. Default.

(a) If the event an owner does not pay any sums, charges or assessments required to be paid to the Association within thirty (30) days from its due date, the Association may foreclose the lien encumbering the lot created by non-payment of the required moneys in the same fashion as mortgage liens are foreclosed; provided that thirty (30) days prior to the foreclosure, notice of such intention shall be mailed, postage prepaid, to the owner. The Association shall have the right to bid on the lot at a foreclosure sale and to acquire, hold, mortgage and convey the same. In any such foreclosure action, the lien of the Association shall be subordinate and inferior to any first mortgage liens of record encumbering such lot at the time of commencement of the foreclosure action by the Association. In lieu of foreclosing its lien, the Association may bring suit to recover a money judgment for any sums, charges or assessments required to be paid to the Association without waiving its lien securing the same. In any action either to foreclose its lien or to recover a money judgment brought by or on behalf of the Association against an owner, the losing defendant shall pay the cost thereof together with a reasonable attorney's fee.

(b) If the Association becomes the owner of a lot by reason of foreclosure, it shall offer said lot for sale, and at such time as a sale is consummated, it shall deduct from such proceeds all sums of money due it for assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees, and any and all expenses incurred in the resale of the lot, which shall include but not be limited to advertising expenses, real estate brokerage fees, abstract or title insurance costs and expenses necessary for the repairing and refurbishing of the foreclosed property. All monies remaining after deducting the foregoing items of expense shall be returned to the former owner of the foreclosed lot in question.

6.06. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by check signed by such person(s) as are authorized by the Directors.

7. **OBLIGATIONS OF THE OWNERS**

7.01. Assessments. Each Lot owner shall contribute pro rata toward the expense of administration of the Association as provided in the CCR's and in these By-Laws.

7.02. Maintenance and Repair. An owner shall reimburse the Association for any expenditures incurred in repairing or replacing common areas or community facilities (including damage to subdivision roads until such time as they are accepted for maintenance by the county) damaged through his fault or the fault of his agents and/or contractors.

7.03. Use of Property. Every owner shall comply strictly with the provisions of the CCR's, the By-Laws, and rules promulgated by the Board of Directors. In the event of the failure of any owner to do so, the Association may sue to recover sums due, damages, and/or injunctive relief, and for its costs and expenses therein, including a reasonable attorney's fee.

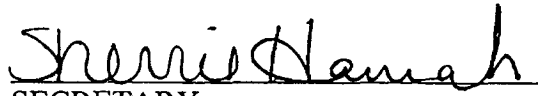
8 PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Condominium Ownership Act, CCR's, or these By-Laws.

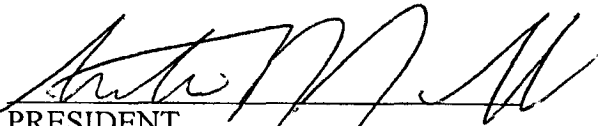
9. AMENDMENTS

These By-Laws may be altered, amended or repealed, or new By-Laws may be adopted by the affirmative vote or agreement of two-thirds of the Members of the Association.

The foregoing By-Laws of SHORESIDE AT SIPSEY PROPERTY OWNERS ASSOCIATION, have been adopted at the first meeting of the Board of Directors on this 25th day of January, ~~2020~~ 2021


SECRETARY

APPROVED:


PRESIDENT

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Sec. Of State
New Entity
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Date 2/02/2021
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