

BY-LAWS

DEC 14 1983 12:00 P

OF

ROMAR TOWERS CONDOMINIUM, INC.

and that no tax was collected. Recorded in *Misc*
Book *47*
Page *135* of *171* Judge of Probate
D.P. *1-1-83* Index *1* By *E. S.*

1. PURPOSE. These are the By-Laws of Romar Towers Condominium, Inc., called "Association" in these By-Laws, a corporation not for profit under the laws of the State of Alabama. The Association has been organized for the purpose of providing for the operation, management, maintenance, control and administration of Romar Towers, a Condominium, and is, with regard to such Condominium, the legal entity created pursuant to Title 35, Chapter 8, Code of Alabama, 1975, called the "Condominium Ownership Act" in these By-Laws.

2. OFFICES. The office of the Association shall be at Rom Towers, Gulf Shores, Alabama.

3. FISCAL YEAR. The fiscal year of the Association shall be the calendar year.

4. SEAL. The seal of the corporation shall bear the name of the Association, the word "Alabama", the words "corporation not for profit" and the year of incorporation, 1983.

5. MEMBERS' MEETINGS. The annual meeting shall be held at the office of the corporation at 2:00 p.m. on the second Saturday in January of each year for the purpose of electing directors and transacting any other business authorized to be transacted by the members.

6. SPECIAL MEETINGS. Special meetings shall be held whenever called by the President or Vice 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 one-third (1/3) of the votes of the entire membership.

7. NOTICE. Notice of all members' meetings stating the time and place and the objects for which the meeting is called shall be given by the President or Vice President or Secretary unless waived in writing. Such notice shall be posted at a

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conspicuous place on the Condominium property at least seven (7) days prior to the meeting and 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 seven (7) days, nor more than sixty (60) 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 the meetings.

8. QUORUM. A quorum of members meeting shall consist of persons entitled to cast a majority of the votes of the entire membership. The acts approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the act of the members, except when approval by a greater number of members is required by the Declaration of Condominium of the Condominium operated by the Association, the Articles of Incorporation of the Association, or these By-Laws. In determining whether a quorum is present, proxies may be counted as persons present.

9. MEMBERS' VOTE. At any meeting of the members, the owner of each unit shall be entitled to cast one (1) vote for each unit he owns, which shall not be cumulative.

10. MULTIPLE OWNERSHIP. If a unit is owned by one (1) person, his right to vote shall be established by the record title to his unit. If a unit is owned by more than one (1) person, the persons entitled to cast the vote for the unit shall be designated by a certificate signed under oath by all of the record owners of the unit and filed with the Secretary of the Association. If a unit is owned by a corporation, the person entitled to cast the vote for the unit shall be designated by a certificate signed under oath by the president or vice president and attested by the secretary or assistant secretary of the corporation and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or a change in the ownership of the unit

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concerned. A certificate designating a person entitled to cast the vote of a unit may be revoked by any owner of a unit. If such a certificate is not on file, the vote of such owner shall not be considered in determining the requirement for a quorum nor for any other purpose.

11. PROXIES. Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and must be filed with the Secretary at least five (5) days before the appointed time of the meeting or any adjournment of the meeting.

12. LACK OF QUORUM. If any meeting of members cannot be organized because a quorum is not present, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

13. ORDER OF BUSINESS. The order of business at annual meetings and as far as practical at other members' meetings shall be:

- ✓ A. Election of Chairman at meeting.
- B. Call of the roll and certifying of proxies.
- C. Proof of notice of meeting or waiver of notice.
- D. Reading and disposal of any unapproved minutes.
- E. Report of officers.
- F. Report of committees.
- G. Election of inspectors of an election.
- H. Election of directors.
- I. Unfinished business.
- J. New business.
- K. Adjournment.

14. RESERVATION OF CONTROL BY DEVELOPER. After the completion of transfer of at least seventy-five percent (75%) of the units to purchasers other than the Developer, or until three (3) years following the date of recording of the conveyance of title to the first unit purchaser, whichever event occurs first, the

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original directors elect to terminate its control of the Association and the Condominium operated by it. The proceedings of all meetings of members of the Association occurring prior thereto shall have no effect unless approved by the Board of Directors. The Association shall not be bound by any contract or lease entered into prior to the transfer of contract from the original Board of Directors appointed by the Developer.

15. NUMBER OF DIRECTORS. The affairs of the Association shall be managed by a Board of not less than three (3) directors.

16. ELECTION OF DIRECTORS. Election of directors shall be conducted in the following manner:

A. Election of directors shall be held at the annual members' meeting.

B. A nominating committee of three (3) members shall be appointed by the Board of Directors not less than thirty (30) days prior to the annual meeting. The committee shall nominate one (1) person for each director then serving. Nominations for additional directorships created at the meeting shall be made from the floor, and other nominations may be made from the floor.

C. The election shall be by secret ballot (unless dispensed by unanimous consent) and by a plurality of the votes cast. The owner of each unit shall be entitled to cast a vote for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

D. Except as to vacancies provided by removal of directors by members, vacancies in the Board of Directors occurring between annual meetings of the members shall be filled by the remaining directors.

E. Any director may be removed by concurrence of one-half (1/2) of the vote of the entire membership at a special meeting called for that purpose. The vacancy on

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the Board of Directors so created shall be filled by members of the Association at the same meeting.

F. Provided, however, that notwithstanding the provision of Paragraph 16, A through C, above, and Paragraph 17 below, to the contrary, until transfer of at least twenty-six (26) of the units to purchasers other than Owner or until one (1) year following the recording of the Declaration of Condominium Ownership or until original directors elect to terminate its control of the Association, whichever occurs first, the first directors of the Association shall continue to serve.

17. DIRECTORS' TERM. The terms of each director's service shall extend until the next annual meeting of the members and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

18. DIRECTORS' ORGANIZATIONAL MEETING. The organizational meeting of a newly-created 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 the organizational meeting shall be necessary.

19. REGULAR MEETINGS. 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 telegraph at least three (3) days prior to the day named for such meeting.

20. SPECIAL MEETINGS. 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 directors. Not less than three (3) days' notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place, and purpose of the meeting.

21. OPEN MEETINGS. Meetings of the Board of Directors shall be open to all unit owners and notices of meetings shall be

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posted conspicuously forty-eight (48) hours in advance for the attention of unit owners except in an emergency.

22. 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.

23. QUORUM. A quorum at directors' meetings shall consist of fifty percent (50%) or more of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of directors is required by the Declaration of Condominium of the Condominium operated by the Association, the Articles of Incorporation of the Association and these By-Laws.

24. ADJOURNED MEETINGS. If at any meeting of the Board of Directors 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.

25. JOINDER IN MEETING BY APPROVAL OF MINUTES. The joinder of a director in the action of a meeting by signing or otherwise concurring in the minutes of that meeting shall constitute the presence of such director for the purpose of determining a quorum.

26. PRESIDING OFFICER. The presiding officer of directors' meetings shall be the Chairman of the Board, if such an officer has been elected, and, if none, the President shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

27. ORDER OF BUSINESS. The order of business at a directors' meeting shall be:

- A. Calling of roll.
- B. Proof of due notice of meeting.
- C. Reading and disposal of any unapproved minutes.
- D. Report of officers and committees.

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- E. Election of officers.
- F. Unfinished business.
- G. New business.
- H. Adjournment.

28. DIRECTOR'S COMPENSATION. Director's fees or other compensation, if any, shall be determined by the members.

29. POWERS AND DUTIES OF THE BOARD OF DIRECTORS. All of the powers and duties of the Association existing under the Condominium Ownership Act, the Declaration of Condominium of the Condominium operated by the Association, the Articles of Incorporation of the Association and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to the approval by unit owners when such approval is specifically required.

30. OFFICERS. The executive officers of the Association shall be a President, who shall be a director, a Vice President, who shall be a director, a Treasurer, and a Secretary, all of whom shall be elected annually by the Board of Directors and who may be preemptorily removed by vote of the directors at any meeting. Any person may hold two (2) or more offices except that the President shall not also be the Secretary or an Assistant Secretary. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall find to be necessary or convenient to manage the affairs of the Association.

31. PRESIDENT. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties usually vested in the office of president of an association including, but not limited to the power to appoint committees from among the members from time to time as he, in his discretion, may determine appropriate to assist in the conduct of the affairs of the Association.

32. VICE PRESIDENT. The Vice President in the absence or disability of the President shall exercise the powers and perform the duties of the President. He also shall assist the

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President generally and exercise such other powers and perform such other duties as shall be prescribed by the directors.

33. SECRETARY. The Secretary shall keep the minutes of all proceedings of the directors and the members in a businesslike manner and available for inspection by unit owners and directors at all reasonable times. He shall attend to the giving and serving of all notices required by law. He shall have custody of the seal of the Association and affix it to the instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the directors of the President.

34. TREASURER. The Treasurer shall have custody of all property of the Association including funds, securities and evidence of indebtedness. He shall keep the books of the Association in accordance with good accounting practices and he shall perform all other duties incident to the office of Treasurer.

35. OFFICER COMPENSATION. The compensation of all officers and employees of the Association shall be fixed by all the directors. The provision that directors' fees shall be determined by its members, shall not preclude the Board of Directors from employing a director as an employee of the Association, nor preclude the contracting with a director for the management of the Condominium operated by the Association, or any portions of the property thereof.

36. FISCAL MANAGEMENT. Provisions for fiscal management of the Association as set forth in the Declaration of Condominium of the Condominium operated by the Association and the Articles of Incorporation shall be supplemented by the following provisions:

A. Accounts. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be

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appropriate, all of which expenditures shall be common expenses:

(1) Current expense, which shall include all receipts and expenditures with the year for which the budget is made, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, to additional improvements, or to operations. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expense for the succeeding year.

(2) Capital surplus for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually.

(3) Capital surplus for replacement, which shall include funds for repair or replacement required because of damage, depreciation or obsolescence.

(4) Betterments, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements or be owned by the Association for the uses and benefit of the members.

(5) Operations, which shall include the gross revenues, if any, from the use of the common elements or other property of the Association. Only the additional direct expense required by the revenue-producing operation will be charged to this account, and any surplus from such operation shall be used to reduce the assessments for current expenses in the year following the year in which the surplus is realized. Losses from operations shall be met by special assessments against unit

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owners, which assessments may be made in advance in order to provide a working fund.

(6) The Developer through the initial Board of Directors, shall cause to be deposited with the Association an amount of funds equal to at least two (2) months of the estimated assessments upon the sale and transfer of title to each new owner, which sums shall not be considered as an advance payment of regular assessments, but shall be considered as an initial working capital fund.

B. Budget. The Board of Directors shall adopt a budget for each calendar year that shall include the estimated funds required to defray the common expenses and to provide and maintain funds for the foregoing accounts and reserves according to good accounting practices as follows:

(1) Current expenses, the amount for which shall not exceed one hundred fifteen percent ¹⁵⁰ ~~(115%)~~ of the budget for this account for the prior year.

(2) Reserve for deferred maintenance, the amount for which shall not exceed one hundred fifteen percent ¹⁵⁰ ~~(115%)~~ of the budget for this account for the prior year.

(3) Reserve for replacement, the amount for which shall not exceed one hundred fifteen percent ¹⁵⁰ ~~(115%)~~ of the budget for this account for the prior year.

(4) Betterments, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements of any Condominium operated by the Association or property of the Association.

(5) Operations, the amount of which may be to provide a working fund or to meet losses, but which

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shall not exceed one hundred fifteen percent ¹⁵⁰~~(115%)~~ of the budget for this account for the prior year.

(6) Provided, however, that the amount for each budgeted item may be increased over the foregoing limitations when approved by unit owners entitled to cast not less than seventy-five percent (75%) of the votes of that portion of the membership of the Association who will be responsible for payment of such increased budget.

(7) Copies of the budget and proposed assessments shall be transmitted to each unit owner not less than thirty (30) days prior to the meeting of the Board of Directors at which the proposed budget will be considered for adoption, together with a notice of that meeting. If the budget is amended subsequently, a copy of the amended budget shall be furnished to each member.

(8) Until after the occurrence of one of the events set forth in Paragraph 14 above, there will be no budget for the Condominium, no audit of its accounts, no requirement for fidelity bonds, and no provisions will be made for betterments, reserves or capital surplus.

C. Assessments. Assessments against the unit owners for their shares of the items of the budget shall be made for the calendar year annually in advance, on or before December 30 preceding the year for which the assessments are made, and such assessments shall be due in equal monthly installments on the first day of each month of the year for which the assessments are made. If any annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and monthly installments on such assessments shall be due on each

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installment payment day until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors if the accounts of the amended budget do not exceed the limitations for that year. Any account that does exceed such limitations shall be subject to the approval of the membership of the Association as previously required in these By-Laws.

37. ACCELERATION OF ASSESSMENT INSTALLMENTS UPON DEFAULT.

If a unit owner shall be in default in the payment of an installment upon notice to the unit owner, and then the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after the delivery of the notice to the unit owner or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, whichever shall occur first.

38. ASSESSMENT OF EMERGENCIES. Assessments for common expenses for emergencies that cannot be paid from the annual assessment for common expenses shall be made only after notice of the need for such is given to the unit owners concerned. After such notice and upon approval in writing by persons entitled to cast more than one-half (1/2) of the votes of the unit owners concerned, the assessment shall become effective and shall be paid in such manner as the Board of Directors of the Association may require in the notice of assessment.

39. DEPOSITORY. 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 the monies from such accounts shall be only by checks signed by such persons as are authorized by the directors.

40. AUDIT. An audit of the accounts of the Association shall be made annually by a certified public accountant, and a copy of the audit report shall be furnished to each member not

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later than April 1 of the year following the year for which the audit is made.

41. BONDS. Fidelity bonds shall be required by the Board of Directors from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the directors, but shall be not less than one hundred fifty percent (150%) of the amount of the total annual assessments against members for common expenses. The premiums of such bonds shall be paid by the Association.

42. ACCESS TO ACCOUNTING RECORDS. The accounting records maintained pursuant to the provisions of the Declaration of Condominium, the Articles of Incorporation of the Association, and these By-Laws shall be in accordance with generally accepted accounting principles and open to inspection by unit owners and to holders, insurers or guarantors of any first mortgages at all reasonable times and places.

43. PARLIAMENTARY RULES. Roberts Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declaration of Condominium, Articles of Incorporation or these By-Laws.

44. FINES. In addition to all remedies provided in the Declaration of Condominium of the Condominium operated by the Association, the Articles, or these By-Laws, the Board of Directors of the Association may, upon notice and hearing before said Board, fine, assess, and charge any offending member a sum not to exceed \$150.0 for each infraction of the provisions of said Declaration, Articles, By-Laws, or rules and regulations of the Association. Any such funds shall constitute a lien against the unit owned or occupied by the violator unless paid within ten (10) days of the date assessed.

45. AMENDMENTS. These By-Laws may be amended in the following manner:

A. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

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B. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either by:

(1) Not less than seventy-five percent (75%) of the votes of the entire membership of the Association.

(2) Until the first election of directors by unit owners other than the Developer, by all of the directors.

46. PROVISO. Provided, however, that no amendment shall discriminate against any unit owner nor against any unit or class or group of units unless the unit owner so affected shall consent. No amendment shall be made that is in conflict with the Articles of Incorporation or the Declaration of Condominium of any Condominium operated by the Association.

47. EXECUTION AND RECORDING. A copy of each amendment shall be attached to or incorporated in a certificate certifying that the amendment was duly adopted as an amendment of the Declaration and By-Laws, which certificate shall be executed by the Association with the formalities of a deed. The amendment shall be effective when such certificate, including the amendment, are recorded in the public records of Baldwin County, Alabama.

The foregoing were adopted as the By-Laws of Romar Towers Condominium, Inc., a corporation not for profit under the laws of the State of Alabama, at the first meeting of the Board

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of Directors on the 13 day of December, 1983.

ROMAR TOWERS CONDOMINIUM, INC.

By Bruce Anderson, President
Its President

ATTEST:

By [Signature]
Its Secretary

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