

# BYLAWS

## OF

### **CYPRESS BAY HOMEOWNERS ASSOCIATION, INC.**

(A Corporation Not For Profit)

#### **Article 1 – Name and Location**

The corporation shall be known as CYPRESS BAY HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the “ASSOCIATION.” The principal office of the ASSOCIATION shall be located at 8976 County Road 99, Lillian, Alabama 36459, but meetings of members and directors may be held at such places within or without the State of Alabama, as may be designated by the Board of Directors.

#### **Article II - Definitions**

Section 1. “DECLARATION” shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the properties recorded in the office of the Judge of Probate of Baldwin County, Alabama.

Section 2. “MEMBER” shall mean and refer to those persons entitled to membership as set forth herein.

Section 3. All other terms used herein shall have the same definitions as set forth in the Declaration of Covenants, Conditions and Restrictions.

#### **Article III – Qualification and Manner of Admission of Members**

Every person or entity who is a record owner of a lot, either individually or jointly with others, who is subject by covenants of record to assessment by the ASSOCIATION, including a contract seller, shall be a member of the ASSOCIATION. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the ASSOCIATION.

A member, unless acting in the capacity of a duly elected officer of the Association, does not have the authority to act for the Association solely by virtue of being a member.

## **Article IV – Meetings of Members**

**Section 1. Annual Meetings.** The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the ASSOCIATION, and each subsequent regular meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7 o'clock p.m., or on such other date as the Board of Directors may determine. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

**Section 2. Special Meetings.** Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote ten percent (10%) of all of the votes in the ASSOCIATION.

**Section 3. Notice of Meetings.** Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the ASSOCIATION, or supplied by such member to the ASSOCIATION for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

**Section 4. Quorum.** The presence at the meeting of members entitled to cast, in person or by proxy, thirty percent (30%) of the total votes of all members at the time of the meeting shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice or other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

**Section 5. Adjourned Meetings.** If an annual meeting or special meeting is adjourned to a different date, time or place, then the new date, time or place must be announced at the meeting before it is adjourned. Otherwise, notice of the new time, place or date must be given in the same manner as required for the adjourned meeting.

**Section 6. Proxies.** At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of the member's lot.

Section 7. Voting. At all meetings of members where a quorum has been attained, those members present in person or by proxy may vote in the manner set forth in the Declaration and a simple majority of the voting interests present in person or by proxy shall be required on any action unless otherwise provided in the Articles of incorporation, the Declaration, or these Bylaws.

## **Article V – Board of Directors**

Section 1. Number. The affairs of this ASSOCIATION shall be initially managed by a Board of three (3) directors, who need not be members of the ASSOCIATION. There shall never be less than three (3) directors.

Section 2. Term of Office. Directors shall be elected at the annual meeting and shall serve for a term of one (1) year or so long thereafter until their successors are duly elected.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the ASSOCIATION. In the event of death, resignation or removal of a Director, a successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of the predecessor.

Section 4. Compensation. No Director shall receive compensation for any service rendered to the ASSOCIATION. However, any director may be reimbursed for actual expenses incurred in the performance of his or her duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a Meeting of the Directors.

## **Article VI – Nomination and Election of Directors**

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the ASSOCIATION. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine,

but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Elections. Election to the Board of Directors shall be by secret written ballot. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## **Article VII – Meeting of Directors**

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least annually, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meeting of the Board of Director shall be held when called by the President of the ASSOCIATION, or by any two Directors, after not less than three (3) days notice to each Director.

Section 3. Notice to Members. All meetings of the Board of Directors shall be open to all members except meetings between the Board and its attorney to discuss proposed or pending litigation where the contents of the discussion would be governed by the attorney-client privilege. Notices of all board meetings must be posted in a conspicuous place in the subdivision at least 48 hours in advance of a meeting, except in an emergency. If notice is not posted in a conspicuous place in the subdivision, notice of each board meeting must be mailed or delivered to each member at least seven (7) days before the meeting, except in an emergency. If the meeting for which the notice is being provided shall be for the purpose of acting on assessments, the notice shall include a statement that assessments will be considered and the nature of the assessments to be considered.

Section 4. Voting. Directors may not vote by proxy or secret ballot at board meetings except a secret ballot may be used when electing officers.

Section 5. Miscellaneous. The voting and notice requirements set forth in this Article shall also apply to the meetings of any committees authorized by the Board of Directors including the Architectural Review Committee.

Section 6. Minutes. Minutes of all meetings of the Board of Directors and committees must be maintained in written form or in another form that can be converted into written form within a reasonable time. The minutes must reflect the action taken by the Board, or committee, including the recording of votes or the abstention from voting

on each matter voted upon for each director present or for each committee member present.

## **Article VIII**

### **Powers and Duties of the Board of Directors Including Fiscal Matters**

Section 1. Powers. The Board of Directors shall have the power to:

- a. Adopt and publish rules and regulations governing the use of the common area and facilities;
- b. Suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the ASSOCIATION.
- c. Exercise for the ASSOCIATION all powers, duties and authority vested in or delegated to this ASSOCIATION and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- d. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- e. Employ a manager, an independent contractor or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- a. Make available to lot owners and lenders and to holders, insurers or guarantors of any first mortgage, current copies of the Declaration, Bylaws, other rules concerning the project and the books, records and financial statements of the ASSOCIATION. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances;
- b. Supervise all officers, agents and employees of this ASSOCIATION, and to see that their duties are properly performed;
- c. As more fully provided in the Declaration, to:
  1. Fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period;

2. Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
3. Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

d. Issue, or to cause an appropriate officer to issue, upon demand by any person a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

e. Procure and maintain in effect casualty and liability insurance and fidelity bond coverage together with such additional coverages as the ASSOCIATION's Board of Directors may determine;

f. Cause the common area and properties to be maintained;

g. Cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth of the members who are entitled to vote.

Section 3. Budgets. The ASSOCIATION shall prepare an annual budget. The budget must reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The ASSOCIATION shall provide each member with a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the member within ten (10) business days after receipt of a written request therefore.

Section 4. Financial Reporting. The ASSOCIATION shall prepare an annual financial report within sixty (60) days after the close of the calendar year. The ASSOCIATION shall, within ten (10) business days after completion of the annual financial report, provide each member with a copy of the annual financial report or a written notice that a copy of the financial report is available upon request at no charge to the member. The financial report must consist of either:

- (a) Financial statements presented in conformity with generally accepted accounting principles; or

- (b) A financial report of actual receipts and expenditures, cash basis, which report must show:
1. The amount of receipts and expenditures by classification; and
  2. The beginning and ending cash balances of the ASSOCIATION.

## **Article IX – Officers and Their Duties**

Section 1. Enumeration of Officers. The officers of this ASSOCIATION shall be a President, who shall at all times be a member of the Board of Directors, and who shall not hold any other office in the ASSOCIATION, a Vice-President, a Secretary, and a Treasurer, which positions may be held by the same person, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the annual membership meeting.

Section 3. Term. The officers of this ASSOCIATION shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the ASSOCIATION may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7. Multiple Offices. The offices of Vice President, Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more

than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes;

Vice-President: The Vice-President shall act in the place and stead of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of the Vice-President (*sic*) the Board;

Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the ASSOCIATION and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the ASSOCIATION together with their addresses; and shall perform such other duties as required by the Board;

Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the ASSOCIATION and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the ASSOCIATION; keep proper books of account; cause an annual audit of the ASSOCIATION books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the members. **(SEE AMENDMENT #1)**

## **Article X– Official Records**

Section 1. The ASSOCIATION shall maintain each of the following items which constitute the “Official Records” of the ASSOCIATION:

- (a) Copies of any plans, specifications, permits and warranties relating to improvements constructed on the Common Area or other property that the ASSOCIATION is obligated to maintain, repair or replace.
- (b) A copy of the Bylaws of the ASSOCIATION and each amendment thereto.



- (c) A copy of the Articles of Incorporation of the ASSOCIATION and each amendment thereto.
- (d) A copy of the Declaration of Covenants, Conditions and Restrictions for the Cypress Bay Subdivision.
- (e) A copy of the current rules of the homeowners association.
- (f) The minutes of all meetings of the Board of Directors and of the members and of any committees appointed by the Board which minutes must be retained for at least seven (7) years.
- (g) A current roster of all members and their mailing addresses and lot designations.
- (h) All of the ASSOCIATION's insurance policies or a copy thereof, which policies must be retained for at least seven (7) years.
- (i) A copy of all contracts to which the ASSOCIATION is a party, including, without limitation, any management agreement, lease, or other contract under which the ASSOCIATION has an obligation or responsibility. Bids received by the ASSOCIATION for work to be performed must also be considered Official Records and must be kept for a period of one (1) year.
- (j) The financial and accounting records of the ASSOCIATION, kept according to good accounting practices. All financial and accounting records must be maintained for a period of at least seven (7) years. The financial and accounting records must include:
  - 1. Accurate, itemized and detailed records of all receipts and expenditures.
  - 2. A current account and periodic statement of the account for each member, designating the name and current address of each member who is obligated to pay assessments, the due date and amount of each assessment or other charge against the member, the date and amount of each payment on the account, and the balance due.
  - 3. All tax returns, financial statements and financial reports of the ASSOCIATION.
  - 4. Any other records that identify, measure, record, or communicate financial information.

**(SEE AMENDMENT #2)**

Section 2. The Official Records shall be maintained within the State of Alabama and must be open to inspection and available for photocopying by members or their authorized agents at reasonable times and places within ten (1) business days after receipt of a written request for access. This Section may be complied with by having a copy of the Official Records available for inspection or copying in the subdivision.

Section 3. The Board of Directors may adopt reasonable written rules governing the frequency, time, location, notice and manner of inspections, and may impose fees to cover the costs of providing copies of the Official Records, including, without limitation, the cost of copying. The ASSOCIATION shall maintain an adequate number of copies of the recorded governing documents, to insure their availability to members and prospective members, and may charge only its actual costs for reproducing and furnishing these documents to those persons who are entitled to receive them.

### **Article XI – Assessments**

As more fully provided in the Declaration, each member is obligated to pay to the ASSOCIATION annual and special assessments which are secured by continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, a late charge of ten percent (10%) of the assessment amount shall be due and the assessment shall bear interest from the date of delinquency at the highest rate allowed by law.

### **Article XII – Corporate Seal**

The ASSOCIATION shall have a seal in circular form having within its circumference the words: CYPRESS BAY HOMEOWNERS ASSOCIATION, INC., and Alabama Corporation Not for Profit.

### **Article XIII – Amendments**

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a majority vote of members at a duly called meeting at which a quorum is present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflicts between the Declaration and these Bylaws, the Declaration shall control.

Section 3. No amendment which affects the Declarant's rights prior to the owners obtaining control of the ASSOCIATION shall be effective without the written consent of the Declarant.

#### **Article XIV – Committees**

The ASSOCIATION shall appoint a nominating committee as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate to carry out its purposes.

IN WITNESS WHEREOF, the undersigned has hereunto set its hand and seal this 29<sup>th</sup> day of April, 1999.

Signed, sealed and delivered  
In the presence of:

\_\_\_\_\_  
Marsha L. Cole

By: \_\_\_\_\_  
John S. Carr, its President

\_\_\_\_\_  
Linda Aligood

STATE OF Florida  
COUNTY OF Escambia

The foregoing instrument was acknowledged before me on this the 29<sup>th</sup> day of April, 1999, by John S. Carr, as President of CYPRESS BAY HOMEOWNERS ASSOCIATION, INC., and Alabama Corporation Not for Profit, on behalf of said corporation, who personally appeared before me and is personally known to me.

\_\_\_\_\_  
NOTARY PUBLIC  
Linda Aligood  
My Commission No. CC461459  
Expires: 06-21-99

**Amendments to BYLAWS of Cypress Bay Homeowners Association, Inc.**

1. REPLACE Article IX – Officers and Their Duties, Section 8. Duties, Treasurer with the following paragraph:

Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the ASSOCIATION and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the ASSOCIATION; keep proper books of account; prepare an annual budget; and prepare an annual financial report in accordance with Article VIII, “Powers and Duties of the Board of Directors including Fiscal Matters”, Section 4, Financial Reporting.

2. ADD the following to the end of Article X – Official Records, Section 1, (j):

The ASSOCIATION is not required to cause an annual audit of the ASSOCIATION books to be made by a public accountant at the completion of each fiscal year. Should a member wish to have an audit of the ASSOCIATION’S books performed, all expenses of such audit shall be borne by the requesting member.

**AMENDMENT TO BYLAWS OF  
CYPRESS BAY HOMEOWNERS ASSOCIATION, INC.**

Effective August 1, 2009

**REPLACE** Article IX – Officers and Their Duties, Section 8. Duties, Treasurer with the following paragraph:

Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the ASSOCIATION and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the ASSOCIATION; keep proper books of account; prepare an annual budget; and prepare an annual financial report in accordance with Article VIII, “Powers and Duties of the Board of Directors including Fiscal Matters”, Section 4. Financial Reporting.

**ADD** the following to the end of Article X – Official Records, Section 1, (j):

The ASSOCIATION is not required to cause an annual audit of the ASSOCIATION books to be made by a public accountant at the completion of each fiscal year. Should a member wish to have an audit of the ASSOCIATION’S books performed, all expenses of such audit shall be borne by the requesting member.