

STATE OF ALABAMA
COUNTY OF BALDWIN

BY-LAWS OF
CANTERBURY PLACE HOMEOWNERS' ASSOCIATION, INC.

ARTICLE 1 - INTRODUCTION

1. IDENTITY: These are the By-Laws of Canterbury Place Homeowners' Association, Inc., hereinafter referred to as "Association". The Association has been organized for the purpose of administering the common areas and amenities within the subdivision known as "Canterbury Place Unit One", a plat of which is recorded in Slide 1499B of the records in the Office of the Judge of Probate, Baldwin County, Alabama, and any other future unit of said Subdivision ("Subdivision"), and generally to further the best interests of the owners of lots in the Subdivision.

2. BY-LAWS APPLICABILITY: The provisions of these By-Laws shall govern the administration and management of the Association. The effective date of these bylaws shall be January 1, 2006.

3. PERSONAL APPLICATION: All present and future lot owners, their employees, tenants, guests or any other person who might use the property in any manner whatsoever shall be subject to the provisions of these By-Laws and to such rules and regulations as may be reasonably adopted by the Board of Directors of the Association. The acquisition, rental or any other occupancy of any of the individual lots of the Subdivision shall constitute an acknowledgment that these By-Laws and such applicable rules and regulations are accepted and ratified and shall further constitute an agreement to comply with the provisions thereof.

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4. PRINCIPAL OFFICE: The principal office of the Association shall be located at P. O. Box 748, Daphne, Alabama 365328. The address of said principal office may be changed at the discretion of the Board of Directors.

ARTICLE 2 - MEMBERSHIP, MEETING & VOTING

5. MEMBERS: All persons owning a vested, present interest in fee title to any of the lots in the Subdivision, which interest is evidenced by duly executed and proper instruments recorded in the Office of the Judge of Probate, Baldwin County, Alabama, shall be deemed members of the Association and their membership shall automatically terminate upon the termination of their vested interest in the title to a lot in the Subdivision. The legal title to a lot in the Subdivision held by a vendor under a vendor's lien deed or a mortgagee under a mortgage shall not qualify the holder thereof for membership in the corporation. The foreclosure of any vendor's lien or mortgage of a lot in the Subdivision shall terminate the grantee's or mortgagor's membership in the corporation with respect to such lot, whereupon all rights to such membership shall vest in the party who has purchased said property at such foreclosure sale.

6. VOTING RIGHTS (a) The owner of each lot in the Subdivision shall have only one vote, notwithstanding the fact that such lot may be owned by one or more persons. If one or more persons own an interest in a lot, all such persons shall be members and the vote for such lot shall be exercised as they may, among themselves, determine, but in no event shall more than one vote be cast with respect to such lot. If the joint owners of such lot are unable to agree upon how the vote shall be cast on any particular issue, such owners shall forfeit

their right to vote on such issue. If a member owns more than one lot, such member shall have one vote for each lot owned in the Subdivision.

(b) Notwithstanding the provisions of paragraph 6(a) each member must be in good standing with regular assessments/dues in order to be eligible to cast a vote.

(c) In specific cases, as designated by the Board of Directors where a 2/3rds or 3/4th majority vote of the association membership is required, ballots may be mailed to association members. In such cases either untimely or non-returned ballots will be considered and counted as votes in favor of the proposed resolution.

7. ANNUAL MEETING: An annual meeting of the members shall be held at the principal office of the Association or at such other place as may be designated by the President, at six o'clock p.m. on the first Monday in the month of February, except if said Monday falls on the Monday before Mardi Gras, in such an event the annual meeting will be held on the following Monday for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

8. GENERAL MEETINGS: General meetings open to all association members shall be held quarterly on the first Monday in February, May, August and November at a location to be designated by the Board of Directors

9. SPECIAL MEETINGS: Special meetings may be called by the President, Vice President, or a majority of the Board of Directors or by any means available to assure attendance of the members of the association and for any purpose and at any time. Such notice shall state the purpose of such meeting and the location of such meeting.

10. QUORUM: A quorum for the members' annual meetings shall consist of twelve (12) members in good standing and a simple majority of the board of directors. As used in these bylaws, the term "majority" means fifty-one (51%) percent of the votes of the members. A majority of the voting rights present may adjourn any meeting from time to time. A simple majority of all voting rights present in person or proxy shall decide any question brought before the meeting, except when otherwise required by these bylaws.

11. NOTICE OF MEETING (a) General: It shall be the duty of the Secretary of the Association to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and the place where it is to be held to each owner of record at least five (5) days but not more than ten (10) days, prior to such meeting. The mailing of such notice to each member at the address shown for each such member in the Association records shall be deemed to be notice of any such meeting.

(b) Notification of General Meetings shall be done by the Board of Directors in any manner of their choosing.

12. PROXIES: Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the commencement of each meeting at its appointed time.

13. ADJOURNED MEETINGS: If any meeting of members cannot be held because of a lack of quorum, the members who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time that the original meeting was called.

ARTICLE 3 - BOARD OF DIRECTORS

14. POWERS: The Board of Directors shall have all powers necessary to manage the affairs of the Association and to discharge its rights, duties and responsibilities as provided in the Articles of Incorporation and the laws of the State of Alabama.

15. TERMS: (a) The number of directors shall be no less than four (4) nor more than nine (9). Each director shall be a member of the Association or a person exercising the rights of an owner who is not a natural person. All directors shall act without compensation unless otherwise provided by the resolution of the membership. Directors shall be elected at the annual meeting of the members of the Association February. At the annual meeting for 2006 half or a simple majority of the directors shall sit for a two (2) year term and no more than half shall sit for a one (1) year term. Thereafter beginning with the February 2007 meeting all directors shall be elected for two (2) year terms. Terms shall begin and end at February meetings.

(b) In no event may a director serve more than three (3) successive terms.

(c) The term of any interim board member appointed by the board to replace a former board member shall end when the former board member's term would have expired.

(d) Notwithstanding the provisions of Paragraph 16(a) if any board member shall sell his or her home in Canterbury Place that board member's position on the board shall terminate with said sale of his/her property.

16. REGULAR MEETING: Meetings of the Board of Directors shall be held immediately after and at the same place as the annual meeting of

the membership. Additional regular meetings shall be held on the first Monday.

17. SPECIAL MEETINGS: Special meetings of the Board of Directors may be called by the President or a majority of the directors for any purpose and at any time or place.

18. NOTICE OF MEETINGS: Notice of all regular meetings of the Board of Directors shall be made as needed as determined by the President and Board of Directors.

19. QUORUM: A quorum of the meeting of the Board of Directors shall be a simple majority of the board. If a quorum is not present for a meeting, a majority of those present may adjourn the meeting from time to time. A director shall be deemed present for the purpose of a quorum with respect to any question or election upon which his written and signed vote shall have been received by the Secretary of the Association prior to such meeting. A majority of the votes present at a meeting in which a quorum is present shall decide any matter brought before the Board of Directors, except as may otherwise be required in these bylaws or the laws of the State of Alabama.

20. REMOVAL OF DIRECTORS: The association membership shall have the exclusive right to replace and/or remove directors by a 2/3rds vote of the association membership at any special meeting called for that purpose.

21. PROCEDURE AT MEETINGS: Accepted parliamentary procedures shall be used to conduct all business at meetings of the Board of Directors. The Board of Directors shall have the inherent right to designate or terminate any committees each consisting of a majority of Board members and any other association (non-Board of Directors

members) to handle any tasks as the Board of Directors may deem necessary. Said committees shall report any work or activities to the Board of Directors at their regular meetings. The committees may be designated, merged or terminated by the Board of Directors as necessary to accomplish the duties and responsibilities of the board to the association in general.

22. VACANCIES: Except for vacancies created by the removal of directors by members or otherwise, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining directors.

23. ACTIONS TAKEN WITHOUT MEETING: Notwithstanding anything to the contrary herein contained, any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting, if, prior to such action, a written consent thereto is given by written consent by at least six (6) directors and such written consent is filed with the minutes of the proceedings of the Board of Directors.

24. ROLE OF PRESIDENT: The presiding officer of all directors meetings shall be the President of the Association. In the absence of the president, the Vice-President shall preside, and if neither the President nor Vice-President is in attendance the Board of Directors shall designate a board member to preside at said meetings, provided that a quorum is present.

25. ROLE OF VICE PRESIDENT: The Vice-president shall serve as the presiding officer at any director meeting should the President not be in attendance.

26 POWERS AND DUTIES OF THE BOARD OF DIRECTORS: (a) All of the

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(b) The Board of Directors may, from time to time as needed, retain the services of an attorney to initiate or defend any claims that the Association may be a party to, and the Board may further retain, employ or hire any professional as may be needed in order to further the goals of the Association and/or preserve, protect, manage and enhance assets, funds or property owned by the Association.

27. FIDELITY BONDS: The Board of Directors may require that all officers and employees of the Association handling or responsible for the Association funds may furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE 4 - OFFICERS

28. DESIGNATION AND NUMBER: The executive officers of the Association shall be a President, the Vice-President, a Secretary and a Treasurer. Each officer shall be elected by the Board of Directors. Such additional officers as may be deemed necessary may be elected by the Board of Directors. Except for the initial officers, all persons elected to office in the Association must be members of the

Association or a person exercising the membership rights of the lot owner which is not a natural person. The President must be a member of the Board of Directors. All officers shall act without compensation unless otherwise provided for by resolution of the membership.

29. ELECTION AND TERM: Each officer shall be elected for a one (1) year term following the annual meeting in January and shall hold office until a successor shall have been elected and duly qualified, unless sooner removed by the Board of Directors.

30. PRESIDENT: The President shall be the chief executive officer of the Association, shall preside at all membership meetings of the Association and of the Board of Directors, and shall have all of the general powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among the members from time to time as he may, in his sole discretion, decide is appropriate to assist in the conduct of the affairs of the Association. The President shall also sign all documents and instruments on behalf of the Association.

31. VICE PRESIDENT: Shall assist the President in the discharge of his duties and responsibilities. The Vice-President shall preside over meetings if the President is absent. If the President becomes incapacitated or is otherwise unable or incapable of performing his/her duties the Vice President shall assume the powers of the President until such time as the Board of Directors names a new President.

32. SECRETARY: The Secretary shall keep the minutes of all the meetings of the Directors and all meetings of the membership of the Association. The Secretary-Treasurer shall also be responsible for the

giving of all required notices of meetings to members and directors of the Association.

33. TREASURER (a) The Treasurer shall keep all records of the Association and shall have custody of all property of the Association, including funds, securities and evidences of indebtedness and shall keep the financial records and books of account of the Association in accordance with accepted accounting practices and shall keep detailed, accurate records, in chronological order, of the receipts and expenditures affecting the common areas, specifying and itemizing the maintenance and repair expenses of the common areas, and any other expenses incurred and shall perform all other duties incident to the office of Treasurer. The Treasurer shall also countersign all documents and instruments on behalf of the Association, when necessary.

(b) The treasurer shall maintain the records, books of account and the vouchers authorizing payments and these records and documents shall be available for examination by any member of the Association, at any time convenient to the Treasurer during weekdays.

34. REMOVAL: Any officer may be removed by a three-fourths (3/4) vote of the Board of Directors called for that purpose and the vacancy thereby created shall be filled by an election by the remaining directors at the same meeting.

ARTICLE 5-CONTRACTS & FINANCES

35. CONTRACTS: The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of or on behalf of the Association and such authority may be general or restricted to a

specific instance.

36. LOANS: No loan shall be contracted on behalf of the Association and no evidence of indebtedness shall be executed in its name unless authorized by a 3/4th vote of its membership.

37. CHECKS: All checks issued in the name of the Association shall be signed by the President and the Treasurer or such other officer or officers of the Association as the Board of Directors may, by resolution, determine from time to time.

38. DEPOSITS: All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such Banks, Trust Companies, or other depositories as the Board of Directors may select.

ARTICLE 6 - FISCAL MANAGEMENT

39. FISCAL YEAR: The fiscal year of the Association shall begin on the first day of January of each year.

40. BUDGET: The Board of Directors shall adopt a budget for each calendar year which shall include estimated common expenses, including a reasonable allowance for contingencies and reserves, taking into consideration any surplus funds on hand. Copies of the budget and proposed assessments shall be transmitted to each member on or before December 20th preceding the year for which the budget is made. If the budget is subsequently amended before the assessment has been made, a copy of the amended budget shall also be furnished to each member concerned. Assessments for recurring common expenses, including but not limited to, expenses of administration, maintenance, repair or replacement of the common areas and improvements located therein shall be made annually on or before December 20th, preceding the calendar

year for which the assessments are made. If such annual assessment is not made by the Board of Directors as required, an installment in the amount required by the last prior assessment shall be due upon each installment date until changed by a new assessment. In the event that any annual assessment proves to be insufficient, it may be amended at any time during the year upon approval in writing by a majority of the members of the Association. The amount of such amended assessment, together with the unpaid portion of the original assessment, shall be prorated over the remaining number of months in the calendar year and such increased monthly installments shall be due on the first day of the month following the adoption of such amended assessments.

41. SPECIAL ASSESSMENTS (a) In addition to the annual assessments authorized above, the Association may levy a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement of the common areas, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of at least two-thirds (2/3) of the members of the Association which shall have been obtained either by a meeting of the members duly called or a mailed ballot for this purpose after such approval by the membership. After such approval in writing of the board, the assessment shall become effective and shall be due after thirty (30) days notice thereof is given in any such manner as the Board of Directors of the Association may require.

(b) In addition thereto, a special assessment may be imposed against a single lot owner for damages to the common area caused by the lot owner, members of his family, his guests, invitees or agents

or for any maintenance performed on any lot of an owner provided that any such assessment shall have the written assent of at least two-thirds (2/3) vote of the Board of Directors duly called for this purpose or at any regular meeting of the Board of the members of the Association which shall have been obtained at a meeting of the members duly called for this purpose. After such approval in writing of the members, the assessment shall become effective and shall be due after thirty (30) days notice thereof is given in such manner as the Board of Directors of the Association may require.

42. ACCELERATION OF ASSESSMENT INSTALLMENTS UPON DEFAULT: If a member shall fail to pay any installment of any assessment due to be paid in installments within thirty (30) days of the due date of such installments, the Board of Directors may accelerate the remaining installments of such assessment and the unpaid balance of the assessments shall be due and payable immediately. The annual and special assessments and any accelerated amounts as provided herein, together with interest, costs and a reasonable attorneys fee, shall be a charge on the land and shall be a continuing lien in favor of the Association upon the property against which each such assessment is made.

43. DEFAULT: Any assessments not paid by a member within thirty (30) days after the due date shall bear interest from the due date at the statutory rate. The Association may, at its election, bring an action at law against the member obligated to pay the same or it may elect to foreclose its lien on the property for such assessment as provided in the Declaration of Restrictions and Covenants. No member may waive or otherwise avoid liability for the payment of any

assessments provided for herein by the non use of the common areas or by the abandonment of such member's lot. In the event the Association shall incur any cost or employs an attorney for the collection of any sum due by a member to the Association or in any action to foreclose its lien or to recover a money judgment against a defaulting member, such member shall pay the costs thereof, including a reasonable attorney's fee plus interest at the statutory rate.

44. FORECLOSURE: The Association shall be entitled to foreclose its lien in accordance with the provisions of the Declaration of Restrictions and Covenants of the subdivision or otherwise pursuant to Alabama law if it elects to do so and shall have the right to sell the property at public outcry at the front door of the Courthouse of Baldwin County according to the provisions of the Alabama Law. In a foreclosure action, the Association shall have the right to bid as a stranger at a foreclosure sale and to acquire, hold, mortgage and convey the same.

45. EXCULPATION OF MORTGAGEES: Any entity, its successors and assigns, obtaining title to a lot as a result of foreclosure of a mortgage or vendor's lien, or receiving a deed in lieu of foreclosure, shall not be liable for assessments which become due prior to the foreclosure or receipt of deed in lieu of foreclosure except as otherwise provided by law. Any unpaid share of such assessment shall be deemed an expense of the Association to be collected as part of a future special assessment.

46. ASSET MANAGEMENT: (a) Any and all funds held by the Board of Directors for the benefit of the Association shall be managed diligently, prudently and with the purpose of maintaining and, if

possible, increasing such funds as would a prudent administrator after first satisfying the financial obligations of the Association membership

(b) The Board of Directors shall take all necessary, reasonable and prudent measures to manage, preserve, protect and enhance all real property, personal property and appurtenances annexed or adjacent thereto owned or maintained by the Association and to take whatever measures it deems appropriate as a prudent administrator as regards said property and appurtenances after first satisfying the financial obligations of the Association membership.

ARTICLE 7-ACCOUNTING RECORDS TO BE MAINTAINED

47. ACCOUNTING RECORDS: Accounting records shall be maintained by the Secretary-Treasurer or by a bookkeeper or accountant employed for such purpose in accordance with generally accepted accounting principles. Such accounting records shall include, but not be limited to, a record of all receipts and expenditures and an account for each lot, setting forth any shares of common expenses or other charges due, the due dates thereof, the present balance due and any interest in common surplus. Such accounting records shall be open to inspection by members of the Association at reasonable times.

ARTICLE 8 - AMENDMENTS

48 AMENDMENT: These By-Laws may be amended at any time by a 2/3rds vote of the majority of the Association membership. Any such amendments must first be presented to the current Board of Directors and approved by a majority of the Board in order to be submitted to the Association membership for consideration. The foregoing By-Laws are hereby adopted this the 12th day of December, 2005 and replace

the previously filed 1995 Bylaws which are hereby revoked.

CANTERBURY PLACE HOMEOWNERS'

ASSOCIATION, INC.

Brad Navarre

By: Brad Navarre, President

Sean McClay

By: Sean McClay, Vice President

Kimberly Musson

By: Kimberly Musson, Secretary

Marie Ellis

By: Marie Ellis, Treasurer

Russell Bergstrom

By: Russell Bergstrom, Officer

Donovan Scioneaux

By: Donovan Scioneaux, Officer

W.J. Etheridge

By: W. J. Etheridge, Officer

Michael Norris

By: Michael Norris, Officer

Kathleen Williams

By: Kathleen Williams, Officer

State of Alabama, Baldwin County
I certify this instrument was filed
and taxes collected on:

2006 February - 2 1:33PM

Instrument Number 953632 Pages 16
Recording 48.00 Mortgage
Deed Min Tax
Index DP 5.00
Archive 5.00
Adrian T. Johns, Judge of Probate

State of Alabama, Baldwin County
I certify this instrument was filed
and taxes collected on:

2006 January 31 1:34PM

Instrument Number 953003 Pages 16
Recording 48.00 Mortgage
Deed Min Tax
Index DP 5.00
Archive 5.00
Adrian T. Johns, Judge of Probate