

BY-LAWS  
OF  
COBBLESTONE CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

NAME

The name of the corporation shall be COBBLESTONE CONDOMINIUM ASSOCIATION, INC.

ARTICLE II

PURPOSE

The Association has been formed for the purpose of performing the powers and duties of the Association as set forth in these By-Laws, the Articles of Incorporation of the Association, and that certain Declaration of Condominium for COBBLESTONE CONDOMINIUMS, as recorded, or to be recorded, in the Office of the Judge of Probate of Madison County, Alabama.

ARTICLE III

MEMBERS

**SECTION 1. MEMBERS.** The members of COBBLESTONE CONDOMINIUM ASSOCIATION, INC., shall be the owners of units (as defined in the Declaration, as amended) in COBBLESTONE CONDOMINIUMS. Each member shall be entitled to one vote. If a unit is owned by more than one person, all such persons shall collectively be entitled to one vote. In the event joint owners of a unit are unable to agree among themselves as to how their vote shall be cast, they shall lose their right to vote on the matter in question.

**SECTION 2. ADMISSION OF MEMBERS.** Purchasers of units in COBBLESTONE CONDOMINIUMS shall automatically become members of the Association and shall remain members thereof so long as they own such unit. The Association membership of each owner shall be appurtenant to the condominium unit giving rise to such membership, and shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of title to said condominium and then only to the transferee of title to said condominium unit. Any transfer of title to a condominium shall operate automatically to transfer the membership in the Association appurtenant thereto to the new owner thereof. Any first mortgagee who obtains title to a unit by foreclosure or deed in lieu of foreclosure shall be deemed to be the transferee of title for purposes of this section.

**SECTION 3. MEETINGS OF MEMBERS.**

A. The annual meeting of members of the Association shall be held on the first Saturday in May at 10:30 A.M. unless notice to the contrary is furnished by the Directors at least ten (10) days prior to the meeting. The meeting shall be held at a place to be designated by the Directors, who shall give written notice thereof to each member at least twenty-four (24) hours prior to the scheduled meeting time. Said meeting place to be in Madison County, Alabama. At the annual meeting the members shall elect the Board of Directors for the ensuing fiscal year (June 1 - May 31) and conduct such other business as may properly come before such meeting.

B. Special meetings of the members may be held upon call of the Directors or upon petition to the Secretary of the Association signed by persons owning not less than thirty (30) of the units in the Condominium. The Secretary shall give not less than ten (10) days written notice of the date, time, place and purpose of such called meeting.

C. Quorum. At any annual or called meeting of the Members, a majority of the votes entitled to be cast must be represented at such meeting, in person or by proxy, to constitute a quorum. Any meeting may be continued until a later date and time to permit obtaining a sufficient number to conduct the Association's business, provided that notice of such continuance is furnished all members.

#### ARTICLE IV

##### BOARD OF DIRECTORS

SECTION 1. The affairs of the Association shall be conducted by a Board of Directors which shall consist of such number not less than three (3) nor more than seven (7) as shall, from time to time, be determined and fixed by vote of a majority of the voting rights present at any annual meeting of the members.

SECTION 2. 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 meeting of members shall be filled by the remaining Directors.

(c) Any Director may be removed by concurrence of two-thirds (2/3rds) of the votes entitled to be cast by the members of the Association at a special meeting of the members called for that purpose. No Director may be removed, however, unless he shall be given not less than five days prior written notice of such special meeting and an opportunity to be heard. 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.

SECTION 3. The term of each Director's service shall extend until the next annual meeting of the members and thereafter until his successors is duly elected and qualified or until he is removed in the manner elsewhere provided.

SECTION 4. 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 the organization meeting shall be necessary providing a quorum shall be present.

SECTION 5. 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.

SECTION 6. 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 (1/3rd) 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 telegraph, which notice shall state the time, place and purpose of the meeting.

SECTION 7. Waiver of Notice. Any Director may waive notice of a meeting before or at the meeting, and such waiver shall be deemed equivalent to be giving of notice.

SECTION 8. A quorum at Director's 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 votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors except where approval by a greater number of Directors is required by the Declaration of Condominium, Articles of Incorporation or by these By-Laws. 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 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.

SECTION 9. The presiding officer of Directors' meetings shall be the President. In the absence of the President, the Directors shall designate one of their members to preside.

SECTION 10. Directors shall serve without compensation, and a Director may not be an employee of the Association.

SECTION 11. All of the powers and duties of the Association existing under the Condominium Ownership Act, Declaration of Condominium, Articles of Incorporation and these By-Laws, shall be exercised exclusively by the Board of Directors subject only to approval by unit owners when such is specifically required. The Board of Directors may delegate any such powers and duties as deemed appropriate to committees, or a manager or employees.

SECTION 12. In addition to duties imposed by these By-Laws or by resolutions of the Association, the Board of Directors shall be responsible for the following:

- (a) Care, upkeep and surveillance of the condominium and its common area and facilities.
- (b) Collection of monthly assessments from the owners.
- (c) Designation and dismissal of the personnel necessary for the maintenance and operation of the condominium and its common elements and facilities.

SECTION 13. The Board of Directors may employ for the Association a management agent or manager, to provide services as the Board shall authorize including, but not limited to, the duties listed in Section 12 above. The duties conferred upon the managing agent or manager by the Board of Directors may be revoked, modified or amplified by the majority of owners in a duly constituted meeting. The Board of Directors may employ any other employee or agents to perform such duties and at such salaries as the Board of Directors may establish.

SECTION 14. The Board of Directors may establish standing and/or special committees and may delegate to such committees such powers, duties and responsibilities as the Directors may from time to time deem appropriate. Members of such committees shall be appointed by the President of the Association and such appointments must be confirmed by a majority of the Directors at any regular or special meeting.

## ARTICLE V

### OFFICERS

SECTION 1. The executive officers of the Association shall be a President, a Vice-President, a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the Directors at any meeting. No Officer may be removed, however, unless he shall be given not less than five days prior written notice of such meeting and an opportunity to be heard. Any person may hold two (2) or more offices except that the President shall not also be the Secretary. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

SECTION 2. 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 President of an Association, including, but not limited to, the power to appoint committees from among the members from time to time,

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WAS PREPARED BY:  
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as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association.

SECTION 3. 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.

SECTION 4. 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 have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, in a bound book with consecutively numbered pages. Such books shall contain minutes of all meetings of the members and Directors, signed and attested by the Chairman and Secretary of such meeting respectively. Such book shall be maintained at the office of the Association. The Secretary also 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.

SECTION 5. 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 expenses of the common areas and facilities and other expenses incurred; and he shall perform all other duties incident to the Office of Treasurer, including filing tax returns. 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 week days.

#### ARTICLE VI

##### FISCAL MANAGEMENT

SECTION 1. 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 less the unneeded fund balances on hand. Copies of the budget and proposed assessments shall be transmitted to each member on or before December 1st preceding the year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished each member concerned.

SECTION 2. Assessments for recurring common expenses shall be made by the Board of Directors for the calendar year annually in advance, on or before December 20th preceding the year for which the assessments are made. The Board may include a Maintenance Fund Reserve for contingencies in such assessments, and such assessment may from time to time be increased or reduced at the discretion of the Board. The proportionate interest of each unit owner in said Fund cannot be withdrawn or separately assigned but shall be deemed to be transferred with such unit event though not expressly mentioned or described in the conveyance thereof. In case the condominium regime hereby created shall be terminated and the property removed from the Condominium Ownership Act, any part of the said Fund remaining after full payment of all common expenses of the Association shall be distributed to all condominium owners in their respective proportionate shares. Such assessments shall be due in monthly installments on the first day of each month of the year for which the assessments are made. If such annual assessment is not made as required, an installment in the amount required by the last prior assessment shall be due upon each installment payment date until changed by a new assessment. The total of the assessments for recurring common expenses shall be not more than one hundred ten (110%) percent of the assessments for this purpose for the prior year unless approved in writing by unit owners entitled to cast a majority of the votes in the Association. In the event such an annual assessment proves to be insufficient, it may be amended by the Board of Directors for the remaining portion of the calendar year and shall be due at the time the next monthly installment is due. The first assessment shall be determined by the Board of Directors of the Association.

SECTION 3. If a unit owner shall be in default in the payment of an installment upon any assessment, the Board of Directors may accelerate the remaining installments of such assessment upon notice thereof to the unit owner, and thereupon the unpaid balances of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

SECTION 4. Default.

(a) In the event an owner of a unit does not pay any sums, charges or assessments required to be paid to the Association within thirty (30) days from the due date, the Association may foreclose the lien encumbering the unit created by non-payment of the required monies in the same fashion as mortgage liens are foreclosed; provided that thirty (30) days prior notice of intention to foreclose shall be mailed, postage prepaid, to the unit owner and to all persons having a mortgage lien or other interest of record in such unit as shown in the Association's record of ownership. The Association shall be entitled to the appointment of a Receiver, if it so requests. The Association shall have the right to bid in the unit 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 mortgage liens of record encumbering such unit at the time of the 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 same. In any action either to foreclose its lien or to recover a money judgment, brought by or on behalf of the Association against a unit owner, the losing party shall pay the cost thereof together with a reasonable attorney's fee.

(b) If the Association becomes the owner of a unit by reason of foreclosure, it shall offer said unit for sale and at such time as a sale is consummated it shall deduct from such proceeds all sums of money due it for monthly 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 unit, which shall include, but not be limited to, advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurbishing of the unit in question. All monies remaining after deducting the foregoing items of expense shall be returned to the former owner of the unit in question.

SECTION 5. 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 checks signed by such persons as are authorized by the Directors.

SECTION 6. An audit of the accounts of the Association shall be made annually by a certified public accountant, not a member of the Association, and a copy of the report shall be furnished to each member not later than April 1st of the year following the year for which the report is made.

SECTION 7. Fidelity bonds shall be required by the Board of Directors from the Treasurer of the Association and from any manager handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors, but shall be in an amount equal to at least 150% of estimated annual operating expenses. The premiums on such bonds shall be paid by the Association.

ARTICLE VII

OWNER'S OBLIGATION

SECTION 1. Assessments. Every owner of any unit in the condominium shall contribute pro rata towards the expense of administration of the condominium, as provided in the Declaration and in these By-Laws. Except however, the Developer, Cotton Row Development Corporation, an Alabama corporation, shall not be obligated to contribute for any unit owned by it until construction of such unit has been completed for six (6) months.

SECTION 2. Maintenance and Repair.

(a) Every owner must perform promptly all maintenance and repair work within his own unit, which if omitted would affect the condominium in its entirety or in a part belonging to other owners, and is expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All the repairs of internal or appurtenant installations of the unit such as water, light, power, air conditioning, heat, sewage, telephones, sanitary installations, doors, windows, lamps, and all other accessories belonging to the unit shall be maintained at the owner's expense.

(c) An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common areas and facilities damages through his fault, or the fault of his tenants or guests.

SECTION 3. Use of Units. All units shall be utilized in accordance with the provisions of these By-Laws, Declaration and House Rules.

SECTION 4. Title. Every unit owner shall promptly cause to be duly recorded in the Office of the Judge of Probate of Madison County, Alabama, the deed or other conveyance to him of his unit or other evidence of his title thereto and file such evidence of his title with the Association, and the Secretary shall maintain such information in the record of ownership of the Association.

SECTION 5. Notice. Every unit owner shall promptly notify the Association in writing of his mailing address, if different from the mailing address of the unit owned by him. In the event such notice is not furnished, any notice required to be delivered to a unit owner pursuant to the Declaration of Condominium or these By-Laws, shall be deemed sufficient if mailed to the address of such unit.

ARTICLE VIIIHOUSE RULES

In order to assure the peaceful and orderly use and enjoyment of the building and common elements of said condominium, the Board of Directors may from time to time adopt such reasonable rules and regulations to be called House Rules, governing the conduct of persons on the condominium property as a majority of the Directors may deem necessary. Such House Rules upon adoption and every amendment thereto shall be maintained in a book by the Secretary at the Association's office and a copy thereof shall be delivered promptly to each owner and shall be binding upon all members of the Association and occupants of the property. The Board of Directors shall enforce the House Rules by injunctive proceedings if necessary.

ARTICLE IXRIGHT OF ENTRY

The manager and any person authorized by the Board of Directors shall have the right to enter each unit in case of any emergency originating in or threatening such unit whether or not the owner or occupant is present at the time. Every unit owner and occupant, when so required, shall permit other unit owners or their representatives to enter his unit at reasonable times of the purpose of performing authorized installations, alterations, or repairs to the common elements therein for central services provided that requests for entry are made in advance.

ARTICLE XMORTGAGES

Any mortgagee or mortgage holder, of a unit may file a copy of its mortgage with the Association, and the Secretary shall maintain such information in the record of ownership of the Association. After the filing of the mortgage, the

Association shall be required to notify the mortgagee, or mortgage holder, of any unit owner who is in default in the expenses for the administration of the condominium or assessments and the mortgagee, or mortgage holder, at its option may pay the delinquent expenses.

ARTICLE XI  
PARLIAMENTARY RULES

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

ARTICLE XII  
AMENDMENTS

These By-Laws may be amended by following the provisions of paragraph 30 of the Declaration of Condominium.

The foregoing were adopted as the By-Laws of COBBLESTONE CONDOMINIUM ASSOCIATION, INC., at the first meeting of the Board of Directors on September 14, 1984.

COBBLESTONE CONDOMINIUM ASSOCIATION, INC.

BY: [Signature]  
Secretary

APPROVED:

BY: [Signature]  
President

STATE OF ALABAMA MADISON COUNTY PROBATE OFFICE

I hereby certify that the foregoing instrument was filed for record in this office on Sept 14, 1984 at \_\_\_\_\_ o'clock \_\_\_\_\_ M. and duly recorded. Doc. Tax \_\_\_\_\_ Mortgage Tax \_\_\_\_\_ FRANK H. RIDDICK, Judge of Probate.

THIS INSTRUMENT  
WAS PREPARED BY:  
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