

**AMENDED AND RESTATED BY-LAWS OF**  
**SEASIDE BEACH AND RACQUET CLUB CONDOMINIUM ASSOCIATION, INC.,**  
**A CONDOMINIUM ASSOCIATION OF**  
**SEASIDE BEACH AND RACQUET CLUB, INC., A CONDOMINIUM**

**WHEREAS**, on or about July 3, 1984, Seaside Beach and Racquet Club, Inc., a condominium (the "Condominium") was formed pursuant to the Declaration of Condominium of Seaside Beach and Racquet Club, A Condominium, recorded in Miscellaneous Book 50, Page 274, et seq., in the Office of the Judge of Probate of Baldwin County, Alabama; and

**WHEREAS**, on or about July 3, 1984, Seaside Beach and Racquet Club Condominium Association, Inc., an Alabama not for profit corporation, (the "Association") was organized in compliance with Alabama Nonprofit Corporation Act; and,

**WHEREAS**, on or about August 9, 2000, the Eighth Amendment to the Declaration of Condominium of Seaside Beach and Racquet Club, Inc., a Condominium was recorded as Instrument Number 557549 in the Office of the Judge of Probate of Baldwin County, Alabama (the "2000 Declaration"); and

**WHEREAS**, the 2000 Declaration is the current Declaration of Condominium of Seaside Beach and Racquet Club, Inc., A Condominium and shall, for purposes hereof, be the "Declaration of Condominium"; and

**WHEREAS**, on or about August 9, 2000, the Amendment to the By-Laws of Seaside Beach and Racquet Condominium Association, Inc., a Condominium Association of Seaside Beach and Racquet Club, Inc., a Condominium, was recorded as Instrument Number 557550 in the Office of the Judge of Probate of Baldwin County, Alabama (the "2000 By-Laws"); and

**WHEREAS**, the 2000 By-Laws, as have been amended from time to time, are the current By-Laws of the Association; and

**WHEREAS**, capitalized terms not specifically defined herein shall have the meanings given to them in the Declaration of Condominium and the 2000 By-Laws; and

**WHEREAS**, the Association desires hereby to amend and restate the By-Laws of the Association in their entirety so that the terms and provisions hereof shall be the By-Laws of the Association; and

**WHEREAS**, on or about May 16, 2005, Paragraph 11 of the 2000 By-Laws was amended to read as follows:

BALDWIN COUNTY, ALABAMA  
TIM RUSSELL PROBATE JUDGE  
Filed/cert. 1/ 6/2012 10:50 AM  
TOTAL \$ 60.00  
18 Pages

1319389



“11. *These By-Laws may be amended by a majority vote of all unit owners according to their fractional ownership interest in the common elements.*”; and

**WHEREAS**, the following amended and restated By-Laws of the Association have been unanimously approved by the Board of Directors of the Association and by a majority vote of all unit owners according to their fractional ownership interest in the common elements.

**NOW THEREFORE, THE BY-LAWS OF SEASIDE BEACH AND RACQUET CLUB CONDOMINIUM ASSOCIATION, INC., A CONDOMINIUM ASSOCIATION OF SEASIDE BEACH AND RACQUET CLUB, INC., A CONDOMINIUM shall henceforth be amended and fully restated in their entirety as follows:**

**BY-LAWS OF SEASIDE BEACH AND RACQUET CLUB CONDOMINIUM**

**ASSOCIATION, INC., A CONDOMINIUM ASSOCIATION OF SEASIDE**

**BEACH AND RACQUET CLUB, INC., A CONDOMINIUM**

**1. IDENTITY.** These are the By-Laws of SEASIDE BEACH AND RACQUET CLUB CONDOMINIUM ASSOCIATION, INC., an Alabama corporation, organized not for profit, in compliance with the Alabama Nonprofit Corporation Act (the "Association") for the purpose of administering SEASIDE BEACH AND RACQUET CLUB, INC., A CONDOMINIUM (the "Condominium") located in Baldwin County, Alabama.

1.1 Office. The office of the Association shall be at the Condominium property in Baldwin County, Alabama in the place provided therefore or in such other location as determined by the Board of Directors.

1.2 Fiscal Year. The fiscal year of the Association shall be from January 1 to December 31.

**2. MEMBERS' MEETINGS.**

2.1 Annual Meeting. The annual members' meeting shall be held on the first Saturday of May of each year at the time selected and at the place designated by the Board of Directors, for the purpose of electing directors and/or transacting any other business authorized to be transacted by the members; provided, if the day set is a holiday, the meeting shall be held at the same hour as set for the annual meeting on the last Saturday of April of that year.

2.2 Change of Date. The time of holding the annual members' meeting may be changed at any time prior to fifteen (15) days before the regular day for holding such meeting provided that notice of such change is mailed to each member of record of the Association, at such address as appears on the records of the Association, not less than ten (10) days nor more than thirty (30) days before the holding of such meeting; and further provided that each annual members' meeting shall be held within one (1) month of the date on which it should regularly have been held but for such change.

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

2.4 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 Secretary unless

waived in writing. Such notice shall be in writing and mailed by United States first class mail to each member at his address as it appears on the books of the Association not less than ten (10) days nor more than thirty (30) 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 the meeting may be waived before or after the meeting.

2.5 Voting. Subject to the provisions of Paragraphs 14 and 24 of the Declaration of Condominium, each unit shall be entitled to vote a number of votes equal to their respective fractional ownership of the Common Elements as set in forth in Paragraph 7 of the Declaration of Condominium, as amended.

2.6 Quorum. A quorum at members' meetings shall consist of members holding not less than thirty five percent (35%) of the total votes of the Association.

2.7 Proxies. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote and shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the call to order of the meeting for which the proxy is valid. If permitted by the Declaration of Condominium or these By-Laws, certain votes may be cast in writing.

2.8 Vote Required to Transact Business. When a quorum is present at any meeting, the holders of a majority of the voting rights present in person or represented by written proxy shall decide any questions brought before the meeting unless the question is one upon which, by express provision of the applicable statutes, the Declaration of Condominium, or the By-Laws, a different number is required, in which case the express provision shall govern and control the decision in question.

Subject to an express provision of the applicable statutes, the Declaration of Condominium or the By-Laws, any action required or permitted to be taken at a meeting of the members of the Association, may be taken without a meeting if, prior to such action, a written consent thereto is signed by all of the members of the Association, which written consent shall be deemed to constitute a written agreement within the meaning of applicable condominium law.

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

2.10 The Order of Business. The order of business at annual members' meetings and, as far as practical, at all other members' meetings, shall be:

- (a) Call to order.
- (b) Calling 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) Reports of Officers.
- (f) Reports of Committees.
- (g) Election of Directors.
- (h) Unfinished business.
- (i) New business.
- (j) Adjournment.

### **3. BOARD OF DIRECTORS.**

3.1 Membership. 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 a vote of a majority of the members voting in person or by proxy at any annual meeting of the members. The current number of Directors fixed by a vote of a majority of the members is seven (7). Each Director shall be a person entitled to cast a vote in the Association.

3.2 Election of Directors. 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; provided that not more than three (3) Directors may reside in any one (1) building.

(b) Except as to vacancies created by removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by a majority vote of the remaining Directors and the member selected shall serve to the next annual meeting at which time the members of the Association shall select a Director to serve the unexpired term.

(c) Any Director may be removed by concurrence of two-thirds (2/3) of the members of the Association at a special meeting of the members called for that purpose. The vacancy thus created shall be filled at the same meeting by the members of the Association in the same manner as was provided for the election of the removed Director.

3.3 Term. The terms of each Director's services shall be three years as follows:

Each Director shall serve his term as specified until his successor is duly elected or until he is removed in the manner elsewhere provided.

3.4 Organizational Meeting. The organizational 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 organizational meeting shall be necessary providing a quorum shall be present.

3.5 Regular Meetings. Regular meetings of the Board of Directors may be held from time to time by a majority vote of the Directors. Notice of regular meetings shall be given to each Director, personally, or by electronic mail, first class mail, telephone or facsimile, at least three (3) days prior to the date named for such meeting.

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

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

3.8 Quorum. A Quorum at Directors' meeting shall be defined as follows:

- 2 out of 3 if there are 3 Directors;
- 2 out of 4 if there are 4 Directors;
- 3 out of 5 if there are 5 Directors;
- 4 out of 6 if there are 6 Directors;
- 4 out of 7 if there are 7 Directors.

The acts of the Board of Directors approved by a majority of the votes present 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 or by these By-Laws. 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 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.

Notwithstanding anything contained herein to the contrary, any action required or permitted to be taken at a meeting of the Board of Directors, or of a committee of Directors, may be taken without a meeting if prior to such action a written consent thereto is signed by all of the Directors or by all of the members of the committee of Directors and filed with the minutes of proceedings of the Board of Directors or committee thereof.

3.9 Presiding Officer. The presiding officer of Directors' meetings shall be the President. In the absence of the President, the Directors present shall designate one of their number to preside.

3.10 Compensation. Directors shall serve without compensation, and a Director may not be an employee of the Association. However, Directors may be reimbursed for all reasonable expenses incurred in the exercise of their duties.

#### **4. POWERS AND DUTIES OF THE BOARD OF DIRECTORS.**

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

4.1 To exercise all of the powers of the Association with respect to the operation and regulation of the Condominium which are conferred upon the Board of Directors by the Declaration of Condominium, by these By-Laws, or by operation of Alabama law.

4.2 To make contracts and incur liabilities in connection with the exercise of any of the powers and duties of the Board of Directors.

4.3 To provide or cause to be provided all goods and services required by the Declaration of Condominium, the By-Laws or applicable by law, or which the Board of Directors, in its discretion, deems necessary for the proper operation of the Condominium or which are used in common or jointly by the Common Elements and Condominium units, in each case to the extent such goods and services shall not be otherwise provided.

4.4 To collect monthly Assessments from the Unit Owners, and to cause to be rendered statements, when required or useful, of any Assessments which remain unpaid by any such Owner.

4.5 To maintain a class action and to settle pending litigation on behalf of Unit Owners of the Condominium concerning, or arising out of the ownership of the Common Elements of the Condominium, or concerning any and all other matters in which two (2) or more of the Unit Owners have a common interest; all as the Board of Directors deems advisable.

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

4.7 To employ, if the Board of Directors deems it advisable, a management agent or manager, at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize including, but not limited to, the duties listed in this Section 4; and any such duties so conferred upon the managing agent or manager by the Board of Directors may at any moment be revoked, modified or amplified by the

majority of those present to cast a vote or present by proxy (i.e., a majority of the quorum as defined herein for a duly constituted meeting.)

4.8 To designate and remove personnel necessary for the maintenance, repair and replacement of the Common Elements.

4.9 To procure such fidelity bonds as the Board of Directors deems advisable covering officers and employees of the Association handling and responsible for the Association's funds and personal property, and to procure Directors' and Officers' liability insurance if the Board of Directors deems it advisable; and the premiums of any such bonds and insurance shall be paid by the Association as Common Expenses.

4.10 To determine policies and to adopt administrative rules and regulations governing the details of the operation and use of the Condominium, including the Common Elements, and to amend such administrative rules and regulations from time to time as the Board of Directors deems advisable.

4.11 To assign the Association's right to future income, including the right to assign future Common Expense Assessments, without restriction.

## **5. OFFICERS.**

5.1 Generally. 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 Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by a majority 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. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board of Directors shall find to be required to manage the affairs of the Association. Each officer shall hold office until his successor shall have been duly elected by the Board of Directors. Any vacancy in any office elected or appointed by the Board of Directors may be filled by the Board of Directors for the unexpired portion of such officer's term.

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

5.3 Vice President. 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 Board of Directors.

5.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Board of 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, and shall perform all other duties incident to the office of the Secretary as may be required by the Board of Directors or the President.

5.5 Treasurer. The Treasurer shall have custody of all property of the Association including funds, securities, and evidences 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 Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred; and he shall perform all other duties incident to the office of Treasurer. The records, books of account, and the vouchers authorizing payments, shall be available for examination by a member of the Association at convenient hours of week days.

5.6 Compensation. Subject to the provision contained in Paragraph 3.10 hereof, the compensation of all employees of the Association shall be fixed by the Board of Directors.

## **6. FISCAL MANAGEMENT.**

6.1 Budget. The Board of Directors shall determine the Common Expenses of the Association and adopt a budget for each fiscal year of such estimated Common Expenses, including a reasonable allowance for contingencies and reserves. Copies of the budget and proposed Assessments shall be transmitted to each member on or before 30 days prior to the beginning of the fiscal 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.

6.2 Assessments for Recurring Common Expenses. Assessments for recurring Common Expenses shall be made for the calendar year annually in advance, on or before November 20<sup>th</sup> preceding the year for which the Assessments are made. The Board of Directors may include a Maintenance Fund Reserve for contingencies in such Assessments, and such Maintenance Fund Reserve may from time to time be increased or reduced at the discretion of the Board of Directors. The fractional interest of each unit owner in said Fund cannot be withdrawn or separately assigned but shall be deemed to be transferred with such unit even though not expressly mentioned or described in the conveyance thereof. In case the Condominium hereby created shall be terminated and the property removed from the Alabama Condominium Ownership Act, any part of said Fund remaining after full payment of all Common Expenses of the Association shall be distributed to all unit owners in their respective fractional interest.

Such Assessments shall be due in monthly installments due on the 1<sup>st</sup> day of each month of the year of which the Assessments are made. If such annual Assessment is not made as required, an installment of 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 a twenty (20%) percent increase over the previous year's Assessments for this purpose for the prior year unless approved in writing by unit owners entitled to cast not less than 40% of the votes in the Association or by a majority of the unit owners entitled to vote at a duly constituted meeting, but in no event less than 40% of the total votes of the Association. In the event such an annual Assessment proves to be insufficient, it may be amended at any time after approval in writing by unit owners entitled to cast a majority of votes in the Association, or by vote of the majority of any duly called meeting but in no event by less than 40% of the total votes of the Association and the amended Assessment for the remaining portion of the calendar year shall be due at the time the next monthly installment is due.

6.3 Acceleration of Assessment Installments Upon Default. 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 balance of the Assessment shall come due upon the date stated in the notice, but not less than ten (10) days after delivery thereof 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 first occur.

6.4 Assessments for Emergencies. Assessments for Common Expenses for emergencies which cannot be paid from the Assessments for recurring Common Expenses shall be made only after notice of the need therefor to the unit owners concerned. After such notice and upon approval in writing of more than one-half (1/2) of such unit owners concerned, or by vote of the members representing not less than one-half (1/2) of the total votes of the Association at any at any duly called meeting, the Assessment shall become effective, and it shall be due after thirty (30) days notice thereof in such manner as the Board of Directors may require.

6.5 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 mortgages containing power of sale are foreclosed; provided that thirty (30) days prior notice of the 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 prior to all other liens and encumbrances on a unit except (i) liens and encumbrances recorded before the recordation of the original July 3, 1984 Declaration of Condominium, (ii) a first security interest on the unit recorded before the date on which the Assessment sought to be enforced became delinquent, and (iii) liens for real estate taxes and other governmental assessments or charges against the unit. The lien is also prior to the mortgages and deeds of trust described in clause (ii) above to the extent of the Common Expense Assessments based on the periodic budget adopted by the Association pursuant to Alabama Code subsection 35-8A-315(a) which would have become due in the absence of acceleration during the six months immediately preceding institution of an action to enforce the lien. This subsection does not affect the priority of mechanics' or materialmen's liens, or the priority of liens for other Assessments made by the Association. The lien under this Paragraph 6.5 is not subject to the provisions of homestead or other exemptions. 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 unsuccessful unit owner defendant 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 a reasonable attorney's fees, and any and all expenses incurred in the re-sale of the unit, which shall include but not be limited to advertising expenses, real estate brokerage fees, and 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.

6.6 Depository. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board of 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 Board of Directors.

6.7 Audit. An audit of the accounts of the Association shall be made annually by certified public accountant, not a member of the Association, and a copy of the report shall be made available for review by each member not later than June 15<sup>th</sup> of the year following the year for which the report is made.

6.8 Records.

(a) Accounting Records. The Association shall maintain accounting records in accordance with generally accepted accounting principles. Such records shall be open to inspection by unit owners at reasonable hours and shall include:

(i) A record of all expenditures and receipts of the Association; and

(ii) An account for each unit setting forth the shares of Common Expenses or charges due, the dates thereof, the present balance due and any interest in common surplus.

(b) Miscellaneous Records. The Association shall maintain such other records as are required by the Declaration of Condominium or these By-Laws or as may be deemed necessary by the Board of Directors.

6.9 Reserves for Replacement. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to the Common Elements and those Limited Common Elements which the Association may be obligated to maintain. This fund shall be maintained out of regular Assessments for Common Expenses and the amount thereof shall be determined by the Board of Directors.

6.10 Late Charges. Assessments, installments thereof, penalties, and all other sums not paid on or before fifteen (15) days from the due date shall bear a monthly late fee of Twenty Five Dollars (\$25.00) and accrue interest at the rate of one and one-half percent (1 ½ %) per month on all charges except the current month's late fee. Payments upon accounts shall first be applied to interest, then late fees, then penalties and any other charges, and then to the Assessment payment first due.

6.11 Fidelity 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 Board of Directors. The premium of such bonds shall be paid by the Association as a Common Expense.

**7. OBLIGATIONS OF UNIT OWNERS.** The obligations of the unit owners shall be as set forth in the Alabama Condominium Ownership Act, the Alabama Uniform Condominium Act, as applicable, the Declaration of Condominium, and these By-Laws including, without limitation, the following:

7.1 Assessments. Every unit owner shall contribute pro rata toward the expense of the administration of the Condominium as provided by the Declaration of Condominium and in these By-Laws.

7.2 Maintenance and Repair. The necessary maintenance, repair and replacement of the Common Elements of the Condominium and the alteration and improvement thereof shall be carried out as provided in the Declaration of Condominium and these By-Laws.

7.3 Use of Units. Every unit owner shall comply strictly with the provisions of the Declaration of Condominium, these By-Laws and the Rules and Regulations. In the event

of the failure of any unit owner to do so, the Association may sue to recover sums due, and/or damages, and/or injunctive relief, and for its costs and expenses thereof, including a reasonable attorney's fee.

7.4 Right of Entry. The manager, if any, 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 or other units whether or not the unit owner or occupant is present at the time. Every unit owner and occupant, when so required, shall permit other unit owners or their representative to enter his unit at reasonable times for the purpose of performing authorized installations, alterations, or repairs to the Common Elements therein provided that requests for entry are made in advance.

7.5 Title. Every unit owner shall promptly cause to be duly recorded in the Office of the Judge of Probate of Baldwin County, Alabama the deed or 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.

## 8. MORTGAGES.

8.1 Records and Notice. Any mortgagee of a unit may file a copy of its mortgage with the Association or a written notification which sets out the unit number of the mortgaged unit, the name of the mortgagor, the name and address of the mortgagee and the date of the mortgage, and the Secretary shall maintain such information in the record of ownership of the Association. After the filing of the mortgage or the notification containing the information set forth hereinabove, the Association shall be required to give written notification to any such mortgagee of the default of its mortgagor in the performance of any of his duties or obligations under the Condominium documents if such default is not cured within sixty (60) days and then the mortgagee at its option may cure the default; provided, however, that if the default is a failure to pay any charges or Assessments to the Association, such notice to the mortgagee shall be given if such default is not cured within fifteen (15) days and, provided further that the Association shall have no obligation to give any notices to any mortgagees who have not filed with the Association a copy of its mortgage or a notification containing the information set forth hereinabove.

8.2 Approval of Mortgagee. Unless eligible holders of first mortgage liens on units have given their prior written approval pursuant to the requirements of the Declaration of Condominium, the Association shall not be entitled to:

(a) Change the pro rata interest or obligations of any unit for the purposes of levying Assessments and charges, and determining fractional shares of undivided interest in the Common Elements and proceeds of the project;

(b) Partition or subdivide any unit or the Common Elements of the project; or,

(c) By act or omission seek to abandon the Condominium status of the project except as provided by the Alabama Condominium Ownership Act in case of substantial destruction to or deterioration or obsolescence of the Condominium.

**9. AGENT TO RECEIVE SERVICE OF PROCESS.** The following person, who is a resident of the State of Alabama, is designated as the agent to receive service of process upon the Association:

Name: Mary Thornton Taylor  
Taylor Partners, LLC  
Address: 26192 Canal Road  
Orange Beach, AL 36561

**10. PARLIAMENTARY RULES.** Roberts Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declaration of Condominium, these By-Laws, or the laws of the State of Alabama applicable to this Condominium.

**11. INDEMINIFICATION.**

11.1 The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

11.2 The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the

Association, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

To the extent that a director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Paragraphs 11.1 and 11.2, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Any indemnification under Paragraphs 11.1 and 11.2 above (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Paragraphs 11.1 and 11.2. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the membership.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Section 11.

The indemnification provided by this Section 11 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of members or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

**12. AMENDMENTS.** The By-Laws may be amended, altered or repealed by a majority vote of all unit owners according to their fractional ownership interest in the Common Elements. Such vote of the unit owners may occur at a regular or special members' meeting in

accordance with Section 2 hereof or by mail. A copy of each amendment shall be certified by the President and Secretary of the Association as having been duly adopted and shall be effective when recorded in the Office of the Judge of Probate of Baldwin County, Alabama.

**[SIGNATURES ON FOLLOWING PAGES]**

IN WITNESS WHEREOF, the said SEASIDE BEACH AND RACQUET CLUB CONDOMINIUM ASSOCIATION, INC., an Alabama Non-Profit corporation, has caused these By-Laws to be executed on its behalf and its corporate seal to be affixed hereto by its officers thereunto duly authorized, this 28 day of November, 2011.

SEASIDE BEACH AND RACQUET CLUB  
CONDOMINIUM ASSOCIATION, INC.,  
An Alabama Non-Profit corporation

By: Doug Craig  
Doug Craig, Its President

STATE OF TN )

COUNTY OF Blount )

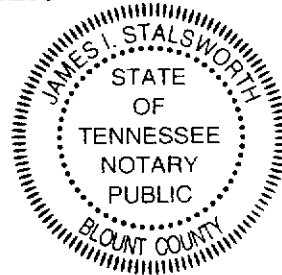
I, the undersigned, a Notary Public in and of said State and County, hereby certify that DOUG CRAIG, whose name as President of SEASIDE BEACH AND RACQUET CLUB CONDOMINIUM ASSOCIATION, INC., an Alabama Nonprofit Corporation, is signed to the foregoing Amended and Restated Bylaws of SEASIDE BEACH AND RACQUET CLUB CONDOMINIUM ASSOCIATION, INC., an Alabama Nonprofit Corporation, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Bylaws, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and seal on this the 28<sup>th</sup> day of Nov, 2011.

James I. Stalsworth  
NOTARY PUBLIC

My Commission Expires:  
August 24, 2014

My Commission Expires: \_\_\_\_\_



ATTEST:

By: *Dick Hitchcock*  
Dick Hitchcock, Its Secretary

STATE OF *New York* )

COUNTY OF *Monroe* )

I, the undersigned, a Notary Public in and of said State and County, hereby certify that DICK HITCHCOCK, whose name as Secretary of SEASIDE BEACH AND RACQUET CLUB CONDOMINIUM ASSOCIATION, INC., an Alabama Nonprofit Corporation, is signed to the foregoing Amended and Restated Bylaws of SEASIDE BEACH AND RACQUET CLUB CONDOMINIUM ASSOCIATION, INC., an Alabama Nonprofit Corporation, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Bylaws, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and seal on this the *30<sup>th</sup>* day of *November*, 2011.

*Tara Lynn Plath*  
NOTARY PUBLIC

My Commission Expires: *February 28, 2015*

TARA LYNN PLATH  
Notary Public, State of New York  
No. 01PL6236368  
Certified in Monroe County  
My Commission Expires on 2/28/15

This Instrument Prepared By:

MARY THORNTON TAYLOR  
Taylor Partners, LLC  
Attorneys at Law  
Post Office Box 489  
Orange Beach, Alabama 36561  
(251) 981-8422  
E-mail maryttaylor@centurytel.net

