

**BY-LAWS
OF
THE COLONY AT FORT MORGAN OWNER'S ASSOCIATION, INC.**

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**BY-LAWS
OF
THE COLONY AT FORT MORGAN OWNER'S ASSOCIATION, INC.**

GENERAL

1.1 **NAME.** The name of the **ASSOCIATION** shall be **THE COLONY AT FORT MORGAN OWNER'S ASSOCIATION, INC.** ("ASSOCIATION").

1.2 **TERMS DEFINED.** "DECLARATION" shall mean that certain **DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE COLONY AT FORT MORGAN, A SUBDIVISION**, filed in the **OFFICE OF THE JUDGE OF PROBATE OF BALOWIN COUNTY, ALABAMA**, as the same may be amended from time to time in accordance with the terms thereof ("DECLARATION"). All other terms used in these **BY-LAWS** shall have the meaning given to them in the **DECLARATION** and are hereby incorporated by reference and made a part of these **BY-LAWS**.

"**VOTING MEMBERS**" shall be **Members** who have been designated as voting representatives pursuant to the **DECLARATION**.

"**NON-VOTING MEMBERS**" shall be all **OWNERS** of **LOTS** in the **SUBDIVISION** that are not **VOTING MEMBERS**.

1.3 **PURPOSE.** These are the **BY-LAWS** of the **ASSOCIATION** which is a not-for-profit Corporation organized pursuant to the provisions of the Ala. Code 1975, §10-3A-1, et seq., ("**ACT**") for the purpose of administering the **SUBDIVISION** known as **THE COLONY AT FORT MORGAN, A SUBDIVISION**, referred to in these **BY-LAWS** as the "**SUBDIVISION**", which is located in **BALDWIN COUNTY, ALABAMA**. The **ASSOCIATION** shall issue no shares of stock of any kind or nature whatsoever.

1.4 **APPLICABILITY OF BY-LAWS.** The provisions of these **BY-LAWS** are applicable to the **SUBDIVISION** and **COMMON PROPERTY** of the **SUBDIVISION** and to the use and occupancy of the **SUBDIVISION** property. All present and future **OWNERS, MORTGAGEES**, lessees and occupants of **LOTS** and their employees and any other persons who may use the facilities of the **SUBDIVISION** in any manner are subject to these **BY-LAWS**, the **DECLARATION**, and the **RULES AND REGULATIONS** made in accordance therewith. The acceptance of a **DEED** of conveyance or the entering into of a lease or the act of occupancy of a **LOT** shall constitute an agreement that these **BY-LAWS**, the **RULES AND REGULATIONS** made in accordance therewith, and the provisions of the **DECLARATION**, as they may be amended from time to time, are accepted, ratified, and will be complied with.

1.5 **PRINCIPAL OFFICE.** The principal office of the **ASSOCIATION** shall be located in **BALDWIN COUNTY, ALABAMA**, or at such other place as may be designated subsequently by the **BOARD OF DIRECTORS** or as the business of the **ASSOCIATION** may require. All books and records of the **ASSOCIATION** shall be kept at its principal office.

MEMBERSHIP

2. QUALIFICATION. The qualification for membership shall be ownership of a **LOT** in the **SUBDIVISION**. No membership may be separated from the **LOT** to which it is appurtenant. The qualification for membership is more fully set out in the **DECLARATION**, the terms of which pertaining to membership are specifically incorporated in these **BY-LAWS** by reference. **MEMBERS** shall be either **VOTING MEMBERS** or **NON-VOTING MEMBERS**.

MEETINGS OF MEMBERS

3.1 PLACE OF MEETINGS. Meetings of the **ASSOCIATION** shall be held at the principal office of the **ASSOCIATION** or at such other suitable place convenient to the **MEMBERS** as may be designated by the **BOARD OF DIRECTORS** either in the **SUBDIVISION** or as convenient thereto as possible and practicable.

3.2 ANNUAL MEETING. The arrival meeting of **MEMBERS** shall be held at the office of the **ASSOCIATION** at 6:30 p.m., local time, on the second Tuesday of January of each year for the purpose of electing **DIRECTORS** and transacting any other business authorized to be transacted by the **MEMBERS; PROVIDED, HOWEVER,** if that day is a legal holiday, the meeting shall be held at the same hour on the next day following that is not a legal holiday.

3.3 CHANGE OF ANNUAL MEETING. The time of holding the annual meeting of **MEMBERS** may be changed at any time prior to fifteen (15) days before the regular day for holding such meeting by a resolution duly adopted by the **BOARD OF DIRECTORS** or by the **VOTING MEMBERS**, provided that notice of such change be mailed to each **VOTING MEMBER** of record, at such address as appears upon the records of the **ASSOCIATION**, not less than ten (10) days before the holding of such meeting; and further provided that each annual meeting of **MEMBERS** shall be held within one (1) month of the date on which it should regularly have been held but for such change.

3.4 SPECIAL MEETING. The President of the **BOARD** may call special meetings. In addition, special meetings of the **MEMBERS** may be called at any time by a **MAJORITY** of the **BOARD**, and must be called by the officers of the **ASSOCIATION** upon receipt of a written request from **MEMBERS** entitled to cast twenty-five percent (25%) of the total votes in the **ASSOCIATION**. The notice of any special meeting shall state the date, time and place of such meeting and the purpose of said meeting. The business conducted at a special meeting shall be limited to that stated in the notice of the meeting.

3.5 NOTICE OF MEETING. Notice of all meetings of **MEMBERS** stating the time and place and the objects for which the meeting is called shall be given by the President or Vice President or Secretary unless waived in writing. Such notice shall be in writing to each **MEMBER** and to each first **MORTGAGEE** who has given the **ASSOCIATION** a written request to receive notice at the address as it appears on the books of the **ASSOCIATION** and shall be mailed not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. A copy of the notice

of any meeting of **MEMBERS** shall be posted in a conspicuous place in the **SUBDIVISION** at least ten (10) days prior to the meeting. Proof of such notice shall be given by the affidavit of the person giving the notice.

3.6 **WAIVER OF NOTICE**. Any **VOTING MEMBER** or first **MORTGAGSE** may waive the right to receive notice, of any meeting by sending a written waiver to the **BOARD OF DIRECTORS**. Notice of any meeting may be waived before or after the meeting, orally or in writing. Attendance by a **VOTING MEMBER** at any meeting, either in person or by proxy, shall constitute waiver of notice of such meeting.

3.7 **QUORUM**. A quorum of **MEMBERS** for any meeting shall be deemed present throughout such meeting if **VOTING MEMBERS**, represented in person or by proxy, holding more than fifty-one percent (51%) of the total votes entitled to be cast at such meeting are present at the beginning of such meeting, except as otherwise provided by law, by the **ARTICLES**, by the **DECLARATION** or by these **BY-LAWS**. Any provision in the **DECLARATION** concerning quorums is specifically incorporated in these **BY-LAWS**.

3.8 **ADJOURNMENT FOR LACK OF QUORUM**. In the absence of a quorum at any meeting of **MEMBERS**, a **MAJORITY** of those **VOTING MEMBERS** entitled to vote thereat, present in person or by proxy, shall have the power to adjourn the meeting, from time to time, without notice other than announcement at the meeting, until the requisite number of **VOTING MEMBERS**, present in person or by proxy, shall be present. At such adjourned meeting at which the requisite number of votes shall be present, any business may be transacted which might have been transacted at the meeting as originally noticed. Any provision in the **DECLARATION** concerning adjournment for lack of quorum is specifically incorporated in these **BY-LAWS**.

3.9 **ACTION WITHOUT MEETING**. Any action which may be taken at a regular or special meeting of the **MEMBERS** may also be taken without a meeting if a consent in writing setting forth the action so taken is signed by the number of **VOTING MEMBERS** required to take such action at a meeting and is filed with the Secretary of the **ASSOCIATION**.

3.10 **MINUTES OF MEETING**. The minutes of all meetings of **MEMBERS** shall be kept in a book available for inspection by **LOT OWNERS** or authorized representatives.

3.11 **PROVISO**. **PROVIDED HOWEVER**, that until the **DECLARANT** has completed and sold all of the **LOTS** in all phases of the **SUBDIVISION** or until **DECLARANT** elects to terminate the control of **DECLARANT** of the **SUBDIVISION**, whichever shall occur first, the **BY-LAWS** and rules adopted by the **DECLARANT** shall govern, and there shall be no meeting of **MEMBERS** of the **ASSOCIATION**, unless a meeting is called by the **BOARD OF DIRECTORS** of the **ASSOCIATION**, and neither the **LOT OWNERS** nor the **ASSOCIATION** nor the use of the **SUBDIVISION** by **LOT** occupants shall interfere with the contemplated improvements and the sale of the **LOTS**. The **DECLARANT** may make such use of the unsold **LOTS** and the **COMMON AREAS** and facilities as may facilitate such completion and sale, including, but not limited to, showing of the property and the display of signs.

VOTING RIGHTS

4.1 **VOTES.** The voting rights attached to each **LOT** shall be in accordance with that stated in the **DECLARATION**. The vote of a **LOT** shall not be divisible. The designation of the voting **MEMBER** shall be determined as set out in the **DECLARATION**.

4.2 **VOTES 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 **ACT**, the **DECLARATION**, or the **BY-LAWS**, a different number is required, in which case, the express provision shall govern and control the decision in question.

4.3 **MAJORITY OF OWNERS.** As used in these **BY-LAWS**, the term "**MAJORITY**" shall mean those votes, **OWNERS** or other group as the context may indicate totaling more than fifty percent (50%) of the total number.

4.4 **VOTING BY PROXY.** Votes may be cast in person or by proxy. All proxies must be in writing, dated, signed by the **MEMBER** generating the proxy, and filed with the Secretary of the **ASSOCIATION** before the appointed time of the meeting to which it applies. A **MEMBER** may revoke a proxy at any time by delivering a written notice of revocation to the **ASSOCIATION**. Every proxy shall automatically cease upon conveyance by the **MEMBER** of his or her **LOT** or upon receipt of notice by the Secretary of the **BOARD** of the death or judicially declared incompetency of a **MEMBER** or upon the expiration of eleven (11) months from the date of the proxy.

4.5 **VOTING BY MORTGAGEE.** The execution and delivery of a mortgage on a **LOT** by its owner shall be construed as conferring upon the mortgagee a conditional proxy to cast the vote or votes attributable to such **LOT** at any regular or special meeting of the **ASSOCIATION**. The condition of such proxy shall be noticed by such mortgagee to the **ASSOCIATION**, in writing, of its intent to exercise the conditional proxy rights granted to it, as mortgagee, by the terms of this Subparagraph. In the absence of such written notice, the **ASSOCIATION** shall be entitled to recognize the **LOT OWNER** of the **MORTGAGE LOTS** as fully entitled to cast the vote or votes attributable. However, once such written notice is received by the **ASSOCIATION**, the right of a mortgagee to cast the vote or votes attributable to that **LOT** shall be recognized by the **ASSOCIATION** until the mortgagee withdraws its intent to cast such votes in writing or until the **MORTGAGE** is paid in full and satisfied of record, whichever first occurs.

4.6 **ORDER OF BUSINESS.** The order of business at annual meetings of **MEMBERS** and, as far as practical, at all other meetings of **MEMBERS** shall be:

- Call to order
- Calling of the roll and certifying of proxies
- Proof of notice of meeting or waiver of notice
- Reading and disposal of any unapproved minutes
- Reports of officers
- Reports of committees
- Election of **DIRECTORS**
- Unfinished business
- New business
- Adjournment.

BOARD OF DIRECTORS

5.1 **GOVERNING BODY.** The affairs of the **ASSOCIATION** shall be governed by a **BOARD OF DIRECTORS**. Except as provided in these **BY-LAWS**, the **DIRECTORS** shall be **MEMBERS**.

5.2 **DIRECTORS DURING DECLARANT CONTROL.** The **DIRECTORS** shall be selected by the **DECLARANT** acting in the sole discretion of the **DECLARANT** and shall serve at the pleasure of the **DECLARANT** so long as **DECLARANT** shall retain control as set forth in the **DECLARATION**, unless the **DECLARANT** shall earlier surrender this right to select **DIRECTORS**. The **DIRECTORS** selected by the **DECLARANT** need not be **OWNERS** or **OCCUPANTS** in the **SUBDIVISION**.

5.3 **NUMBER.** The initial number of **DIRECTORS** in the **ASSOCIATION** shall be two (2). The **MEMBERS** of the **ASSOCIATION** shall have the right to amend the number of the **BOARD OF DIRECTORS** at any regular or special meeting called for the purpose.

5.4 **QUALIFICATION.** Except for **DIRECTORS** appointed by the **DECLARANT**, each **DIRECTOR** shall be a **LOT OWNER**. If a **LOT OWNER** is a trust, then the beneficiary of the trust may be a **DIRECTOR**; and if a **LOT OWNER** is a corporation or partnership, then an officer, partner, or employee of such **LOT OWNER** may be a **DIRECTOR**, if a **DIRECTOR** shall cease to meet such qualifications during his or her term, he or she shall cease to be a **DIRECTOR** and his or her place on the **BOARD** shall be vacant.

5.5 **NOMINATION FOR ELECTION.** Except with respect to the **DIRECTORS** selected by the **DECLARANT**, nomination for election to the **BOARD OF DIRECTORS** shall be made from the floor at the annual meeting of **MEMBERS** or at any other meeting of **MEMBERS** called for the purpose of electing **DIRECTORS**. Nominations shall be made also by a nominating committee appointed by the **BOARD** prior to the annual meeting of the **MEMBERS** or prior to any other meeting of **MEMBERS** called for the purpose of electing **DIRECTORS**.

5.6 **INITIAL ELECTION OF DIRECTORS.** Within thirty (30) days after the **LOT OWNERS** are entitled to elect one (1) or more **DIRECTORS**, the **ASSOCIATION** shall call a meeting of the **MEMBERS** to elect the **DIRECTOR**. The **ASSOCIATION** shall give not less than ten (10) days nor more than sixty (60) days notice of the meeting to each **MEMBER**. The meeting may be called and the notice may be given by any **LOT OWNER** if the **ASSOCIATION** falls to do so. The election shall be conducted in the manner specified in these **BY-LAWS**.

5.7 **ELECTION OF DIRECTORS.** **DIRECTORS** shall be elected at the annual meeting of **MEMBERS** or at a special meeting called for that purpose. The election shall be by secret ballot (unless dispensed with by unanimous consent) and each **MEMBER** shall be entitled to vote for each vacancy. There shall be no cumulative voting. Those candidates receiving the greatest number of votes cast either in person or by proxy shall be elected. At the initial election, the candidate receiving the most votes shall serve a two (2) year term, and the next two (2) candidates receiving the most votes shall serve one (1) year terms. At

subsequent annual elections, the two (2) vacancies shall be filled as follows: two (2) **DIRECTORS** shall be elected, with the candidate receiving the most votes to serve a two (2) year term, and the remaining candidate to serve a one(1)year term.

5.8 **TERM.** Each **DIRECTOR** elected by the **MEMBERS** shall hold office until their respective successors have been elected and qualified or until he or she resigns or is removed in any manner provided elsewhere in these **BY-LAWS**. Each **DIRECTOR** appointed by the **DECLARANT** shall hold office until he or she resigns, is removed by the **DECLARANT**, or his or her term expires as provided for in these **BY-LAWS**.

5.9 **VACANCIES.** Any vacancy in the position of a **DIRECTOR** elected by the **MEMBERS** of the **ASSOCIATION** shall be filled by a **MAJORITY** vote of the remaining **DIRECTORS**, and any **DIRECTOR** so elected shall hold office for a term equal to the unexpired term of the **DIRECTOR** whom he or she succeeds. Any vacancy in the position of a **DIRECTOR** appointed by the **DECLARANT** shall be filled by the **DECLARANT**.

5.10 **REMOVAL.** Any **DIRECTOR** may be removed for cause by the concurrence of two-thirds (2/3) of the votes of the **ASSOCIATION** at a meeting of **MEMBERS** called for that purpose. The vacancy in the **BOARD OF DIRECTORS** so created shall be filled by the **MEMBERS** at the same meeting.

5.11 **COMPENSATION.** A **DIRECTOR** shall not receive any compensation for any services he or she may render to the **ASSOCIATION** as a **DIRECTOR**; **PROVIDED, HOWEVER,** that any **DIRECTOR** may be reimbursed for actual out-of-pocket expenses incurred by him or her in his or her performance of his or her duties.

MEETINGS OF DIRECTORS

6.1 **REGULAR MEETINGS.** Regular meetings of the **BOARD OF DIRECTORS** may be held at such time and place as shall be determined from time to time by a **MAJORITY of the DIRECTORS**, but at least four (4) such meetings shall be held during each fiscal year, with at least one (1) per quarter. Notice of regular meetings shall be given to each **DIRECTOR**, personally or by mail, telephone or telegraph at least ten (10) days prior to the day named for such meeting.

6.2 **SPECIAL MEETINGS.** Special meetings of the **DIRECTORS** shall be held when called by written notice signed by the President, Vice President or Secretary of the **ASSOCIATION** or by two (2) or more **DIRECTORS**. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

6.3 **OPEN MEETINGS.** All meetings of the **BOARD OF DIRECTORS** shall be open to all **MEMBERS** of the **ASSOCIATION**, and notice of such meetings shall be posted conspicuously in the **SUBDIVISION** at least forty-eight (48) hours prior to the meeting, except in the event of an emergency.

6.4 **WAIVER OF NOTICE.** Any **DIRECTOR** may waive notice of a meeting either before or after the meeting or may consent to the holding of a meeting without notice. Attendance by any **DIRECTOR** at a meeting shall constitute waiver of notice of the meeting, except when attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business on the grounds that the meeting was not lawfully called.

6.5 **QUORUM.** A quorum shall consist of the number of **DIRECTORS** entitled to cast a **MAJORITY** of the votes of the entire **BOARD OF DIRECTORS**. The acts of the **DIRECTORS** approved by a **MAJORITY** of the votes present at a meeting at which a quorum is present shall constitute the acts of the **BOARD OF DIRECTORS**. The joinder of a **DIRECTOR** in the action of a meeting by signing and concurring in the minutes of said meeting shall constitute the presence of such a **DIRECTOR** for the purpose of determining a quorum.

6.6 **ACTION WITHOUT MEETING.** Any action permitted or required to be taken at a meeting of the **DIRECTORS** may be taken without a meeting if written consent setting forth the action so taken shall be signed by all the **DIRECTORS** and filed with the minutes of the proceedings of the **BOARD**.

6.7 **MINUTES OF MEETINGS.** The minutes of all meetings of the **BOARD OF DIRECTORS** shall be kept in a minute book available for inspection by **LOT OWNERS** or their authorized representatives or any **DIRECTORS** at any reasonable time.

6.8 **PRESIDING OFFICER.** The presiding officer of meetings of **DIRECTORS** shall be the President. In the absence of the President, the **DIRECTORS** present shall designate one (1) of their number to preside.

6.9 **EXECUTIVE SESSION.** The **BOARD** may, with approval of a **MAJORITY** of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personal matters, litigation in which the **ASSOCIATION** is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1 **POWERS DEFINED.** The **BOARD OF DIRECTORS** shall have the power to exercise all powers, duties and authority vested in the **ASSOCIATION** by the **ACT**, the **DECLARATION**, the **ARTICLES** or these **BY-LAWS**, except for such powers and duties reserved thereby to the **MEMBERS** or the **DECLARANT**.

7.2 **COMMITTEES.** The **BOARD OF DIRECTORS** may, by resolution, appoint such committees as deemed appropriate in carrying out its purpose, and such committees shall have the powers of the **BOARD OF DIRECTORS** for the management of the affairs and business of the **ASSOCIATION** to the extent provided in the resolution designating such a committee. Any such committee shall keep regular minutes of its proceedings and shall report the same to the **BOARD OF DIRECTORS**.

7.3 ARCHITECTURAL COMMITTEE. The **BOARD OF DIRECTORS** shall appoint an **ARCHITECTURAL COMMITTEE** in accordance with the provisions of the **DECLARATION.**

7.4 MANAGING AGENT. Subject to the terms of the **DECLARATION,** the **BOARD OF DIRECTORS** shall be authorized to employ the services of a manager or managing agent, who may either be a **DIRECTOR,** officer, or employee of the **ASSOCIATION,** or an independent person or firm qualified to manage the property and affairs of the **SUBDIVISION** under the supervision of the **BOARD.** The compensation paid to any such manager or managing agent shall be in the amount established from time to time by the **BOARD.**

7.5 ORDER OF BUSINESS. The order of business at meetings of **DIRECTORS** shall be:

Call of roll
Proof of due notice of meeting
Reading and disposal of unapproved minutes
Reports of officers and committees
Election of officers
Unfinished business
New business
Adjournment.

7.6 BORROWING. The **BOARD OF DIRECTORS** shall have the power to borrow money for the purposes of repair or restoration of the **COMMON PROPERTY** pursuant to the terms and conditions of the **DECLARATION.**

7.7 VETO BY DECLARANT. **DECLARANT** shall have the veto power over all actions of the **BOARD** as more fully provided in the **DECLARATION.**

OFFICERS

8.1 EXECUTIVE OFFICERS. The executive officers of the **ASSOCIATION** shall be a President, who shall be a **DIRECTOR;** a Vice President, who shall be a **DIRECTOR;** and a Secretary-Treasurer, who shall be a **DIRECTOR,** 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. 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.**

8.2 TERM. Each officer shall hold office for the term of one (1) year and until his or her successor shall have been appointed or elected and qualified, provided that any officer may succeed himself or herself.

8.3 RESIGNATION AND REMOVAL. Any officer may be removed from office either with or without cause by the vote of a **MAJORITY** of the **DIRECTORS** present at any meeting. Any officer may resign at any time by giving written notice to the **BOARD.** Such resignation shall take effect on the date of receipt of said resignation or at any later time specified in said written notice, and, unless otherwise specified in said written notice, the acceptance of such resignation shall not be necessary to make it effective.

8.4 **VACANCIES.** A vacancy in any office shall be filled by a **MAJORITY** vote of the **DIRECTORS** at any meeting. An officer elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he or she succeeds.

8.5 **COMPENSATION.** An officer shall not receive any compensation for any service he or she may render to the **ASSOCIATION** as an officer; **PROVIDED, HOWEVER,** that any officer may be reimbursed for actual out-of-pocket expenses incurred by him or her in the performance of his or her duties.

8.6 **PRESIDENT.** The President, who shall be a **DIRECTOR,** is the chief executive officer of the **ASSOCIATION** and shall have all the powers and duties that are usually vested in the office of President of a Property Owner's Association including, but not limited, to the following powers:

- A. To preside over all meetings of the **MEMBERS** and of the **BOARD.**
- B. To sign as President all deeds, contracts and other instruments that have been duly approved by the **BOARD.**
- C. To call meetings of the **BOARD** whenever he or she deems it necessary in accordance with the **RULES AND REGULATIONS.**
- D. To have the general supervision, direction and control of the affairs of the **ASSOCIATION.**

8.7 **VICE PRESIDENT.** The Vice President, who shall be a **DIRECTOR,** shall have all the powers and duties that are usually vested in the office of the Vice President of a Property Owner's Association. The Vice President shall, in the absence of or disability of the President, exercise the powers and perform the duties of the President. He or she shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the **DIRECTORS.**

8.8 **SECRETARY.** The Secretary, who shall be a **DIRECTOR,** shall have all the powers and duties that are usually vested in the Secretary of a Property Owner's Association. The Secretary shall keep the minutes of all proceedings of the **DIRECTORS** and the **MEMBERS.** He or she shall attend to the giving and serving of all notices to the **MEMBERS** and **DIRECTORS** and other notices required by law. He or she shall have custody of the seal of the **ASSOCIATION** and affix the same to Instruments requiring a seal when duly signed. He or she shall sign as Secretary all deeds, contracts and all other Instruments which have been duly approved by the **BOARD,** if said Instrument requires the signature or attestation of the Secretary. He or she 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 of an **ASSOCIATION** as may be required by the **DIRECTORS** or the President.

8.9 **TREASURER.** The Treasurer, who shall be a **DIRECTOR,** shall be the financial officer of the **ASSOCIATION** and shall have all the powers and duties that are usually vested in the Treasurer of a Property Owner's Association. The Treasurer shall have custody of all property of the **ASSOCIATION,** including funds, securities and evidences of indebtedness.

He or she shall keep the financial records and books of account of the **ASSOCIATION** in accordance with good accounting practices. He or she 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 any other expenses incurred; and he or she shall perform all other duties incident to the Office of the 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 as more specifically provided in the **DECLARATION**.

FISCAL MANAGEMENT

9.1 **THE FISCAL YEAR.** The fiscal year of the **ASSOCIATION** shall be such as shall from time to time be established by the **ASSOCIATION**.

9.2 **MAINTENANCE AND MAINTENANCE ASSESSMENTS.** The **BOARD OF DIRECTORS** shall comply, with all of the provisions of the **DECLARATION** pertaining to maintenance and maintenance assessments.

9.3 **INSURANCE AND CASUALTY LOSS.** The **BOARD OF DIRECTORS** shall comply with all of the provisions of the **DECLARATION** pertaining to insurance and casualty loss.

9.4 **INFORMATION.** The **ASSOCIATION** shall make available copies of its records pursuant to the requirements of the **DECLARATION**.

9.5 **LENDER'S NOTICES.** The **ASSOCIATION** shall provide the lender's notices required by the **DECLARATION**.

9.6 **DEPOSITORY.** The depository of the **ASSOCIATION** shall be such bank or banks and/or savings and loan associations as shall be designated from time to time by the **DIRECTORS** and in which moneys of the **ASSOCIATION** shall be deposited. Withdrawal of moneys from, such account shall be only by checks signed by such **PERSONS** as are authorized by the **DIRECTORS**.

9.7 **MISCELLANEOUS.** The terms and provisions of the **DECLARATION** pertaining to fiscal management are incorporated in these **BY-LAWS** as if fully set out as an exhibit.

RULES AND REGULATIONS

10.1 **HOUSE RULES.** The **BOARD OF DIRECTORS** may from time to time and subject to the rights of **DECLARANT** control, adopt, modify, amend or add to **RULES AND REGULATIONS** concerning the use of the **SUBDIVISION**. Copies of such **RULES AND REGULATIONS** or any amendments, additions or modifications shall be delivered to each **LOT OWNER** not less than fourteen (14) days prior to the effective date of such **RULES AND REGULATIONS**. No rule or regulation may be adopted by the **ASSOCIATION** that conflicts with the **DECLARATION, ARTICLES OF INCORPORATION** of the **ASSOCIATION** or these **BY-LAWS**.

10.2 **HEARING PROCEDURE.** The **BOARD** shall not impose a fine, suspend voting or infringe upon any of the rights of a **MEMBER** or other occupant for violations of the **RULES AND REGULATIONS** of the **ASSOCIATION**, or the **DECLARATION, BY-LAWS** or **ARTICLES**, unless and until the following procedure is followed:

A. **DEMAND.** Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying: (1) the alleged violation; (ii) the action required to abate the violation; and (iii) a time period not less than ten (10) days during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of a sanction after notice and a hearing that the violation is not continuing.

B. **NOTICE.** At any time within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same is subsequently violated, the **BOARD** or its delegate shall serve the violator with written notice of a hearing to be held by the **BOARD** or a committee appointed by the **BOARD**. The notice shall contain: (1) the nature of the violation; (ii) the time and place of the hearing, which time shall not be less than ten (10) days from the giving of the notice; (iii) an invitation to attend the hearing and produce any statement, evidence and witness on his or her behalf; and (iv) the proposed sanction to be imposed.

C. **HEARING.** The hearing shall be held in executive session pursuant to the notice affording the **MEMBER** a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, **DIRECTOR** or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

D. **APPEAL.** If a hearing is before a committee of the **BOARD**, following said committee hearing, the violator shall have the right to appeal the decision to the **BOARD**. To perfect this right, written notice of appeal must be received by the President or Secretary of the **ASSOCIATION** within thirty (30) days after the hearing date.

AMENDMENTS TO THE BY-LAWS

11. **AMENDMENT.** The procedure for amending these **BY-LAWS** shall be the same as the procedure set out in the **DECLARATION** for amendment of the **DECLARATION**.

MISCELLANEOUS

12.1 **CONSTRUCTION.** Wherever the context so permits, the singular shall include the plural; the plural shall include the singular; and the use of the gender shall be deemed to include all genders.

12.2 **CAPTIONS.** The captions in these **BY-LAWS** are inserted only as a matter of convenience for reference and in no way define, limit or describe the scope or the intent of any provision of these **BY-LAWS.**

12.3 **CONFLICTS.** If there are conflicts or inconsistencies between the provisions of Alabama Law, the **ARTICLES OF INCORPORATION**, the **DECLARATION** and these **BY-LAWS**, the provisions of Alabama Law, the **DECLARATION**, the **ARTICLES OF INCORPORATION** and the **BY-LAWS** (in that order) shall prevail.

12.4 **COMPLIANCE.** These **BY-LAWS** are set forth to comply with the requirements of the **ACT** and shall be considered an appendage to the **DECLARATION** filed prior hereto in accordance with said **ACT.**

12.5 **PARLIAMENTARY RULES.** Roberts Rules of Order (latest edition) shall govern the conduct of **ASSOCIATION** meetings when not in conflict with the **ACT, DECLARATION** or these **BY-LAWS.**

REGISTERED OFFICE AND AGENT

13. **NAME AND ADDRESS.** The location and the mailing address of the initial registered office is:

Location Address: 800 West Beach Blvd.
Gulf Shores, Alabama 36542


Mailing Address: 800 West Beach Blvd.
Gulf Shores, Alabama 36547

The name of its initial registered agent is Isaac Williams.

The foregoing were, adopted as the **BY-LAWS** of **THE COLONY AT FORT MORGAN OWNER'S ASSOCIATION, INC.**, at the first meeting of the **BOARD OF DIRECTORS** on the 9th day of April, 2014.


By: Christopher Steele
As its: SECRETARY

Approved:


ISAAC WILLIAMS
PRESIDENT

By-Laws of The Colony at Fort Morgan Owner's Association

WERE PREPARED BY:

Tom Norton, Jr.

TOM NORTON, JR., P.C.

Attorney at Law

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