

BYLAWS

STATE OF ALABAMA,

BALDWIN COUNTY

I certify that this instrument was filed on

of

THE WHALER CONDOMINIUM OWNERS' ASSOCIATION, INC.

JAN 16 1985

8A NW

ARTICLE I

NAME AND LOCATION

and that no tax was collected. Recordation
Book 52 Page 613-614 Judge of Probate
D.P. \$1.00 Index \$ By PC

These are the bylaws of The Whaler Condominium Homeowners' Association, Inc., an association organized pursuant to Act No. 1059, 1973 Regular Session, Alabama Legislature (1975 Code of Alabama, 35-8-1, et seq.), herein called the Condominium Ownership Act of Alabama, for the purpose of administering The Whaler Condominium, a condominium located on Highway 182, Gulf Shores, Alabama.

ARTICLE II

MEMBERSHIP MEETINGS

1. The annual members' meeting shall be held at the office of the association at _____ o'clock _____:M., on the _____ of _____ of each year, for the purpose of electing directors and of transacting any 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 of the next day following that is not a legal holiday.

2. Notice of all meetings of the members, stating the time and place and the object for which the meeting is called, shall be given by the president, or the secretary unless waived in writing.

3. Voting shall be on a percentage basis. The percentage of the vote to which a member is entitled is the percentage assigned to the unit of which the member is the owner, as stated in the declaration. Each unit shall have one vote.

4. A quorum at membership meeting shall consist of all the unit owners.

ARTICLE III

AFFAIRS OF THE ASSOCIATION

1. Membership. The affairs of the association shall be conducted by the unit owners in the manner in which corporations are conducted in the State of Alabama, but it takes a unanimity of agreement of the members to conduct any business.

2. Any transfer or sale of a unit automatically makes the new owner a member of the association.

3. Regular meetings and special meetings of the association may be held at such time and place as may be determined by the association. No meeting can be held without the unanimous agreement of the association.

4. The presiding officer of the association shall be the president. The officers and the association members shall serve without compensation.

5. The association shall act for the benefit of the owners and shall have the following powers and duties.

A. To exercise all of the powers of the association, with respect to the operation and regulation of the condominium project, which are conferred upon the Board of Directors by the Condominium Ownership Act or which may be conferred upon the board by these bylaws pursuant to said act.

B. To make contracts and incur liabilities in connection with the exercise of any of the powers and duties of the board.

C. To provide or cause to be provided all goods and services required by the bylaws or by law, or which the board, in its discretion, deems necessary for the proper operation of the condominium project, 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.

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D. To collect monthly assessments from the owners and to render or cause to be rendered statements, when required or useful, of any assessments which remain unpaid by any owner.

E. To maintain a class action and to settle a cause of action on behalf of the owners with respect to the common elements, the roof and structural components of a building or other improvement, and mechanical, electrical and plumbing elements serving an improvement or a building as distinguished from mechanical elements which serve only a unit. To bring an action and to settle the same on behalf of two or more of the owners, as their respective interests may appear, with respect to any cause of action relating to the common elements or more than one condominium unit, all as the board deems advisable.

F. To determine who shall be authorized to make and sign all instruments on behalf of the association and the board.

ARTICLE IV

OFFICERS

1. The executive officers of the association shall be a president and a secretary/treasurer, who shall be elected by the unit owners.

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, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the association.

3. The secretary/treasurer shall keep the minutes of all the meetings of the association. 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 shall affix the same to instruments requiring a seal when duly signed. He shall have custody of all property of the association, including funds, securities and evidences of indebtedness. He shall keep all records, including financial records and books of account in accordance with good accounting practices. He shall keep detailed, accurate records of the receipts and the 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. He shall perform all other duties incident to the office of secretary/treasurer of an association as may be required by the association. 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 V

FISCAL MANAGEMENT

1. Assessments for recurring common expenses shall be made and paid for the calendar year annually in advance, on or before December 1st preceding the year for which the assessments are made. The total of the assessments for recurring common expenses shall not be more than 105% 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 at any time after approval in writing by unit owners entitled to cast a majority of the votes in 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. The first assessment shall be determined by the board of directors of the association.

2. Assessments for common expenses or limited common expenses for emergencies which cannot be paid from the assessment for recurring expenses shall be made only after notice of the need therefor to the unit owners concerned. After such notice and upon unanimous approval of the unit owners, the assessment shall become effective and it shall be due after 30 days notice thereof.

3. The depository of the association shall be such bank(s) as shall be designated from time to time by the president and in which monies of the association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by those persons authorized.

4. Default. In the event of default by any unit owner in paying any sums, charges or assessments as determined by the association, such unit owner shall be obligated to pay such late charges and/or interest at 1 1/2% per month from the due date thereof, as shall have been fixed and determined by the board of directors as applicable to all units, together with all expenses, including attorney's fees incurred by the association in any proceedings brought to collect such unpaid charges. The association may foreclose the lien encumbering the unit created by nonpayment of the required monies in the same fashion as mortgage liens are foreclosed; provided that 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 on 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 tax lien in favor of the state, county, any municipality and any special district, and any first mortgage liens of record encumbering such unit at the time of 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 right to the 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 unit owner shall pay the cost thereof, together with a reasonable attorney's fee.

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

ARTICLE VI

OBLIGATIONS OF THE OWNERS

1. Assessments. Every owner of a unit in the condominium shall contribute pro rata toward the expense of administration of the condominium, as provided in the declaration and these bylaws.

2. Maintenance and Repair.

a. Every owner must perform promptly all maintenance and repair work to be done 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 appurtenance installations of the unit such as water, light, power, air conditioning, heat, sewage, telephone, sanitary installations, doors, windows, lamps and all other accessories belonging to the unit area shall be maintained at the owner's expense.

c. An owner shall reimburse the association for any expenditures which are incurred in repairing or replacing any common areas and facilities damaged through his own fault.

3. Every owner shall comply strictly with the provisions of the declaration, the bylaws and the rules. In the event of the failure of any owner to do so, the association may sue to recover sums due, damages, injunctive relief and for its costs and expenses incurred, including a reasonable attorney's fee.

4. 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 other conveyance or other evidence of his title to his unit and shall file such evidence of his title with the association and the secretary/treasurer shall maintain such information in the record of ownership of the association.

ARTICLE VII

MORTGAGEES

Any mortgagee of a unit may file a copy of its mortgage with the association, and the secretary/treasurer 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 of any unit owner who is in default in the expenses for the administration of the condominium and the mortgagee, at its option, may pay the delinquent expenses. The holder of every such mortgage requesting the same shall be entitled to written notification from the association of any default by the mortgagor of such unit in the performance of such mortgagor's obligations under the condominium documents which is not cured within 30 days.

Unless all holders of first mortgage liens on units have given their prior written approval, the association shall not be entitled to:

- a. Change the pro rata interest or obligations of any unit for the purpose of levying assessments and charges, and determining 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.
- c. By act or omission seek to abandon the condominium status of the project except as provided by statute in case of substantial destruction, deterioration or obsolescence to the units and condominium project.

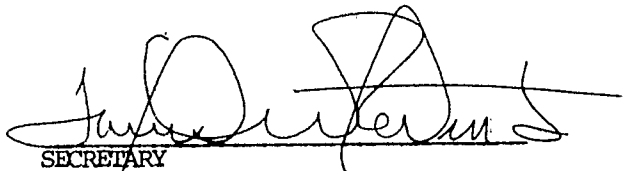
ARTICLE VII

MISCELLANEOUS

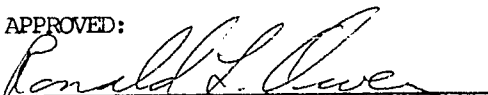
1. Parliamentary rules. Roberts Rules of Order (latest edition) shall govern the conduct of the association meetings when not in conflict with the Condominium Ownership Act of Alabama.

2. Amendments. These bylaws may be amended only by a unanimous agreement of all unit owners.

Done this October 9, 1984.


SECRETARY

APPROVED:


PRESIDENT

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