

RIVER ROAD TERRACE HOMEOWNERS ASSOCIATION, INC.

BY-LAWS
OF

1. IDENTITY. These are the By-Laws of River Road Terrace Homeowners Association, Inc., an association organized pursuant to the "Condominium Ownership Act", Section 35-8-1, et seq., 1975 Code of Alabama, for the purpose of administering River Road Terrace, a Condominium, located in Tuscaloosa County, Alabama.

1. The office of the Association shall be at 2410 Sixth Street, Tuscaloosa, Alabama, 35401.

2. The fiscal year of the Association shall be such as may from time to time be established by the Association.

2. MEMBERS' MEETINGS.

1. The annual members' meeting shall be held at the office of the Association at 5:00 o'clock, P.M., Local Time, during the month of January of each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the members. Thirty (30) days advance notice of the date of the meeting shall be mailed or delivered to each member.

2. Change of Date. 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 members, provided that notice of such change be delivered to each 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. Special members' meetings shall be held whenever called by the President or Vice-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 25% of the votes in the Association.

4. 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 Vice-President or Secretary unless waived in writing. Such notice shall be in writing to each member at his 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. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived before or after meetings.

1. Membership. Until such time as the developer has sold 75% of the units or five (5) years has passed since the conveyance of the

3. BOARD OF DIRECTORS.

11. Proviso. Provided, however, until the developer of the condominium has sold 75% of the units or five (5) years has passed since the conveyance of the first unit, whichever shall first occur, there shall be no meeting of the members of the Association unless such a meeting is called by the Board of Directors.

- (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.

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

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.

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 statutes, the Declaration of Condominium, the Articles of Incorporation, or these By-Laws, a different number is required, in which case the express provision shall govern and control the decision.

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 appointed time of the meeting.

6. A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership in accordance with the Declaration of Condominium.

5. Voting. The owner of each unit shall be entitled to vote as stated in the Declaration of Condominium.

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first unit, whichever shall first occur, the affairs of the Association shall be conducted by the initial Board of Directors which shall consist of five (5) persons who need not be owners of units or members of the Association. After the developer's control of the condominium has been terminated pursuant to the provisions of the Declaration, the members of the Association shall meet and elect five (5) Directors who shall be owners.

2. Election of Directors shall be conducted in the following manner:

(a) Directors shall be elected at the first meeting of the members of the Association.

(b) Except as to vacancies created by removal of Directors by letters, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors.

(c) Any Director may be removed by the concurrence of 75% of all votes entitled to be cast 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. The term of each Director's services shall extend until the next annual meeting of the members and thereafter until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

4. 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.

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.

6. Special meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of two (2) 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.

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.

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, the 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 meeting may be adjourned 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 or concurring in the minutes thereof shall constitute the presence of such Director of the purpose of determining a quorum.

9. 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.

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

4. POWERS AND DUTIES OF THE BOARD OF DIRECTORS.

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

1. 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 by the Condominium Ownership Act or which may be conferred upon the Board by the Declaration, the Articles of Incorporation or these By-Laws.

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

3. To provide or cause to be provided all goods and services required by the Declaration, the Articles of Incorporation of these By-Laws 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.

4. 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 the owner.

5. To maintain a class action, and to settle a cause of action, on behalf of owners with reference to the common elements, the roof and structural components of the building or other improvements, and mechanical, electrical, and plumbing elements serving an improvement or the building as distinguished from mechanical elements serving only a

(1) condominium unit; all as the Board deems advisable.
(2) or more of the owners as their respective interests may appear, with respect to any cause or relating to the common elements or more than one unit; and to bring an action, and to settle the same, on behalf of two

6. To elect the Officers of the Association and otherwise exercise the powers regarding Officers of the Association as set forth in these By-Laws.

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

8. To employ a management agent or manager, at a compensation established by the Board, to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in this section; 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 owners in a duly constituted meeting.

9. To designate and remove personnel necessary for the maintenance, repair and replacement of the common elements.

10. To procure such fidelity bonds as the Board 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 deems it advisable; and the premiums of such bonds and insurance shall be paid by the Association as common expenses.

11. To determine policies and to adopt administrative rules and regulations governing the details of the operation and use of the condominium project, including the common elements and to amend such administrative rules and regulations from time to time as the Board deems advisable.

5. OFFICERS.

1. The executive officers of the Association shall be a President, a Vice-President, and a Secretary-Treasurer, all of whom shall be directors and all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the Board of Directors at any meeting. 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.

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

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:

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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 attend to the 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 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. He 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 and limited common areas and facilities, specifying and itemizing the maintenance and repair 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 examinations by a member of the Association at convenient hours of week days.

6. FISCAL MANAGEMENT.

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 less the unneeded fund balances on hand. Copies of the budget and proposed assessments shall be transmitted to each member at least ten (10) days 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.

2. Assessments for Recurring Expenses. Assessments for recurring common expenses shall be made for the fiscal year annually in advance, at least 10 days preceding the year for which the assessments are made. The Board 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. 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 even 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 unit owners in their respective proportionate shares. Such assessments shall be due in monthly installments on the 1st 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. 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.

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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.

4. Assessments for Emergencies. Assessments for common expenses for emergencies which cannot be paid from the assessments for recurring 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 a majority of such unit owners concerned, the assessment shall become effective, and it shall be due after thirty (30) days notice thereof in such manner as the Board of Directors of the Association may require.

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 and its appurtenant undivided interest in common elements, and the goods, furniture and effects belonging to the unit owner and located in such unit in accordance with the provisions of the Declaration. 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 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 defendant shall pay the cost thereof together with a reasonable attorney's fee.

6. The depository of the Association shall be the financial institution designated from time to time by the Directors and in which moneys of the Association shall be deposited. Withdrawal of moneys from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

7. Upon demand by 25% of the votes of the Association, 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 four (4)

months following the close of the fiscal year for which the report is made.

7. OBLIGATIONS OF THE OWNERS.

1. Assessments. Every owner of any unit in the condominium shall contribute toward the expense of administration of the condominium, as provided in the Declaration and these By-Laws.

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 area 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 or limited common residential or commercial areas and facilities damaged through his fault.

3. Use of Units. Every owner shall comply strictly with the provisions of the Declaration, the Articles of Incorporation, the By-Laws and any Rules. In the event of the failure of any owner so to do, the Association may sue to recover sums due, and/or damages, and/or injunctive relief, and for its costs and expenses therein, including a reasonable attorney's fee.

4. Right of Entry. The manager and any person authorized by the Board of Directors shall have the right to enter any 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 representative to enter his unit at reasonable times for 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.

5. Title. Every unit owner shall promptly cause to be duly recorded in the Office of the Judge of Probate of Tuscaloosa 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.

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President
[Signature]

APPROVED:

Secretary

[Signature]

The foregoing were adopted as the By-Laws of River Road Terrace Homeowners Association Inc., at the first meeting of the Board of Directors on the 16th day of DECEMBER, 1988.

10. AMENDMENTS. These By-Laws may be amended by following the provisions of Article 17 of the Declaration of Condominium.

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

Name: Joe B. Duckworth
Address: 2410 Sixth Street
Tuscaloosa, Alabama 35401

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

6. Mortgages. Any mortgagee 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 of any unit owner who, in default in payment of expenses for the administration of the condominium and the mortgagee at its option may pay the delinquent expenses; and the holder of every such mortgage requesting the same shall be entitled to written notification from the Association of any default by the mortgagee of such unit in the performance of such mortgage's obligations under the condominium documents which is not cured within thirty (30) days.

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