

**BYLAWS OF
LAKE MARTIN RV RESORT PROPERTY OWNERS' ASSOCIATION, INC.
AS AMENDED AT THE ANNUAL MEETING, JUNE 24TH, 2017**

STATE OF ALABAMA)
COUNTY OF TALLAPOOSA)

WHEREAS, Lake Martin RV Resort Property Owners' Association, Inc. (hereinafter referred to as "Association"), being an Alabama Corporation, not-for-profit, is located in Tallapoosa, County, Alabama, and

WHEREAS, "Association" filed for record its Bylaws on June 23, 1992 on Card No. 076583, consisting of thirteen (13) pages in the office of the Judge of Probate of Tallapoosa County, Alabama, and

WHEREAS, "Association" amended said Bylaws on June 29, 2002 and filed for record on July 9, 2002 consisting of sixteen (16) pages in the office of the Judge of Probate of Tallapoosa County, Alabama, and

WHEREAS, new Board of Directors of said "Association" unanimously adopted a resolution proposing to amend the Bylaws of the Association at the annual meeting of the lot owners of the "Association". Said annual meeting is called and convened in accordance with Article X of the Bylaws which states: "These Bylaws may be amended by a resolution adopting a proposed amendment bearing the unanimous approval of the Board of Directors and a majority vote of the membership, or in the alternative by a resolution adopting a proposed amendment approved by a three-quarters (3/4) vote of the membership present." The following document is the amended Bylaws as approved:

ARTICLE I - IDENTITY

The following Bylaws shall govern the operation of LAKE MARTIN RV RESORT PROPERTY OWNERS' ASSOCIATION, INC. ("Association"), being an Alabama Corporation Not-For-Profit organized and existing as the Property Owners' Association for LAKE MARTIN RV RESORT ("Resort") located in Tallapoosa County, Alabama.

Section 1. Office: The Office of the Association shall be at the Resort or at such other place as may be subsequently designated by the Board of Directors.

Section 2. Seal: The Seal of The Association shall bear the name of the Corporation, the word "Alabama", the words "Corporation Not-For-Profit", and the year of incorporation.

Section 3. Association: As used herein, the word "Association" shall be the equivalent of "Corporation".

ARTICLE II - MEMBERSHIP AND VOTING PROVISIONS

Section 1. Stock or Certificates. The Association shall not issue stock or certificates.

Section 2. Membership. Membership in the Association shall be limited to owners of lots in the Resort. Transfer of lot ownership, either voluntarily or by operation of law, shall terminate membership in the Association of the prior owner and said membership shall become vested in the transferee. The new owner shall notify the Association of such property transfer and designate a voting member. Once a property is transferred, all rental agreements are void unless the member owns another lot in the park. The rental is then to be placed on the appropriate rental list. Wet boat slips may only be rented by non-waterfront lot owners. A grace period of two (2) weeks will be allowed for removal of items from the rental units.

Section 3. Voting. The owner of record of each lot shall be entitled to one (1) vote for each lot owned, and the manner of exercising such voting right shall be determined by these Bylaws. Only one vote shall be cast for each lot. The vote of a lot shall not be divisible.

Section 4. Quorum. Unless otherwise provided in these Bylaws, the presence in person or by directed proxy of a majority of the lot owners' total votes shall constitute a quorum. The term "majority" is used in these Bylaws and other instruments in reference to voting by lot owners, Association members, and Board of Directors, as being more than fifty percent (50%). The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the members except when approval by a greater number of members is required by the Declaration, these Bylaws, or the Association Articles.

Section 5. Proxies. Votes may be cast in person or by directed proxy. All directed proxies shall be in writing and signed by the person entitled to vote (as set forth below in Section 6) and shall be filed with the Secretary prior to the meeting in which they are to be used and shall be valid only for the particular meeting designated therein. Where a lot is owned jointly by a husband and wife; and, if they have not designated one of them as a voting member, a directed proxy must be signed by both husband and wife where a third person is designated. Any directed proxy given shall be effective only for the specific meeting for which originally given and any lawfully adjourned meeting thereof. In no event shall any directed proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every directed proxy shall be revocable at any time at the pleasure of the lot owner executing it.

Section 6. Designation of Voting Member. If a lot is owned by one person, his right to vote shall be established by the record title to the lot. If a lot is owned by more than one person, the person entitled to cast the vote for the lot shall be designated in a Certificate signed by all of the record owners of the lot and filed with the Secretary of the Association. If a lot is owned by a Corporation, the officer or employee thereof entitled to cast the vote of the lot for the Corporation shall be designated in a Certificate for this purpose, signed by the President or Vice President and attested to by the Secretary or Assistant Secretary of the Corporation, and filed with the secretary of the Association. The person designated in these Certificates who is entitled to cast the vote for a lot shall be known as the "Voting Member".

If such a Certificate is not on file with the Secretary of the Association for a lot owned by more than one person or by a corporation, the vote of the lot concerned shall not be considered in determining the requirement for a quorum or for any purpose requiring the approval of a person entitled to cast the vote for the lot except if said lot is owned by a husband and wife. Such Certificate shall be valid until revoked or until superseded by a subsequent Certificate or until a change in the ownership of the lot concerned. A Certificate designating the person entitled to

cast the vote of a lot may be revoked by any owner thereof. If a lot is jointly owned by a husband and wife, the following three (3) provisions are applicable thereto:

- (a) They may, but they shall not be required to, designate a voting member.
- (b) If they do not designate a voting member, and if both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting. (As previously provided, the vote of a lot is not divisible.)
- (c) Where there is only one member present at a meeting, the person present may cast the lot vote just as though he or she owned the lot individually and without establishing the concurrence of the absent person.

Section 7. Approval or Disapproval of Matters. Whenever the decision of a lot owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the "Voting Member" unless the joiner of record owners is specifically required by the Declaration or by these Bylaws.

Section 8. Restraint Upon Assignment of Shares in Assets. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his lot.

Section 9. Restriction of Voting Privileges. Any lot owner who is sixty (60) days or more delinquent in payment of monthly dues or other obligations will have their voting privileges revoked until such time that all assessments or obligations have been satisfied.

ARTICLE III - MEETINGS OF THE MEMBERSHIP

Section 1. Place. All meetings of the Association membership shall be held at the Resort or at such other place and time as shall be designated by the Board of Directors of the Association and stated in the Notice of Meeting.

Section 2. Notices. It shall be the duty of the Secretary to mail (electronically or USPS) a notice of each annual or special meeting stating the time and place thereof to each lot owner of record unless waived in writing. Written notice of the annual meeting shall be given to each lot owner at least thirty (30) days, and not more than sixty (60) days, prior to the meeting. Notice of a special meeting shall be given to each lot owner at least five (5) days, but not more than fifteen (15) days, prior to such meeting. Notice of any special meeting shall state the purpose thereof. All notices shall be mailed to or served at the address of the lot owner as it appears on the books of the Association. Notice of meeting may be waived before or after meetings. Notice of the annual meeting shall be posted in a conspicuous place on the property at least fourteen (14) days prior to the meeting.

Section 3. Order of Business. The order of business at annual members' meetings and, as far as practical to all other members' meetings, shall be as set by the President.

Section 4. Annual Meetings. The annual meeting shall be held at the Resort on the last Saturday in June of each year for the election of Directors and for transacting other business authorized to be transacted by the members. At the annual meeting, the members shall elect by a majority vote (cumulative voting prohibited) the members of the Board of Directors replacing Directors whose terms have expired and transact such other business as may properly be brought before the meeting.

Section 5. Special Meetings. Special meetings of the members for any purpose or purposes, unless otherwise prescribed by Statute or by the Articles of Incorporation, may be called by the President and shall be called by the President or Secretary at the request, in writing, of a majority of the Board of Directors or at the request, in writing, of Voting Members representing a majority of the lot owners' total votes, which request shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to purposes stated in the notice thereof.

Section 6. Waiver and Consent. Whenever the vote of members at a meeting is required or permitted by any provision of the Statutes, Articles of Incorporation, or these Bylaws to be taken in connection with any action of the Association, the meeting and vote of members may be dispensed with if all members who would have been entitled to vote upon the action if such meeting was held shall consent in writing to such action being taken.

Section 7. Adjourned Meeting. If any meeting of members cannot be organized because a quorum of voting members is not present, either in person or by directed proxy, the meeting may be adjourned from time to time until a quorum is present.

Section 8. Minutes of Meetings. The Association shall maintain minutes of each meeting of the membership and the Board of Directors in a business-like manner, and the minutes shall be kept in a book available for inspection by lot owners or their authorized representatives at any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

ARTICLE IV - DIRECTORS

Section 1. Membership. The Board of Directors will consist of nine (9) qualified members. Three members will be elected each year at each annual meeting and shall serve a term of three years. Members are limited to two consecutive three- year terms. After a 12-month period of not serving on the board, a member may then seek another term. There is a rotating Board of Directors with a third of the members being elected each year.

To be a qualified candidate, the person being nominated must have owned property in the park for at least one year at the time of his/her nomination/election and must not be 30 days delinquent in the payment of an assessment, to include monthly dues. Paid park employees are not eligible to serve on the Board.

Section 2. Removal of Directors. Any Director may be removed, with or without cause, by concurrence of a majority of the members of the Association at a special meeting of the members called for that purpose. A special meeting of the lot the owners to recall a member or members of the Board of Directors may be called by ten percent (10%) of the lot owners giving notice of

the meeting as required for a meeting of lot owners, and the notice shall state the purpose of the meeting. The vacancy on the Board of Directors so created shall be filled by the members of the Association at the same meeting. Should the membership fail to elect said successor, the Board of Directors may fill the vacancy in the manner provided in Section 3 below. Any Director may be removed, with cause, by concurrence of six board members.

Section 3. Vacancies on Directorate. Except as to vacancies provided by removal of Directors by members, vacancies on the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors. The election held for the purpose of filling said vacancy may be held at any regular or special meeting of the Board of Directors. The term of the temporary director filling a vacancy shall last until the next annual or special meeting of the lot owners at which time the lot owners shall elect a new director to fill the unexpired term of the director vacating his/her position.

Section 4. Disqualification and Resignation of Directors. Any Director may resign at any time by sending a written notice of such resignation to the office of the Association. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Association. More than three (3) consecutive absences from regular meetings of the Board of the Directors, unless excused by resolution of the Board of the Directors, shall automatically constitute a resignation effective when such resignation is accepted by the Board of Directors. In the event a Director ceases to be an owner of a lot or have an interest therein, the directorship shall immediately and automatically terminate. No member shall continue to serve on the Board should he/she be more than sixty (60) days delinquent in the payment of an assessment, including monthly dues, and said delinquency shall automatically constitute a resignation effective when such resignation is accepted by the Board of Directors.

Section 5. Term. The term of each Director's service shall extend until the annual meeting of the members at which his term expires pursuant to the terms of Article IV, Section 1, and, thereafter, until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

Section 6. Regular Meetings. The Board of Directors may establish a schedule of regular meetings to be held at such time and place as the Board of Directors may designate, and said meetings shall be open to all lot owners. Notice of such meetings shall be given to each Director personally by mail, phone or other electronic means at least five (5) days prior to the day of the meeting. Notice of the meeting shall be posted conspicuously in the Resort forty-eight (48) hours in advance of the meeting.

Section 7. Special Meetings. The Secretary shall notify the Board of Directors of the meeting. Notice of such meetings shall be given to each Director personally by mail, phone or other electronic means at least five (5) days prior to the day of the meeting. Notice of the meeting shall be posted conspicuously in the Resort forty-eight (48) hours in advance of the meeting. In case of an emergency, the five-day notice and the public posting of the meeting will be waived. Such special meeting may be conducted in person or via telephone conference calls or other electronic means. Decisions of the directors shall be retained as part of the official records by the secretary. In a situation requiring "immediate resolution", one or more Directors may approve action and convey such to the other directors. Subsequent regular meetings shall have the minutes reflect any special meetings or "immediate resolutions" that were conducted.

Section 8. Director's Waive of Notice. Before, or at any meeting, of the Board of Directors, any Director may waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof.

Section 9. Quorum. At all meetings of the Board of Directors, a majority of Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at such meetings at which a quorum is present shall be the acts of the Board of Directors, except where approval by a greater number of directors is required by the Declaration of these Bylaws. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At each such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. A director may join in any action taken at a meeting of the Board of Directors by written concurrence, but such concurrence may not be used for the purpose of creating a quorum.

Section 10. Presiding Officer. The presiding officer at the Directors' meetings shall be the President. In the absence of the President, the Vice President shall preside. In the absence of the President and Vice President, the designee of the president shall preside. In the event there is no designee, the Board member present with the most seniority shall preside.

Section 11. Assessments. Notice of any meeting in which assessments against lot owners are to be considered for any reason shall specifically contain a statement that assessments, to include monthly dues, will be considered and the nature of any such assessments.

Section 12. Compensation. The Director's fees, if any, shall be determined by the "Voting Members" of the Association.

Section 13. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by the Declaration or by these Bylaws directed to be exercised and done by the lot owners. These specifically include, but shall not be limited to, the following:

- a) To exercise all powers specifically set forth in the Declaration, these Bylaws, the Articles of Incorporation of this Association, and all powers incident thereto.
- b) To make and collect assessments, to include monthly dues, against members to defray the costs, expenses and losses of the Resort and to use and expend the assessments to carry out the purposes and powers of the Association.
- c) To employ, dismiss and control the personnel necessary for the maintenance and operation of the Resort and of the common areas and facilities, including the right and power to employ attorneys, accountants, contractors and other professionals as the need arises.
- d) To make and amend regulations respecting the operation and use of the common elements and resort property and the use and maintenance of the lots therein.

- e) To contract for the management of the Resort and to authorize the management agent to assist the Association in carrying out its powers and duties by performing such functions as the collection of assessments, preparation of records, enforcement of rules and operation and maintenance of the common elements. The Association shall, however, retain at all times the powers and duties granted them by the Declaration, the Articles of Incorporation and Bylaws of the Association.
- f) Designate one or more committees which, to the extent provided in the resolution designating such committee, shall have the powers of the Board of Directors in the management of the business and affairs of the Association. Such committee shall consist of at least three (3) members of the Association, one of which shall be a director. The committee or committees shall have such name or names as may be determined from time to time by the Board of Directors and said committee shall keep regular minutes of their proceedings and report the same to the Board of Directors as required.
- g) To use and disburse the proceeds of assessments, to include monthly dues, in the exercise of its powers and duties.
- h) To maintain, repair, replace and operate the resort property and common elements contained therein.
- i) To reconstruct improvements after casualty and further improve the resort property pursuant to the terms of the Declaration.
- j) To enforce by legal means the provisions of the Declaration, Articles of Incorporation, Bylaws of the Association, and the Rules and Regulations for the use of the property including the endorsement by legal means of the collection of assessments, to include monthly dues.
- (k) To pay taxes and assessments which are liens against any part of the Resort other than individual lots and the appurtenances thereto and to assess the same against the lots subject to such lien.
- (l) To pay all the cost of all power, water, sewer and other utility services rendered to the Resort and not billed to owners of individual lots.
- (m) To purchase insurance upon the Resort property and insurance for the protection of the Association and its members its lot owners, as well as liability insurance for the protection of the directors and Officers of the Association.
- (n) To approve or disapprove the repair or replacement of any improvements or landscaping to be constructed on the Resort property as provided in the Declaration.
- (o) To levy fines against lot owners for violations of the Rules and Regulations established by the Association in accordance with these Bylaws and Declaration.

The foregoing powers shall be exercised by the Board of Directors, its contractor or employees subject only to approval by lot owners when such is specifically required.

ARTICLE V - OFFICERS

Section 1. Elective Officers. The principal officers of the Association shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board of Directors. One person may not hold more than one (1) of the aforesaid offices. The President, Vice President, and Secretary shall be members of the Board of Directors.

Section 2. Election. The officers of the Association designated in Section 1 above shall be elected annually by the Board of Directors at the organizational meeting of each new Board immediately following the annual meeting.

Section 3. Appointive Officers. The Board may appoint an Assistant Secretary and Assistant Treasurer and such other officers as the Board deems necessary and grant them the duties it deems appropriate.

Section 4. Term. The Officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the Board of Directors provided, however, that no officer shall be removed except by the affirmative vote for removal by a majority of the whole Board of Directors (e.g., if the Board of Directors is composed of nine (9) persons, then five (5) of said Directors must vote for removal). If the office of any Officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors. Unless otherwise provided in these Bylaws, the officers shall serve without compensation.

Section 5. President. The President shall be the Chief Executive Officer of the Association. He shall preside at all meetings of the lot owners and of the Board of Directors. He shall have executive powers and general supervision over the affairs of the Association and other officers. He shall sign all written contracts to perform all of the duties incident to his office and which may be delegated to him from time to time by the Board of Directors.

Section 6. Vice President. The Vice President shall perform all of the duties of the President in his absence or disability and such other duties as may be required of him from time to time by the Board of Directors.

Section 7. Secretary and Assistant Secretary. The Secretary shall issue notices of all Board of Directors' meetings and all meetings of the lot owners; he shall attend and keep the minutes of the same; he shall keep all the Association's books, records and papers except those kept by the Treasurer. He shall have custody of the Seal of the Association. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent or incapacitated. The duties of the Secretary may be fulfilled by a manager employed by the Association.

Section 8. Treasurer and Assistant Treasurer.

- (a) The Treasurer shall have custody of the Association funds, evidences of indebtedness and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association in accordance with good accounting practices and shall deposit all moneys and other valuable effects in the name of and to the credit of the

Association in such depositories as may be designated from time to time by the Board of Directors. The books shall reflect an account for each lot in the resort.

- (b) He/she shall disburse the funds of the Association as may be ordered by the Board in accordance with these Bylaws, documenting all expenditures, and shall render to the President and Board of Directors at the regular meeting of the Board of Directors, or whenever they may require it, an account of all of his or her transactions as Treasurer and of the financial condition of the Association.
- (c) He/she shall collect the monthly dues and assessments and shall promptly report the status of collections and of all delinquencies to the Board of Directors.
- (d) The Assistant Treasurer shall perform the duties of the Treasurer when the Treasurer is absent or incapacitated.

Section 9. Indemnification of Directors and Officers.

- (a) Every Director and every Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him/her in connection with any proceeding whether civil, criminal, administrative or investigative, or any settlement of any proceeding, or any appeal from such proceeding to which he/she may be a party or in which he/she may become involved by reason of his/her being or having been a Director or Officer of the Association, or having served at the Association's request as a Director or Officer of any other corporation, whether or not he/she is a Director or Officer at the time such expenses are incurred regardless of by whom the proceeding was brought, except in relation to matters as to which any such Director or Officer shall be adjudged liable for gross negligence or willful misconduct; provided that in the event of a settlement, the indemnification shall apply only when the Board of Directors of the Association approves such settlement or reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.
- (b) Expenses incurred in defending a suit or proceeding, whether civil, criminal, administrative or investigative, may be paid by the Association in advance of the final disposition of such action, suit or proceeding if authorized by all of the non-interested Directors upon receipt of an undertaking by or on behalf of the Director or Officer to repay such amount if it shall ultimately be determined that he or she is not to be indemnified by the Association as authorized by these Bylaws.
- (c) The Association shall have the power to purchase and maintain insurance on behalf of any person who is, or was, a Director or Officer of the Association, or is, or was, serving at the request of the Association as a Director or Officer of another association, against any liability asserted against him/her and incurred by him/her in any such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under the provisions of these Bylaws.

ARTICLE VI - FISCAL MANAGEMENT

Section 1. Depositories. The funds of the Association shall be deposited in such banks and depositories as may be determined by the Board of Directors from time to time, upon resolutions approved by the Board of Directors, and shall be withdrawn only upon checks and demands for money signed by such Officer or Officers of the Association as may be designated by the Board of Directors provided, however, that the provisions of a management agreement between the Association and a manager relative to depositing and withdrawal of Association funds shall supersede the provisions hereof. Obligations of the Association shall be signed by the Treasurer or Assistant Treasurer.

Section 2. Fidelity Bonds (Dishonesty Insurance). The Treasurer and Assistant Treasurer, who are the only individuals authorized to sign checks, control and disburse funds of the Association, shall be bonded in such an amount as may be determined by the Board of Directors. Bond premiums shall be paid by the Association. The bond shall be in an amount sufficient to equal the moneys an individual handles or has control via a signatory, a bank account or other depository account and shall be in an amount not less than required by the Board of Directors.

Section 3. Fiscal Year. The fiscal year for the Association shall begin on the first day of July of each year provided, however, that the Board of Directors is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America, at such time as the Board of Directors deems it advisable.

Section 4. Accounts. The receipts and expenditures of the Association may be credited and charged to accounts under the following classifications and any other classifications as shall be appropriate, when authorized and approved by the Board of Directors. The receipts shall be entered by the amounts of receipts by accounts and receipt classifications and expenses by the amount of expenses by accounts and expense classifications.

(a) Current Expense. Current expense shall include all receipts and expenditures to be made within the year for which the receipts are budgeted and may include a reasonable allowance for contingencies and working funds. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expense for the succeeding year or to fund reserves. This shall include, but not be limited to:

- (1) Cost for security, if any
- (2) Professional, administration and management fees and expenses
- (3) Taxes
- (4) Expense for refuse collection and utility services
- (5) Expense for lawn care
- (6) Cost for building and common element, maintenance and repair occurring annually
- (7) Insurance costs
- (8) Administrative and salary expenses
- (9) Costs for recreation facilities
- (10) Other expenses
- (11) Operating capital

- (b) Reserve for Maintenance, Repair, or Replacement. This reserve shall include funds for maintenance, repair or replacement required because of damage, depreciation or obsolescence to common property.
- (c) Betterments. Reserve to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements.

Section 5. Budget. The Board of Directors shall adopt a budget for the Resort for each fiscal year which shall include the estimated funds required to defray the current expenses of the Association, and shall provide funds for the foregoing reserves, unless the members of the Association have, by a vote of the majority of the members present at a duly called meeting of the Association, determined for a fiscal year to provide no reserves or reserves less adequate than provided above or by statute. The Board of Directors is specifically empowered, on behalf of the Association, to make and collect assessments to include monthly dues and to maintain, repair and replace common elements and the limited common elements of the Resort.

- (a) A copy of a proposed annual budget of common expenses shall be distributed by U.S. mail or electronic mail to the lot owners not less than thirty (30) days prior to the meeting at which the budget will be considered together with a notice of that meeting. The lot owners shall be given written notice of the time and place at which such meeting of the Board of Directors to consider the budget shall be held, and such meeting shall be open to the lot owners. If a budget is adopted by the Board of Directors which requires assessment, to include monthly dues, against the lot owners in any fiscal year exceeding 115% of such assessments for the preceding year, upon written application of ten percent (10%) of the lot owners to the Board of Directors, a special meeting of the lot owners shall be held upon not less than ten (10) days written notice to each lot owner, but within thirty (30) days of the delivery of such application to the Board of Directors or any member thereof, at which special meeting lot owners shall consider and enact a budget. The adoption of the budget shall require a vote of not less than a majority vote of all lot owners. In determining whether assessments exceed 115% of similar assessments in prior years, there shall be excluded in the computation any provision for reasonable reserves made by the Board of Directors in respect of repair or replacement of the property or in respect of anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis. There shall also be excluded from such computation assessments for betterments to the Resort property.
- (b) The proposed annual budget of the Board of Directors shall be detailed and shall show the amounts budgeted by accounts and expenses classifications. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance and repair and replacement of the common elements that must be replaced on a periodic basis. These accounts shall include, but not be limited to, pavement resurfacing, roof replacement, dock repairs, and building painting. The amount to be reserved shall be computed by means of a formula which is based upon estimated life and estimated replacement cost of each reserve item. Such reserve accounts may be deleted from the budget, or reduced, if the membership of the Association has, by an affirmative majority vote at a duly called meeting of the Association, determined for a fiscal year to provide no reserves or reserves less adequate than set out herein.

Section 6. Monthly Dues. Monthly dues are due and payable on the first day of the month and delinquent after the 10th of each month. In the event the monthly dues prove to be insufficient, the budget may be amended at any time by the Board of Directors. The Board may invoke an assessment consistent with the Bylaws & Covenants of the Park.

Section 7. Application of Payments and Commingling of Funds. All sums collected by the Association from assessments, to include monthly dues, may be commingled in a single fund or divided into more than one fund as determined by the Board of Directors. All assessment payments by a lot owner shall be applied as to interest, delinquencies, costs and attorneys' fees, other charges, expenses or advances, as provided herein and in the Declaration and general or special assessments in such manner as the Board of Directors determines in its sole discretion.

Section 8. Financial Audit. An internal audit committee will be established to audit the financial records yearly.

Section 9. Acceleration of Assessment Installments Default; Lien of Association. If a lot owner shall be in default in the payment of an installment upon any assessment, to include monthly dues, the Board of Directors may accelerate the remaining monthly installments of the assessment for the fiscal year upon notice thereof to the unit owner; and, thereupon, the unpaid balance of the assessment shall become due upon the date stated in the notice, but not less than fifteen (15) days after the delivery of or mailing of said notice to the lot owner.

ARTICLE VII - SUBSTANTIAL ADDITIONS OR ALTERATIONS

There shall be no substantial additions or alterations to the common elements or limited common elements unless the same are authorized by the Board of Directors and ratified by the affirmative vote of the Voting Members casting not less than seventy-five percent (75%) of the total votes of the lot owners present at any regular or special meeting of the lot owners called for that purpose.

ARTICLE VIII - COMPLIANCE AND DEFAULT

Section 1. Violations. In the event of a violation (other than the nonpayment of an assessment, including monthly dues) by the lot owner of any of the provisions of the Declaration, these Bylaws, Articles of Incorporation, or any Rules and Regulations the Association, by direction of its Board of Directors, may notify the lot owner by written notice of said breach, transmitted by either USPS or electronic mail; and, if such violation shall continue for a period of thirty (30) days from the date of the notice, the Association, through its Board of Directors, shall have the right to treat such violation as an intentional and inexcusable and material breach of the Declaration, these Bylaws, the Articles of Incorporation, or the Rules and Regulations, and the Association may then, at its option, have the following elections: (1) An action at law to recover damages on behalf of the Association or on behalf of the other lot owners; (2) An action in equity to enforce performance on the part of the lot owner; or (3) An action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief. Upon a finding by the Court that the violation complained of has occurred, the lot owner so violating shall reimburse the Association for reasonable attorney's fees and costs incurred by it in bringing such action. Failure on the part of the Association to maintain such an action at law or in equity within thirty (30) days from date of a written request signed by a lot owner and sent to the Board of Directors shall authorize any lot owner to bring an action in equity or suit at law on account of

the violation. Any violations which are deemed by the Board of Directors to be a hazard to public health may be corrected immediately as an emergency matter by the Association, and the cost thereof shall be charged to the lot owner as a specific item which shall be a lien against said lot with the same force and effect as if the charge were a part of the common expense.

Section 2. Negligence or Carelessness of Lot Owner, etc. All lot owners shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family or his/her or their guests, employees, agent or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association, if any. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any lot or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies or rights of subrogation.

The expense for any maintenance, repair or replacement required, as provided in this section, shall be charged to said lot owner as a specific item which shall be a lien against said lot with the same force and effect as if the charge were a part of the common expense. Said lien shall be subordinate to the lien of any institutional first mortgage on a given lot.

Section 3. Costs and Attorney's Fees. In any proceeding brought by the Association or another lot owner to enforce the provisions of the Declaration, these Bylaws, any Rules and Regulations promulgated there under, or the Articles of Incorporation, arising because of an alleged default by a lot owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the Court.

Section 4. No Waiver of Rights. The failure of the Association or of a lot owner to enforce any right, provision, covenant or condition which may be granted by the Resort documents shall not constitute a waiver of the right of the Association or lot owner to enforce such right, provision, covenant or condition in the future.

Section 5. No Election of Remedies. All rights, remedies and privileges granted to the Association or lot owners pursuant to any terms, provisions, covenants or conditions of the Resort documents shall be deemed to be cumulative and the exercise of anyone or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such other party by the Resort documents, at law, or in equity.

ARTICLE IX - ACQUISITION OF LOTS

At the foreclosure sale of a lot, the Board of Directors may, with the authorization and approval by the affirmative vote of Voting Members casting not less than three-fourths (3/4) of the total votes of the lot owners, present at a duly noticed meeting wherein said matter is voted upon acquire in the name of the Association or its designee, a lot being foreclosed. The term "foreclosure" as used in this section shall mean and include any foreclosure of any lien, including a lien for assessments, to include monthly dues. The power of the Board of Directors to acquire a lot at any foreclosure sale shall never be interpreted as any requirement or obligation on the part of the Board of Directors or of the Association, to do so at any foreclosure sale, the provisions hereof being permissive in nature and for the purpose of setting forth the power in the Board of Directors to do so should the requisite approval of the Voting Members be obtained.

ARTICLE X - AMENDMENT OF BYLAWS

Subject to the provisions of Article XVI hereof, these Bylaws may be altered, amended or added to at any duly called meeting of the lot owners provided:

- (a) Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.
- (b) A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors or by one-third (1/3) of the members of the association, directors and members not present in person or by directed proxy at the meeting to consider the amendment may express their approval in writing provided such approval is delivered to the Secretary prior to such meeting.
- (c) These Bylaws may be amended by a resolution adopting a proposed amendment bearing the unanimous approval of the Board of Directors and a majority vote of the membership or in the alternative by a resolution adopting a proposed amendment approved by a three-quarters (3/4) vote of the membership present
- (d) No Bylaw shall be revised or amended by reference to its title or number only. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text underlined and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted; but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial recording of Bylaw. See Bylaw _____ for present text." Non-material errors or omissions in the Bylaw amendment process shall not invalidate an otherwise properly promulgated amendment.

ARTICLE XI - NOTICES

Whatever notices are required to be sent hereunder shall be delivered or sent in accordance with the applicable provisions for notices as set forth in the Declaration.

ARTICLE XII - LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of membership in the Association shall not relieve or release any such former owner or member from any liability for obligations incurred under or in any way connected with the Resort during the period of such ownership and membership, or impair any rights or remedies which the Association may have against such former owner and member arising out of or in any way connected with such ownership and membership, and the covenants and obligations incident thereto.

ARTICLE XIII - LIMITATION OF LIABILITY

Notwithstanding the duty of the Association to maintain and repair parts of the Resort property, the Association shall not be liable for injury or damage caused by a latent condition in the property, nor the injury of damage caused by the elements, or by other owners or persons.

ARTICLE XIV - PARLIAMENTARY RULES

Robert's Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration, Articles of Incorporation, or these Bylaws.

ARTICLE XV - LIENS

Section 1. Protection of Property. All liens against a lot, other than for permitted mortgages, taxes, or special assessments, or as provided for in Articles VIII, Section 2 hereof, shall be satisfied or otherwise removed within thirty (30) days of the date the lien attaches. All taxes and special assessments upon a lot shall be paid before delinquent as provided in these Resort documents or by law, whichever is sooner.

Section 2. Notice of Lien. A lot owner shall give notice to the Association of every lien upon his lot, other than for permitted mortgages, taxes and special assessments or said Article VIII, Section 2 liens, within five (5) days after the attaching of the lien.

Section 3. Notice of Suit. Lot owners shall give notice to the Association of every suitor other proceedings which will or may affect title to his lot or any other part of the property, such notice to be given within five (5) days after the lot owner receives notice thereof.

Section 4. Failure to comply with this Article concerning liens will not affect the validity of any judicial sale.

ARTICLE XVI - RULES AND REGULATIONS

Section 1. As to Common Elements. The Board of Directors may from time to time adopt or amend previously adopted administrative Rules and Regulations governing the details of the operation, use, maintenance, management and control of the common elements of the Resort and any facilities or services made available to the lot owners. The Board of Directors shall from time to time post in a conspicuous place on the Resort property, a copy of the Rules and Regulations adopted from time to time by the Board of Directors.

Section 2. As to Lots. The Board of Directors may from time to time adopt or amend previously adopted Rules and Regulations governing and restricting the use and maintenance of the lot(s), provided, however, that copies of such rules and regulations are furnished to each lot owner upon becoming effective; and, where applicable or desirable, copies thereof shall be posted in a conspicuous place on the Resort property.

Section 3. Building Rules and Regulations. The building Rules and Regulations are described in the Declaration, as recorded in the Office of the Judge of Probate of Tallapoosa County, Alabama. The lot owners shall, at all times, obey said Rules and Regulations and shall use their best efforts to see that they are faithfully observed by their families, guests, invitees, servants, lessees and persons over whom they exercise control and supervision.

If any irreconcilable conflict should exist or, hereafter arise, with respect to the interpretation of these Bylaws and the Declaration, the provisions of the Declaration shall prevail.

The foregoing Bylaws were amended pursuant to Article X(b) of the Bylaws of the Association on this the 24th day of June, 2017 and constitute the official Bylaws of the corporation as amended.

Lake Martin RV Resort Property Owners' Association, Inc.

By: _____
As Its President

**STATE OF ALABAMA)
COUNTY OF TALLAPOOSA)**

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the state and county aforesaid to take acknowledgments, personally appeared the secretary, well known to me to be the Secretary of Lake Martin RV Resort Property Owners' Association, Inc., an Alabama corporation, the corporation named in the foregoing instrument, and that he acknowledged executing the same freely and voluntarily under authority vested in him by said corporation.

WITNESS my hand and official seal this _____ day of _____, 2018.

Notary Public _____

My commission expires: _____ (NOTARIAL SEAL)