



**AMENDMENT**  
**TO BY-LAWS OF**  
**SUNSET BAY OWNERS ASSOCIATION,**  
**AN ALABAMA NONPROFIT CORPORATION**

**RECITALS:**

**A. Tugboat Properties, L.L.C., a Mississippi Limited Liability Company (the "Declarant") did subdivide certain real property located in Baldwin County, Alabama, under the name Sunset Bay at Bon Secour, a Planned Unit Development ("Sunset Bay"), as per plat thereof recorded on Slide 2128-E and Slide 2128-F (the "Phase I Plat") and subjected the property described on the Phase I Plat to that certain Declaration of Covenants, Conditions and Restrictions of The Communities of Sunset Bay for Sunset Bay, Phase I, a Planned Unit Development, dated September 23, 2003 and recorded October 9, 2003 as Instrument Number 764204, Pages 1 through 45 (the "Master Declaration").**

**B. An Association of Owners for the operation of Sunset Bay was formed under the laws of the State of Alabama known as Sunset Bay Owners Association, an Alabama Nonprofit Corporation (the "Master Association").**

**C. The By-Laws of the Master Association are attached to this Amendment.**

**D. The Master Declaration may be amended by the Amendment to Declaration of Covenants, Conditions and Restrictions of the Communities of Sunset Bay for Sunset Bay, a Planned Unit Development (the "Amended Master Declaration").**

**E. It is the desire of the Board of Directors that the By-Laws be amended as provided for in this Amendment.**

**NOW, THEREFORE the By-Laws of Sunset Bay Owners Association, an Alabama Nonprofit Corporation, are amended as follows:**

**1. This Amendment shall take effect on the date of the Recording (as defined in the Amended Master Declaration) of the Amended Master Declaration and shall apply to all matters that occur after the date of the Recording (as defined in the Amended Master Declaration) of the Amended Master Declaration. It is not contemplated that the Recording (as defined in the Amended Master Declaration) of the Amended Master Declaration will take place until Additional Property is annexed into Sunset Bay which may include Lots and/or condominium Units (as defined in the Amended Master Declaration). However, this Amendment may be recorded at any time either prior to or after annexation of said Additional Property.**

**2. Article III, Section 1., Section 2., Section 3., Section 4., and Section 5. of the By-Laws are amended to read as follows:**

**Section 1. Membership.**

**(a) The Members of the Association shall be and consist of every Person who is or who becomes, an owner of record of the fee title to a Lot or Unit, or a Lot or Unit and a Boat Slip, and is included in the definition of an Owner under the Master Declaration as amended by the Amended Master Declaration. When more than one Person owns or holds an interest or interests in a Lot or Unit, or a Lot or Unit and a Boat Slip, then all such**

Persons shall be Members. The rights of the Members of the Association are more specifically set out in the Master Declaration and the Amended Master Declaration.

Effective with the Recording (as defined in the Amended Master Declaration) of the Amended Master Declaration, Sunset Bay Owners Association, an Alabama Nonprofit Corporation, shall have three (3) classes of voting Members. Class Lot Members shall consist of all Members who own a Lot in Sunset Bay, whether said Lot is in Phase I or in any Additional Property annexed into Sunset Bay, but shall not include any Units in a condominium. Class Boat Slip Members shall consist of all Members who own the right to use a Boat Slip which Boat Slip must be appurtenant to a Lot or Unit in Sunset Bay as elsewhere provided for in this Amendment. Class Condominium Unit Members shall consist of all Members who own a Unit in a condominium which is part of Sunset Bay. Whenever any provision of this Declaration requires a vote of a specified percentage of the voting power of each class of Members, then such provision shall require a separate vote by the specified percentage of the voting power of the Class Lot Members and by the specified percentage of the voting power of the Class Boat Slip Members and by the specified percentage of the voting power of the Class Condominium Unit Members. Whenever any provision of this Declaration requires a vote of a specified percentage of the voting power of all Members, then such provision shall require a vote by the specified percentage of the combined voting power of all Members. Effective with the Recording (as defined in the Amended Master Declaration) of the Amended Master Declaration, there shall be no Class A Member, Class B Member or Class C Member as each of the Members shall either be a Class Lot Member, Class Boat Slip Member or Class Condominium Unit Member.

**Section 2. Members' Voting Rights.** The voting rights of the Members shall be as follows, to-wit:

Except as otherwise specifically provided in the Charter, as amended, or the Bylaws, as amended, the voting rights of the Members shall be as follows:

(a) Whenever a vote of the Class Lot Members is required or permitted under the Master Declaration, the aggregate voting power of all Class Lot Members shall be equal to the aggregate number of Lots owned by all Class Lot Members. Class Lot Members shall be entitled to one vote for each Lot owned by such Class Lot Members. When more than one Member owns or otherwise holds an interest or interests in a Lot, then the one vote for such Lot shall be exercised as such Members shall determine, but in no event shall more than one vote be cast with respect to any Lot.

(b) Whenever a vote of the Class Boat Slip Members is required or permitted under the Master Declaration, the aggregate voting power of all Class Boat Slip Members shall be equal to the aggregate number of Boat Slips owned by all Class Boat Slip Members. Class Boat Slip Members shall be entitled to one vote for each Boat Slip owned by such Class Boat Slip Members. When more than one Member owns or otherwise holds an interest or interests in a Boat Slip, then the one vote for such Boat Slip shall be exercised as such Members shall determine, but in no event shall more than one vote be cast with respect to any Boat Slip.

(c) Whenever a vote of the Class Condominium Unit Members is required or permitted under the Master Declaration, the aggregate voting power of all Class Condominium Unit Members shall be equal to the aggregate number of Units owned by all Class Condominium Unit Members. Class Condominium Unit Members shall be

entitled to one vote for each **Unit** owned by such **Class Condominium Unit Members**. When more than one **Member** owns or otherwise holds an interest or interests in a **Unit**, then the one vote for such **Unit** shall be exercised as such **Members** shall determine, but in no event shall more than one vote be cast with respect to any **Unit**.

(d) Prior to the **Recording** (as defined in the **Amended Master Declaration**) of the **Amended Master Declaration**, the voting rights of the **Members** in the **Master Association** shall be as described in the **Master Declaration**. Also, prior to the **Recording** (as defined in the **Amended Master Declaration**) of the **Amended Master Declaration**, the **Class C Member** shall be entitled to **four (4) votes** for each **Lot** and **four (4) votes** for each **Boat Slip** (which is not attached or appurtenant to a **Lot**) owned by the **Class C Member** that is in excess of the number of **Lots** owned by the **Class C Member**. Effective upon the **Recording** (as defined in the **Amended Master Declaration**) of the **Amended Master Declaration**, there shall be no **Class C Member** and the **Declarant** shall, so long as the **Declarant** owns a **Lot** or **Unit**, or a **Lot** or **Unit** and a **Boat Slip**, qualify as a **Member** as elsewhere described in this **Amendment**.

Anything contained in this paragraph to the contrary notwithstanding, the weight assigned to the votes by each of the **Members** in the **Master Association** will be established by the **Supplemental Declaration** which brings any portion of the **Additional Property** into **Sunset Bay**.

**Section 3. Membership Appurtenant to Real Property.** The membership of the **Members** in the **Master Association** shall be appurtenant to the ownership of a **Lot** or **Unit**, or a **Lot** or **Unit** and a **Boat Slip**. A membership shall not be held, assigned, transferred, pledged, hypothecated, encumbered, conveyed or alienated in any manner except in conjunction with and as an appurtenance to the ownership, assignment, transfer, pledge, hypothecation, encumbrance, conveyance or alienation of the **Lot** or **Unit**, or a **Lot** or **Unit** and **Boat Slip** to which the membership is appurtenant.

3. The **By-Laws** of the **Master Association** are amended to add the following:

Prior to the **Recording** (as defined in the **Amended Master Declaration**) of the **Amended Master Declaration**, the provisions of the **Master Declaration** and the **Articles of Incorporation** and **By-Laws** pertaining to the rights of the **Class C Member** shall control. Any reference in this paragraph to "**Lots, Units and Boat Slips**" in **Sunset Bay** shall mean and refer to the total of all **Lots, Units and Boat Slips** in **Sunset Bay** and **Lots, Units and Boat Slips** in any **Additional Property** annexed into **Sunset Bay**, in accordance with the provisions of the **Master Declaration**. Effective with the **Recording** (as defined in the **Amended Master Declaration**) of the **Amended Master Declaration**, the **Master Declaration** is amended to provide that until the earliest of: (i) **sixty (60) days** after conveyance of **seventy-five percent (75%)** of the **Lots, Units and Boat Slips** in **Sunset Bay** which may be created to **Owners** other than the **Declarant**; or (ii) **two (2) years** after the **Declarant**, or the successors or assigns of the **Declarant**, have ceased to offer **Lots, Units and Boat Slips** in **Sunset Bay** for sale in the ordinary course of business; or (iii) **two (2) years** after any **Development Rights** to add new **Lots, Units and Boat Slips** to **Sunset Bay** was last exercised, the **By-Laws** and **Rules and Regulations** of the **Master Association** adopted by the **Declarant** shall govern and the **Declarant** shall have the exclusive right to appoint, remove and designate the officers and members of the **Board of Directors** of the **Master Association**, and neither the **Owners** of **Lots, Units and Boat Slips** in **Sunset Bay** nor the **Master Association** nor the use of **Sunset Bay** by occupants shall interfere with the completion of the contemplated improvements and the sale of the

**Lots, Units and Boat Slips in Sunset Bay.** The Declarant may voluntarily surrender the right to appoint and remove officers and members of the **Board of Directors of the Master Association**; but, in that event, the Declarant may require, for the duration of the period of Declarant control, that specified actions of the **Master Association or Board of Directors of the Master Association**, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective. **Provided, However, not later than ninety (90) days** after conveyance of **twenty-five percent (25%)** of all **Lots, Units and Boat Slips in Sunset Bay** which may be created to **Owners of Lots, Units and Boat Slips in Sunset Bay** other than the Declarant, at least **one (1)** member and not less than **twenty-five percent (25%)** of the members of the **Board of Directors of the Master Association** must be elected by **Owners of Lots, Units and Boat Slips in Sunset Bay** other than the Declarant. Not later than **ninety (90) days** after conveyance of **fifty percent (50%)** of all **Lots, Units and Boat Slips in Sunset Bay** which may be created to **Owners of Lots, Units and Boat Slips in Sunset Bay** other than the Declarant, not less than **thirty three and one-third percent (33 1/3%)** of the members of the **Board of Directors of the Master Association** must be elected by **Owners of Lots, Units and Boat Slips in Sunset Bay** other than the Declarant.

The Declarant may make such use of the unsold **Lots, Units and Boat Slips in Sunset Bay** and of the common areas and facilities as may facilitate such completion and sale, including but not limited to showing of **Lots, Units and Boat Slips in Sunset Bay** and the display of signs. The Declarant may maintain sales offices, management offices, leasing and operations offices, and models in any **Lot, Unit or Boat Slip of Sunset Bay** or on common areas or **Common Elements in Sunset Bay** without restriction as to the number, size or location of said sales offices, management offices, leasing and operations offices and models. The Declarant shall be permitted to relocate said sales offices, management offices, leasing and operations offices and models from one **Lot, Unit or Boat Slip** location to another **Lot, Unit or Boat Slip** or from one area of the common area to another area of the common area in **Sunset Bay**. The Declarant may maintain signs on the common areas advertising **Sunset Bay** or the **Additional Property**. The rights of the Declarant as provided for in this paragraph shall cease and terminate **fifteen (15) years** from the date of the Recording of this Amendment.

Anything else contained in this paragraph to the contrary notwithstanding, the Declarant retains the right to appoint the **Architectural Review Committee** so long as the Declarant owns of record any **Lot or Unit**, or **Lot or Unit and Boat Slip** as provided for in **Article X** of the Master Declaration.

4. **Article V, Section 1**, of the **By-Laws** is amended to add the additional following provision:

"Effective with the signing of this Amendment by the **Board of Directors**, the **Board of Directors** shall consist of **three (3)** individuals, who shall be elected as prescribed by the **By-Laws**."

**Doris Warren and Christine B. Smith** have resigned as **Directors** of the **Master Association**. The remaining **Directors** of the **Master Association** are **Steve H. Bryan, John King and Greg Murphey**.

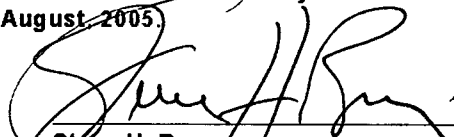
5. **Article X., Section 2**, of the **By-Laws** is amended to read as follows:

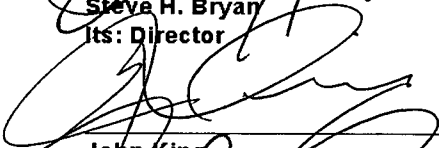
**Section 2. Insurance on Residences and Personal Property Insurance**

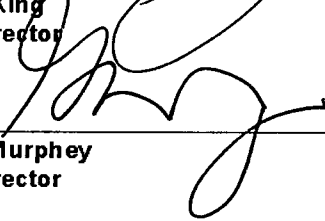
**Detached Residence.** Each Owner of a Lot or Unit shall obtain and maintain insurance coverage as specified in the Master Declaration, as amended by the Amended Master Declaration."

In all other respects the **By-Laws** shall remain in full force and effect. If there is any conflict between the **By-Laws** and this **Amendment**, this **Amendment** shall control.

This **Amendment** was adopted by the **Board of Directors of Sunset Bay Owners Association**, an **Alabama Nonprofit Corporation** on the 17<sup>th</sup> day of August, 2005.)

  
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Steve H. Bryan  
Its: Director (Seal)

  
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John King  
Its: Director (Seal)

  
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Greg Murphey  
Its: Director (Seal)

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THIS INSTRUMENT  
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