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JED PITTMAN PASCO COUNTY CLERK
10/20/00 04:00pm 1 of 2
OR BK 4466 PG 1296

**CERTIFICATE OF AMENDMENT TO THE BY-LAWS
OF SHADOW RUN COMMUNITY ASSOCIATION, INC.**

We hereby certify that, at the special meeting of the members of the SHADOW RUN Community Association, Inc. held on August 1, 2000 at the Hudson Regional Library the following amendments to the By-Laws of the Shadow Run Community Association, Inc. were approved by a vote of not less than 75 percent of the members voting in person or by proxy approved the proposed amendments as required by the By-Laws of the Association, and as a result of the foregoing and proper notice having been given, said amendments have been duly adopted pursuant to Article XIII of the By-Laws of the Shadow Run Community Association, Inc.:

Article IV, Section 1 of the By-Laws of the Shadow Run Community Association, Inc. is amended to read as follows:

Section 1. No. The Board of Directors shall consist of at least ~~three (3)~~ five (5) persons. The number of Directors may be increased or decreased from time to time by an amendment to these By-Laws, but in no event shall there be less than three (3) Directors.

Article IV, Section 4 of the By-Laws of the Shadow Run Community Association, Inc. is amended to read as follows:

Section 4. Term. At the first election of Directors following approval of this amendment to the By-Laws, the three (3) Directors elected by the highest number of

receiving the lowest number of votes shall be elected to a term of one (1) year.
Thereafter all Directors shall serve a term of two (2) years. If a Director shall serve
until his or her successor is elected and qualified, until he resigns, or until he or she
is removed.

Joyce E. Pick
Joyce Pick, President

Patricia Q. Mumich
Patricia Mumich, Secretary

OR BK **4466** PG **1297**
2 of 2

STATE OF FLORIDA

COUNTY OF PASCO

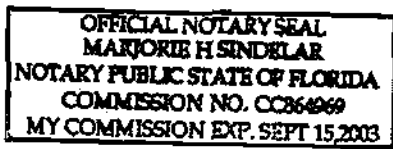
BEFORE ME the undersigned authority, personally appeared Joyce Pick and Patricia Mumich as President and Secretary, respectively, of the Shadow Run Community Association, Inc. and after being duly sworn, on oath, severally acknowledged, executing the same under the authority duly vested in them by said corporation, and that the seal affixed thereto is the true corporate seal of said corporation.

WITNESS my hand and seal this 9th day of October, 2000.

Marjorie H. Sindelar
NOTARY PUBLIC, State of Florida at Large

Print Name: Marjorie H. Sindelar

My Commission Expires: 9-15-03



208777.1

BY-LAWS

OF

SHADOW RUN COMMUNITY ASSOCIATION, INC.

A NON-PROFIT CORPORATION

AS AMENDED AND RESTATED

THE 1ST DAY OF JUNE, 1986

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean the SHADOW RUN COMMUNITY ASSOCIATION, INC.

Section 2. "Articles" shall mean the Articles of Incorporation for Shadow Run Community Association, Inc.

Section 3. All definitions contained in the Declaration are incorporated herein by reference.

4.
ARTICLE II

OFFICES

The principal office of the Association shall be at 13125 Spaulding Drive, Hudson, Florida 33567, or such other place in Florida as the Board of Directors may, from time to time, determine.

ARTICLE III

MEMBERS AND MEMBERSHIP MEETINGS

Section 1. Members. Only record owners of fee interests in a Unit may be members of the Association, and every such record owner shall be a member. When the ownership of a fee interest in a Unit changes, the previous Owner's membership shall terminate and the new Owner's membership shall begin. Within ten (10) days of receipt of the instrument transferring title to him, the new Owner shall give the Association a copy of such instrument.

Section 2. Transfer of Membership. A member's share in the assets of the Association and the right to membership are transferrable only as an appurtenance to a Unit.

Section 3. Vote. The Owners of each Unit shall be entitled to one combined vote at members' meetings. The vote for each Unit owned by two or more persons shall be cast by one of its owners who has been designated as the "Voting Member" in a signed certificate filed with the Association. No Voting Member may vote during any period in which the assessment for his Unit is past due, or during any period during which the Owners of his Unit are in violation of any Association rules and regulations.

If a Unit is owned jointly by a husband and wife, the following provisions shall apply:

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.

C. Where they do not designate a Voting Member, and only one is present at a meeting, the person present may cast the Unit vote individually and without establishing the concurrence of the absent person.

Section 4. Annual Meeting. The annual members' meeting shall be held at _____ on _____ except that if such date is a Saturday, Sunday, or legal holiday, then it shall be on the next succeeding day which is not a Saturday, Sunday, or legal holiday. At annual meetings, officers shall give reports, elections of directors shall take place, a budget shall be adopted and assessments for the next year shall be determined and any other members' business properly presented to the meeting shall be transacted.

Section 5. Special Meetings. Special meetings of the members may be called by any officer, a majority of the Board of Directors, or by one-third of the Voting Members. Such request shall state the purpose or purposes of the proposed meeting. Special meetings may also be called in accordance with any applicable Florida Statute.

Business transacted at all special meetings shall be confined to the objects stated in the notice thereof.

Section 6. Notice and Place of Meetings. Notice of all members' meetings shall be given by the Secretary and shall state the time, place, and purpose of the meeting. Unless notice is waived in writing, notice shall be sent to each member at his address as it appears on the books of the Association.

Notice shall be sent by regular mail or shall be delivered by hand at least ten (10) days prior to the date that the meeting is to be held. Proof of such mailing or delivery shall be by affidavit of the person who mailed or delivered the Notice. Notice of the meeting may be waived before, during, or after meetings by the signing of a waiver.

Section 7. Quorum. A quorum at a members' meeting shall be a majority of the Voting Members, whether present in person or by proxy. The Voting Members shall decide any question brought before such meeting unless the question is one upon which, by express provision of the Florida Statutes, the Articles of Incorporation, or these By-Laws, a different vote is required, in which case, the express provision shall govern and control the decision of such question. In the event a quorum is not present at a meeting, then a majority of the Voting Members who are present may either:

A. Adjourn the meeting to a date which is no later than seven (7) days from the date of the originally scheduled meeting, and at such rescheduled meeting, thirty-three and one-third percent (33 1/3%) of the Voting Members shall constitute a quorum; or

B. Take any authorized action subject to the written approval of a number of Voting Members equal to the difference between the minimum number of Voting Members necessary to constitute a quorum, and the number of Voting Members in attendance who voted for such action, provided that the total affirmative votes is at least equal to the number which is required to authorize such action.

Section 8. Proxies. Votes may be cast in person or by proxy. All proxies shall be in writing, shall be signed by the Voting Member, shall be revocable at any time at the pleasure of

the Voting Member signing them, 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 or any lawful adjournments thereof. Proxies shall not be valid for a period longer than 90 days after the date of the first meeting for which they were given. Proxies shall also designate the person to vote the proxy who need not be a "Voting Member" as such term is hereinabove defined. Where a Unit is owned jointly by a husband and wife, and if they have not designated one of them as a Voting Member, a proxy must be signed by both husband and wife where a third person is designated. At any meeting of the members, every member having the right to vote shall be entitled to vote in person or by proxy.

Section 9. Action. Unless otherwise stated in these By-Laws, or the Articles, and unless otherwise required by statute, the act of a majority of the Voting Members present at a meeting in which a quorum was present shall constitute the act of the entire membership. Any action which could, under Florida law, be taken at a meeting of members may be taken without a meeting if authorized in writing by a majority of all Voting Members, and if thereafter filed with the Secretary of the Association.

Section 10. Waiver and Consent. Whenever the vote of members at a meeting is required or permitted by any provision of the statutes, of the Articles of Incorporation, or of these By-Laws, the meeting and vote of members may be dispensed with if all the members who would have been entitled to vote upon the action if such meeting were held consent in writing to such action being taken.

ARTICLE IV

DIRECTORS

Section 1. Number. The Board of Directors shall consist of at least three (3) persons. The number of Directors may be increased or decreased from time to time by an amendment to these By-Laws, but in no event shall there be less than three (3) Directors.

Section 2. Members. All Directors elected by the members must be members of the Association.

Section 3. Election. Election of the Board of Directors shall be a plurality of the votes cast at the members' meeting. Vacancies caused by death, resignation, incapacity, or removal of a Director shall be filled by the remaining Directors who shall appoint a substitute to serve until the election and qualification of successors at the next annual members' meeting.

Section 4. Term. Each Director shall serve until his or her successor is duly elected and qualified, until he resigns, or until he is removed.

Section 5. Removal of Directors. A Director may be removed from office at a members' meeting upon the affirmative vote of a majority of the Voting Members for any reasons deemed by the Voting Members to be in the best interests of the Association; provided, however, before any Director is removed from office, he shall be notified in writing that a motion to remove him will be made, and if such Director is present, he or she shall be given an opportunity to be heard at such meeting prior to the vote on his or her removal. If the removal of a Director is approved by a majority of all voting members by a vote at a meeting, the recall shall be effective immediately and the recalled member or

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members of the Board shall turn over to the Board any and all records of the Association within 72 hours after the meeting.

Section 6. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, and the meetings shall be open to all members of the Association. 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 date of such meeting unless such notice is waived.

Section 7. Special Meetings. Special meetings of the Directors may be called by the President or Vice-President, and must be called by the Secretary at the written request of one-third (1/3) of the members of the Board of Directors. Not less than three (3) days notice of the special meeting shall be given to each Director, unless Notice is waived. Notice shall be given personally, by mail, telephone, or telegraph, and shall state the time, place, and purpose of the meeting, and the meeting shall be open to all members of the Association.

In case of an emergency, or in case of an adjourned meeting which is rescheduled at a time which is less than 48 hours from the time of the originally scheduled meeting, a meeting of the Board may be held without notice. Notice of any meeting in which assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

Section 8. Quorum. A majority of the Directors shall constitute a quorum for the transaction of business at the Directors meeting. The acts of the Board approved by a majority of the Board present at a meeting at which a quorum is present shall constitute the act of the Board of Directors, except as may be otherwise specifically provided by statute, by the Articles of Incorporation or by these By-Laws. If a quorum shall not be present at any meeting of directors, the attending directors may adjourn the meeting without notice other than announcement at the meeting until a quorum shall be present.

Section 9. Waiver of Notice. Any Director may waive notice of the meeting before or after the meeting, and such waiver shall be deemed equivalent to their having received notice.

Section 10. Presiding Officer. The presiding officer at a Board of Directors meeting shall be the President. In the President's absence, the Directors present shall designate any one of their number to preside.

Section 11. Official Records. The Association shall maintain a copy of each of the following which shall constitute the official records of the Association:

A. The plans, permits, warranties, and other items provided by the Developer pursuant to Florida Statute 718.301(4) after turnover of the Association. 7/26/30.

B. A certified copy of the Articles of Incorporation or other documents creating the Association and all amendments thereto.

C. A copy of the current rules of the Association.

D. A book or books containing the minutes of all meetings of the Association, of the Board of Directors, and of the Unit Owners, which minutes shall be retained for a period of not less than seven years.

E. A current roster of all Unit Owners, their mailing addresses, unit identification, voting certificates, and if known, telephone numbers.

F. All current insurance policies of the Association and Condominiums operated by the Association.

G. A current copy of any management agreement, lease, or other contract to which the Association is a party or under which the Association or the Unit Owners have an obligation or responsibility.

H. Bills of sale or transfer for all property owned by the Association.

I. Accounting records for the Association and ~~separate accounting records for each condominium that it operates~~, according to good accounting practices. All accounting records shall be maintained for a period of not less than seven years. The accounting records shall include, but are not limited to:

1. Accurate, itemized, and detailed records of all receipts and expenditures.

2. A current account and a monthly, bi-monthly or quarterly statement of the account for each Unit designating the name of the Unit Owner, the due date and the amount of each assessment, the amount paid on the account, and the balance due.

3. All audits, reviews, accounting statements, and financial reports of the Association and each ~~Condominium it operates~~.

4. All contracts for work to be performed. Bids for work to be performed shall also be considered official receipts and shall be maintained for a period of one (1) year.

J. Voting proxies which shall be maintained for a period of ~~one~~ (1) year from the date of the meeting for which the proxy was given.

The official records of the Association shall be maintained in the county in which the ~~Condominium~~ is located. The official records shall be open to inspection by any Association member, the member's authorized representative, and any mortgagee holding a mortgage encumbering any Unit; such inspections shall be available at all reasonable times. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the Association member.

Section 12. Powers. The property and business of the Association shall be managed by the Board which may exercise all corporate powers not specifically prohibited by statute or the Articles of Incorporation and which may exercise all powers directed or required to be exercised or done by the members pursuant to these By-Laws. These powers shall specifically include, but shall not be limited to, the following:

A. To levy upon the members monthly and other special or emergency assessments which are necessary for anticipated current operating expenses and for all unpaid operating expenses periodically incurred and payable in advance. The Board, in accordance with Article VIII, Section 1 of the By-Laws, may increase the monthly assessments or vote a special assessment if required to meet any necessary additional expenses.

B. To use and to expend the assessments collected for maintenance, care and preservation. *of the property subject to the Association's By-Laws.*

C. To purchase whatever personal property is required by the Association.

D. To pay taxes assessed and levied against any real or personal property owned by the Association.

E. To collect delinquent assessments by suit or otherwise.

F. To abate nuisances.

G. To enjoin or seek damages from Unit Owners for violations of the By-Laws or Rules and Regulations adopted by the Board.

H. To employ such personnel, make such purchases, and enter into such contracts as may be necessary or desirable in carrying out the operation and management of the Association.

I. To make, amend and repeal Rules and Regulations governing the operation, maintenance and management of the Association, including without limitation, the use and occupancy of the Units by the members.

A common law

J. To enter into a management agreement on behalf of the Association and to delegate to the management firm any of the Association's duties except those which require approval of the Board or the Unit Owners.

K. To impose and collect fines from any Unit Owner for the failure of that Unit Owner, his guests, tenants, or invitees to abide by any rule or regulation of the Association.

L. To borrow money on behalf of the Association when required in connection with the operation, care, upkeep and maintenance or the acquisition of property; and to grant mortgages or security interest in the Association property; provided, however, that the consent of two-thirds (2/3) of the Voting Members present at any members' meeting at which a quorum is present shall be required to approve loans in excess of Twenty Thousand Dollars (\$20,000.00). If the Association fails to repay all or part of any sum borrowed in accordance with this paragraph, a unit Owner may have his Unit released from the lien created thereby paying to the creditor who loaned the money the percentage of the amount owned equal to the percentage of the Common Elements appurtenant to that Unit.

Section 13. Compensation. Directors and officers shall serve without compensation.

ARTICLE V

OFFICERS

Section 1. Officers. The executive officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice-President, a Treasurer, and a Secretary. The officers shall be elected annually by the Board of Directors, and they each may be summarily removed by majority vote of the Directors at any meeting. The Board of Directors shall, from time to time, elect such other officers and assistant officers and shall designate such powers and duties as the Board of Directors shall determine are required to manage the affairs of the Association. The Board of Directors from time to time may eliminate certain of the offices enumerated hereunder or assign their functions to an agent. Any two or more offices may be held by the same person. The Board of Directors may also choose one

or more additional vice presidents, assistant treasurers, or other officers.

Section 2. Appointive Officers. The Board may appoint such officers and agents as it shall deem necessary to hold office for such terms and to exercise such powers and perform such duties as it shall be determined from time to time by the Board.

Section 3. Term. The elected officers of the Association shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the Board shall serve at the pleasure of the Board and may be removed, at any time, by the affirmative vote of a majority of the Board.

Section 4. President. The President must be a Director of the Association and shall be the Chief Executive Officer of the Association. He or she shall have all of the powers and duties which are usually vested in the office of the President of an Association, including, but not limited to, the power to appoint committees from among the members, to assist in the conduct of the affairs of the Association, shall have general and active management of the business of the Association, and shall see that all orders and resolutions of the Board are carried into effect.

The President shall execute bonds, mortgages, and other contracts requiring a seal, under the seal of the Association, except where the same are required or permitted by law to be otherwise signed and executed, and except where the signing and execution thereof shall be expressly delegated by the Board of Administration to another officer or agent of the Association. The President shall preside at all meetings of the Board of Directors and of the members.

Section 5. Vice President. The Vice-President, in the absence or disability of the President, shall exercise the powers and perform the duties of the President. He or she shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors. In the event that there shall be more than one Vice-President elected by the Board, then they shall be designated "First" and "Second", etc. and shall exercise the powers and perform the duties of the President in such order.

Section 6. Secretary. The Secretary shall send notices of all meetings, shall attend all meetings of the Board and all meetings of the members and shall keep the minutes of all proceedings of the Directors and the members. The Secretary shall record all votes and the minutes of all proceedings in a minute book to be kept for that purpose and it shall also shall be retained by the Association for at least seven years. The secretary shall also perform like duties for the standing committees when required. The minute book shall be kept in a businesslike manner and shall be available for inspection by Unit Owners, by their authorized representatives, and by the Board members at any reasonable time. The Secretary shall keep in safe custody the seal of the Association, and when authorized by the Board, shall affix the same to any instrument requiring it, and when so affixed, it shall be attested to by his or her signature or by the signature of the Treasurer or an Assistant Secretary. The Secretary shall keep the records of the Association, except those maintained by the Treasurer, and shall perform all of the duties incident to the office of the Secretary of an Association as may be required by the Directors or the President. Assistant Secretaries in order of their seniority and in the absence or disability of the Secretary, shall perform the duties and exercise the powers of the Secretary and shall perform such other duties as the Board shall prescribe.

Section 7. Treasurer. The Treasurer shall have custody of all of the property of the Association, including funds, securities, and evidences of indebtedness. The Treasurer shall keep the assessment rolls and accounts of the members; shall keep the books of the Association in accordance with good accounting practices; and shall perform all of the duties incident to the office of Treasurer. The Treasurer shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Association as may be ordered by the Board, making proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meeting of the Board or whenever they may require it, an account of all financial transactions and of the financial condition of the Association. Assistant Treasurers, in the order of their seniority and in the absence or disability of the Treasurer, shall perform the duties, exercise the powers and assume the obligations of the Treasurer, and shall perform such other duties as the Board shall prescribe.

Section 8. Vacancies. A vacancy in any office shall be filled in the manner provided for the election of officers.

Section 9. Bonding of Corporate Officers. The Treasurer and all Assistant Treasurers, if any, the President and Secretary, and any officer who controls or disburses funds of the Association, shall be bonded with a fiduciary bonding company licensed and authorized to transact business in the State of Florida. The amount of the bond shall be determined by the Board, but shall not be less than \$10,000.00 per bonded individual. The cost of the premium for this bond shall be paid by the Association.

Section 10. Indemnification of Officers and Directors. Every director and 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 in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been an officer or director of the Association, whether or not he is a director or officer at the time such expenses are incurred. This indemnification does not extend to those instances in which the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties, but it does extend to a settlement of any litigation if the Board has approved such settlement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all rights to which such officer or director may be entitled.

ARTICLE VI

DUTIES OF DIRECTORS

The Association shall act through its Board of Directors which shall perform all of the obligations of the Association. These obligations include, but are not limited to, maintaining, repairing, and replacing any property it owns or has assumed the obligation to maintain; procuring insurance on such property; servicing or hiring employees to service the property; collecting and enforcing the collection of assessments needed to provide funds for the Association; keeping records of all Association affairs and presenting a statement thereof to the members at their annual meeting; managing the Association's funds; borrowing money and incurring indebtedness for Association purposes and executing all required documents in connection therewith; enforcing these By-Laws, the Articles of Incorporation, and adopting and enforcing such Rules and Regulations as it deems necessary.

ARTICLE VII

FISCAL MANAGEMENT

Section 1. General. The following shall govern the fiscal management of the Association:

- A. The fiscal year shall be the calendar year.
- B. The ~~cash~~^{annual} receipts and disbursements method of accounting shall be used.
- C. All Association income (including assessments) shall be used to pay expenses; the excess shall be held in reserve for future expenses.

Section 2. Accounts. Association funds shall be held in such bank account or accounts as the Board of Directors shall determine from time to time. All checks or drafts for money and notes of the Association shall be signed by any two of the following officers: President, Secretary, and Treasurer, or such officer or officers or such other person or persons as the Board may from time to time designate. Withdrawals from such accounts shall be made by checks or withdrawal requests signed by at least two of the officers of the Association. Disbursements from said accounts shall be for the general needs of the Association, including but not limited to wages, repairs, betterments, maintenance, and other operating expenses.

Section 3. Audit. An ~~uncertified~~^{certification} audit of the Association's accounts shall be prepared annually by an accountant, ~~an auditor or a certified public accountant~~ and shall be furnished to each member no later than April 15 following the year to which it applies. The report shall show the amounts of receipts by accounts and receipt classifications and shall show the amount of expenses by accounts and expenses classifications. The cost thereof shall be Common Expense.

ARTICLE VIII

ASSESSMENTS

Section 1. Fixing Assessments. At regular meetings or special meetings called for such purpose, the Board shall fix and determine the sum or sums necessary for the continued operation of the Association, and the Owners of each Unit shall be obligated to pay their proportionate part of any annual assessment determined by the Board of Directors.

A. The Directors shall prepare a proposed budget which shall include all anticipated Association expenses for the following year, including but not limited to, the costs of:

1. Maintaining, securing, repairing, replacing (if needed), insuring, and servicing the property it owns or has agreed to maintain.

2. Paying all taxes on the property it owns.

3. Paying all utility charges for service rendered to the property it owns or has agreed to maintain.

4. Hiring employees as needed.

5. Establishing a contingency reserve for maintenance, repair, and replacement and other reserves and other operating expenses, and expenses designated as common expenses from time to time by the Board.

B. The budget shall also set forth any proposed special assessment, reconstruction assessment, or capital improvement assessment that is to be allocated equally among the units and paid in the same manner as hereinbefore provided for regular assessments. The owner agrees to pay promptly when due the monthly assessments and all special assessments assessed against his Unit. Delinquent assessments will bear interest at the rate of fifteen percent (15%) per annum. The specific purpose or purposes of any special assessment shall be set forth in a written notice of such assessment sent or delivered to each Unit Owner. The funds collected pursuant to a special assessment shall be used only for the specific purpose or purposes set forth in such notice or shall be returned to the Unit Owners. However, upon completion of such specific purpose or purposes, any excess funds received in a special assessment collectible from all Unit Owners shall be considered common surplus.

C. A copy of a proposed annual budget, except for the initial budget which is for a period of twelve (12) months, shall be mailed to the Unit Owners by regular mail not less than thirty (30) days prior to the meeting of the Board at which the budget will be considered, together with a notice of that meeting. Such meeting shall be open to the Unit Owners. The proposed annual budget shall be detailed and shall show the amounts budgeted by accounts and expense classifications including, if applicable, but not limited to the following: (1) administration expenses; (2) management fees; (3) maintenance costs; (4) rent for recreational and other commonly used facilities; (5) taxes upon Association property; (6) taxes upon leased areas; (7) insurance costs; (8) security provisions; (9) other expenses; (10) operating capital; (11) reserves; (12) expense for Unit Owners; and (13) rent under a ground or recreational lease. The reserve accounts referred to in item (11) shall include but shall not be limited to, building painting, and pavement resurfacing. The amount to be reserved shall be computed by a formula which is based on estimated useful life and the estimated replacement cost of each item. The reserve requirement shall not apply if a majority of the Voting Members have determined at a duly called Association meeting to provide inadequate or no reserves for any fiscal year. If a meeting of the Unit Owners has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves, as included in the budget, shall go into effect.

*Members
Vote to
fully fund or not*

D. The Board may propose a budget to the Unit Owners at a meeting of the members or in writing, and if such budget or proposed budget is approved by all of the Unit Owners present at such meeting at which a quorum is present, or by a majority of the Voting Members in writing, the budget shall be adopted and not be subject to re-examination as provided above. If a meeting of the Unit Owners has been called and a quorum is not attained or a substitute budget is not adopted by the Unit Owners, the budget adopted by the Board of Directors shall go into effect as scheduled.

Section 2. Liens. If any Assessment is unpaid, the Association may file a Claim of Lien against the Unit whose Owners are delinquent and such lien may be foreclosed in the same manner as a mortgage. The Association may also bring an action at law against the delinquent Owner personally.

ARTICLE IX

All Directors and officers of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon them in connection with any proceeding to which they may be a party, or in which they may become involved, by reason of their

being or having been an officer or director at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of their duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Board of Administration approves such settlement and 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 Directors or officers may be entitled.

ARTICLE X

TRANSACTIONS IN WHICH DIRECTORS OR OFFICERS

ARE INTERESTED

No contract or transaction between the Association and one or more of its Directors or officers, or between the Association and any other corporation, partnership, association, or other organization in which one or more of its Directors or officers are Directors or officers, or have a financial interest, shall be invalid, void, or voidable solely because of such position or interest, or solely because the Director or officer is present at or participates in the meeting of the Board or committee thereof which authorized the contract or transaction, or solely because his or their votes are counted for such purpose. No Director or officer of the Association shall incur liability by reason of the fact that they are, or may be interested in any such contract or transaction.

ARTICLE XI

SEAL

The seal of the Association shall have inscribed thereon the name of the Association, the year of its organization and the words "Not For Profit." Said seal may be used by causing it, or a facsimile thereof, to be impressed, affixed, or reproduced in any other form to evidence the intent of the signing officer or officers to have the effect of a corporate seal.

ARTICLE XII

PARLIAMENTARY RULES

Robert's Rules of Order (latest edition) shall govern the conduct of meetings of this Association when not in conflict with the Amended Articles of Incorporation or these By-Laws.

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended in the manner provided in the Amended Articles of Incorporation.

Section 2. Resolution. A resolution adopting a proposed amendment may be proposed by either the Board or by the members entitled to vote. Directors and members not present at the meeting considering the amendment may express their approval in writing. Except as elsewhere provided, approval of such proposals must be by not less than a majority of the Directors and by not less than fifty-one (51%) percent of all of the members entitled to vote.

The foregoing were adopted as the By-Laws of Shadow Run Community Association, Inc. as Amended and Restated the ____ day

of _____, 1986 by unanimous consent of the Board
of Directors on this _____ day of _____, 1986.

Secretary.

904-1