

BY-LAWS

MILL RUN HOMEOWNERS' ASSOCIATION, INC.
A NOT-FOR-PROFIT FLORIDA CORPORATION

ARTICLE I

The name of the corporation is MILL RUN HOMEOWNERS' ASSOCIATION, INC., a Florida corporation, not-for-profit, hereinafter referred to as the "Association". The principal office of the corporation shall be located at: 160 E. Lemon Street, Tarpon Springs, Florida 34689, but meetings of members and directors may be held at such places within the State of Florida as may be designated by the Board of Directors from time to time.

ARTICLE II

Definitions

SECTION 1. "Association" shall mean and refer to MILL RUN HOMEOWNERS' ASSOCIATION, INC., a Florida corporation, not-for-profit, its successors and assigns.

SECTION 2. "Common Area" shall mean all real property owned by the Association for the sole use and enjoyment of the Owners.

SECTION 3. "Developer" shall mean PASCO/MILL RUN VENTURE, a general partnership, presently having its principal place of business in Tarpon Springs, Florida, its successors or assigns shall at all times have the right to assign its interest herein to any successor or nominee.

SECTION 4. "Lot" shall mean any residential lot shown on the recorded subdivision plat as referred to herein with the exception of the Common Area. "Unit" shall mean any residential structure located on a residential lot.

SECTION 5. "Maintenance of Common Area" shall mean the exercise of reasonable care to keep buildings, roads, landscaping, lighting and other related improvements and fixtures in a condition comparable to their original condition, normal wear and tear excepted. Maintenance of landscaping shall

further mean the exercise of generally accepted garden-management practices necessary to promote a healthy, weed-free environment for optimum plant growth.

SECTION 6. "Member" shall mean every person or entity who holds membership in the Association.

SECTION 7. "Owner" shall mean the record Owner, whether one or more persons, or entities, of a fee simple title to any lot which is a part of the subdivision, but shall not include those holding title merely as security for performance of any obligations.

SECTION 8. "Subdivision" shall mean the subdivided real property of a plat recorded among the Public Records of Pasco County, Florida.

ARTICLE III

Meeting of Members

SECTION 1. Annual Meetings. The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:30 o'clock p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. The first meeting of the Board of Directors of the Association shall be immediately succeeding the annual meeting of the members.

SECTION 2. Special Meeting. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of a majority of the members of the Class B membership, or upon written request of fifty-one percent (51%) of the Class A members who are entitled to vote.

SECTION 3. Notice of Meetings. Written notice of each meeting of members shall be given, by or at the direction of the

Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least thirty (30) days before such meeting to each member entitled to vote thereat, addressed to the members' addresses last appearing on the books of the Association, or supplied by such member to the Association for the purposes of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

SECTION 4. Quorum. The presence at the meeting of members entitled to cast votes, or of proxies entitled to cast votes, equal to fifty-one percent (51%) of all the lot owners, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at the meeting, the members entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

SECTION 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

SECTION 6. Vote Required. At every meeting of the members, the owner or owners of each lot/unit, either in person or by proxy, shall have the right to cast one (1) vote, except as otherwise set forth in the Declaration. The vote of the majority of those present, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the Declaration of Covenants, Conditions and Restrictions, hereinafter referred to as the "Declaration", the Articles of Incorporation, or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control.

SECTION 7. Order of Business. The order of business at all annual or special meetings of the members shall be as follows:

- A. Roll Call
- B. Proof of notice of meeting or waiver of notice
- C. Reading of minutes of previous meeting
- D. Reports of Officers
- E. Reports of Committees
- F. Election of officers or directors (if election to be held)
- G. Unfinished business
- H. New business
- I. Adjournment

ARTICLE IV

Board of Directors: Selection - Term of Office

SECTION 1. Number. The affairs of this Association shall be managed and governed by a Board of Directors composed of not less than three (3) nor more than nine (9) members. The first Board of Directors shall have three (3) members.

SECTION 2. Term of Office. Each member of the Board shall serve for a term of one (1) year until the next annual meeting, or until such time as his successor is chosen. The eligibility of a member to be elected for more than one (1) term shall not be abridged.

SECTION 3. Removal. Any director may be removed from the Board with or without cause, by a majority of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board of Directors and he shall serve for the unexpired term of his predecessor.

SECTION 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in performance of his duties.

SECTION 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

SECTION 6. The First Board of Directors. The First Board of Directors shall consist of three (3) persons who shall be appointed by the Developer and who, subject to the provisions set forth hereinabove with regard to resignation and death, shall be the sole voting members of the Board of Directors of the corporation and shall hold office until: (a) three (3) years from the date of the first sale of a lot and/or unit in the subdivision has been concluded; or (b) the date on which an aggregate of thirty percent (30%) of the lots and/or units in the subdivision are sold, whichever occurs first. At the time that either (a) or (b) occurs, the lot and/or unit owners shall be entitled to elect the members of the Board of Directors of the Association; provided, however, that if the Developer is the record owner of any units and/or lots in the subdivision, said Developer shall be entitled to one (1) vote for each unit and/or lot to which it holds title so long as the votes of the Developer do not exceed forty-nine percent (49%) of the total number of eligible votes.

The first Board of Directors, as appointed by the Developer, are:

George Nicholas
Frederick J. Kunder
Anthony Nicholas, Jr.

ARTICLE V

Nomination and Election of Directors

SECTION 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual

meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

SECTION 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members of their proxies may cast, in respect to each such vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving a majority of the votes cast for that office shall be elected. Cumulative voting is not permitted.

ARTICLE VI

Meeting of Directors

SECTION 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

SECTION 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director.

SECTION 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. ~~Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.~~

ARTICLE VII

Powers and Duties of the Board of Directors

SECTION 1. Powers. The Board of Directors shall have the power to:

A. adopt and publish rules and regulations governing the use of the Common Area and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

B. suspend the voting rights and right to use of the Common Area by a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such right to use of the Common Area may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

C. exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-laws, the Articles of Incorporation, or the Declaration;

D. declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

E. employ a manager, management company, an independent contractor and/or such other employees as the Board deems necessary and to prescribe the duties to be undertaken and the compensation therefor, and authorize the purchase of necessary supplies and equipment and to enter into contracts with regard to the foregoing items or services;

F. accept such other functions or duties with respect to the property hereunder, including Architectural Control, in addition to maintenance responsibilities, as are determined from time to time to be proper by the majority of the Board of Directors; and

G. delegate to and contract with a financial institution for collection of the assessments of the Association.

SECTION 2. Duties. It shall be the duty of the Board of Directors:

A. to cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is required in writing by fifty-one percent (51%) of all the lot owners;

B. to supervise all officers, agents and employees of this Association and to see that their duties are properly performed;

C. to fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period and to send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and in relation thereto, to establish the Annual Budget as provided in the Declaration described hereinabove;

D. to foreclose the lien against any property for which assessments are not paid or to bring an action at law against the Owner personally obligated to pay the same, at the election of the Board of Directors;

E. to issue or cause to be issued by an appropriate officer, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

F. to procure and maintain adequate liability insurance on property owned by the Association, and such other

insurance which in the opinion of a majority of the directors may be necessary or desirable for the Association, the policies and limits to be reviewed at least annually and increased and decreased at the discretion of the majority of the members of the Board of Directors;

G. to cause the Common Area to be maintained; and

H. to fix and determine the amount of special assessments for capital improvements as set forth in the Declaration described hereinabove, to send written notice of each special assessment to every owner subject thereto at least thirty (30) days in advance of the due date thereof, and to collect or cause to be collected such sum or sums as are deemed to be due by virtue of said special assessment.

ARTICLE VIII

Officers and Their Duties

SECTION 1. Enumeration of Officers. The officers of this Association shall be a president and vice president, who shall at all times be members of the Board of Directors; a secretary and a treasurer, and such other officers as the Board may from time to time resolution create.

SECTION 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors which shall immediately follow the adjournment of each annual meeting of members.

SECTION 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed or otherwise disqualified to serve.

SECTION 4. A. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine in its discretion.

B. Standing Committees. The Board shall appoint such standing committees as are required under the Declaration, the Articles or these By-laws, as well as such other committees as are necessary or desirable from time to time, which committees shall exist for such periods of time, have such authority, and perform such duties as the Board may, from time to time, determine in its discretion.

SECTION 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6. Vacancies. A vacancy in any office may be filled by appointment by a majority vote of the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

SECTION 7. Multiple Offices. The offices of president and secretary may not be held by the same person.

SECTION 8. Duties. The duties of the officers are as follows:

A. President: The president shall preside at all meetings of the Board of Directors; see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

B. Vice President: The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Directors.

C. Secretary: The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the members'; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board of Directors and of the members; keep appropriate current records showing the members of the Association together with their addresses; and shall perform such other duties as may be required by the Board of Directors.

D. Treasurer: The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association along with the president; keep proper books of account; cause a financial report of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

Committees

The Board of Directors may, at its discretion, create such committees as it sees fit from time to time.

ARTICLE X

Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation, and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, or such other address as the Board of Directors may from time to time designate, and copies may be purchased at a reasonable cost as such address.

ARTICLE XI

Assessments

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made and are a personal obligation of the member.

ARTICLE XII

Corporate Seal

The Association shall have a seal in circular form, having within its circumference the words: MILL RUN HOMEOWNERS' ASSOCIATION, INC., a Florida corporation, not-for-profit, 1969.

ARTICLE XIII

Amendments

SECTION 1. Requirements to Amend. As long as there is a Class B membership, the Federal Housing Administration or the Veterans Administration has the right to veto any of the following actions: Annexation of additional properties, dedication of Common Area and amendment to these By-Laws.

SECTION 2. Control of Conflict. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control, and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV

Miscellaneous

SECTION 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of each year, except that the first fiscal year shall begin on the date of incorporation of the Association.

SECTION 2. Indemnification. The Association shall indemnify any officer or director or any former officer or director to the full extent permitted by law.

SECTION 3. Insurance. The Board of Directors may, but is not required to, elect to carry a policy of officers and directors liability insurance, insuring the officers and directors against any claims made against them whatsoever, except claims of wilful negligence and misfeasance of office.

IN WITNESS WHEREOF, we, the directors of MILL RUN HOMEOWNERS' ASSOCIATION, INC., have hereunto set our hands this 27th day of July, 1989, for and on behalf of the Association.

WITNESSES:

Clair M. Skaggs

Clair M. Skaggs

Clair M. Skaggs

George Nicholas L.S.
GEORGE NICHOLAS

Frederick J. Kunder L.S.
FREDERICK J. KUNDER

Anthony Nicholas, Jr. L.S.
ANTHONY NICHOLAS, JR.

CERTIFICATION

I, the undersigned, do hereby certify that I am duly elected and acting Secretary of MILL RUN HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit, and that the foregoing By-Laws constitute the original By-Laws of the said Association, as duly adopted at the meeting of the Board of Directors thereof, held on this 27th day of July, 1989.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the said Association this 28th day of July, 1989.

Frederick J. Kunder
FREDERICK J. KUNDER

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