

[Proposed Amendment #8]

AMENDMENT TO THE BY-LAWS
OF
CHANDALAR SOUTH TOWNHOUSE ASSOCIATION, INC.

This ____ th Amendment to the by-laws of Chandalar South Townhouse Association, Inc., the original by-laws being recorded in Miscellaneous Book 6, Page 860, and first amended in Miscellaneous Book 21, page 164, both in the office of the Judge of Probate of Shelby County, Alabama, by the Secretary of said non-profit corporation:

WITNESSETH:

WHEREAS, on or about January 8, 1974, Articles of Incorporation of Chandalar South Townhouse Association, Inc. were filed in the Probate Office of Shelby County, Alabama, in Corporation Book 11, Page 665A, with by-laws relating thereto having been recorded as set out hereinabove; and

WHEREAS, at a duly called Annual Meeting of the shareholders and Board of Directors of the Chandalar South Townhouse Association, Inc. on November 4, 2004 at 7:00 PM, it was determined that, in an effort to more amicably manage the Association, all fiduciary and physical management of the Association be outsourced to a third party person or organization and

WHEREUPON, after motion being duly made and seconded, and upon written consent of a majority of the members present or by proxy, it was

RESOLVED, that the Secretary, or the contracted Management Company on the Secretary's behalf, be instructed to amend the by-laws and have said ____ th Amendment recorded in the Probate Office of Shelby County, Alabama, as follows:

To completely remove from ARTICLE VII, Section 1 parts (d) and (e);

(d) To authorize the officers to enter into a management agreement with a second party, preferably an owner, for the purposes of bookkeeping, receipt and disbursement of monies and other general administrative duties, all as prescribed by the Board. Further, such second party must be bonded and shall not have the authority to sign any checks for the Association; and (e) To authorize the officers to enter into one or more management agreements with third parties or corporations in order to facilitate efficient operation of the Properties. It shall be the primary purpose of such management agreements to provide for the administration, management, repair and maintenance of the Properties, all improvements included therein and designated as common areas, the roof and exterior walls of the dwellings, and the receipt and disbursement of funds as may be authorized by the Board of Directors. The terms of said management agreement shall be determined by the Board of Directors to be in the best interests of the corporation, and shall be subject in all respects to the Articles of Incorporation, these by laws and the Declaration. It shall be

the duty of the Association or its Board of Directors to affect a new management agreement or declare self-management prior to the expiration of any prior management contract.

And to replace the former wording by inserting into ARTICLE VII, Section 2 the following:

- (d) To require the officers to maintain a management agreement with a third party, specifically not an owner or lessee of an owner, for the purposes of bookkeeping, receipt and disbursement of monies and other general administrative duties, all as prescribed by the Board. Further, such third party must be bonded or insured and shall not have the authority to issue or sign any checks on behalf of the Association without authorization of the Board. This third party will cause proper books of account information to be kept, cause an annual review of the Association books to be made by a public accountant at the completion of each fiscal year, shall initiate the preparation of an annual budget and a statement of income and expenditures to be presented to the membership at it's regular Annual Meeting and will deliver a copy of each to the members, and
- (e) To require the officers to maintain one or more management agreements with third parties or corporations in order to facilitate efficient and amicable operation of the Properties. These duties shall minimally include providing for the administration, management, repair and maintenance of the Properties, all improvements included therein and designated as common areas, the roof and exterior walls of the dwellings, and the receipt and disbursement of all funds involved with and required for said duties.
- (f) Any additional duties to be included in said management agreement(s) shall be determined by the Board of Directors as deemed to be in the best interest of the corporation, and shall be subject in all respects to the Articles of Incorporation, these by-laws and the Declaration.
- (g) It shall be the duty of the Association or its Board of Directors to effect a new management agreement prior to the expiration of any prior management contract.

To completely remove ARTICLE VII, Section 8, Part (e)

Treasurer

- (e) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disperse such funds as directed by the Board of Directors, shall sign checks and promissory notes of the Association, cause proper books of account information to be kept, cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year, supervise and audit monthly work done by a second party under conditions set forth in Article VII, Section 1(d); and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at it's regular annual meeting and deliver a copy of each to the members.

And completely replace ARTICLE VII, Section 8, Part (e) with the following;

Treasurer

(e) The Treasurer shall work in conjunction with the current management company in the role of an oversight agent whose duties are limited to supervision and review of any financial work done by a third party under conditions set forth in the newly replaced Article VII, Section 2(d) herein; The treasurer may also initiate disbursement of funds as directed by the Board of Directors; And must confirm that an annual review of the Association books is made by a public accountant at the completion of each fiscal year.

Once ratified, this Amendment shall rule over any possible conflicting interpretations or contradictory overlaps with the Declaration of Covenants with regard to Management Companies or the duties of the Office of the Treasurer.

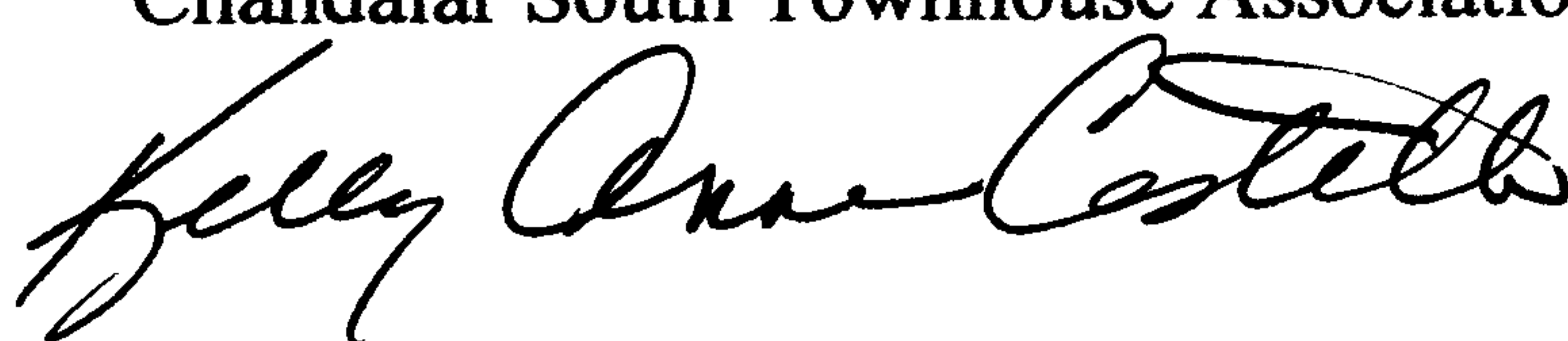
The foregoing was adopted as a ____th Amendment to the by-laws of Chandalar South Townhouse Association, Inc., an Alabama non-profit corporation, at the Annual Meeting of the shareholders and Board of Directors on Monday, November 1, 2004 at 7:00 p.m.

Michael Barnes - Secretary

 11/02/04

This instrument was prepared by:

Chandalar South Townhouse Association, Inc.

 President 2004 11/2/04