

SHADOW LAKE HOMEOWNERS' ASSOCIATION

REFERENCE MANUAL (REVISED SEPTEMBER 2007)

DISCLAIMER AND REFERRAL TO DOCUMENTS

The reference manual is designed to familiarize owners briefly with the Homeowners' Association, management, policies, and procedures. A more comprehensive reference to any item concerning the Association can be found in the Master Deed, Articles of Incorporation, and By-Laws issued to all owners at the time they took title to their home.

In case of any conflict, the Master Deed, Articles of Incorporation, and By-Laws shall control.

SHADOW LAKE WEB ADDRESS: <http://shadowlake.home.insightbb.com>

**TOWNE PROPERTIES ASSET MANAGEMENT COMPANY
MANAGING AGENT FOR SHADOW LAKE HOMEOWNERS' ASSOCIATION
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WHAT IS A HOMEOWNERS' ASSOCIATION?

A Homeowners' Association is an organization of residents. A buyer will automatically become a member with the purchase of a home within the development. As a member, he/she has a voice and vote in the Association's affairs. These votes are cast during the annual or special meetings of the general membership.

The Homeowners' Association is an incorporated, non-profit organization operating under recorded land agreements through which each unit owner in a described area is automatically a member. Each member is subject to a charge for a proportionate share of expenses for maintenance of common property and support of other necessary activities of the organization.

WHAT DOES IT DO?

The major responsibility of the Association is to protect the investment and enhance the value of the property owned by the members. This is accomplished by providing for the physical maintenance and operation of the shared property. The Association has other responsibilities too; such as, enforcing the master regulations and architectural controls and setting up an effective communication system among members.

To assure the homeowners of a well-run organization, a professional management firm may be retained as an integral part of the operation of the Association. Professional management will ensure that the Association functions as a viable business organization, protecting the homeowners' valuable investment. The management staff will coordinate and supervise the maintenance, financial, and architectural facets of the Association.

THE HOMEOWNERS' ASSOCIATION IS A BUSINESS

No matter what role you play in the Association, one thing is certain; you will want to operate as smoothly and efficiently as possible. The most important thing to remember about a community association is that it is a business. To be successful, it must be operated like one.

MASTER DEED, CONDITIONS, RESTRICTIONS EASEMENTS AND LIENS

When the developer plans a project, they develop a set of legal documents, which establish the community association, govern its operation, and provide rules for use of all properties in the community. The legal documents consist of the following:

1. Master Deed shall mean and refer to the instrument establishing the condominium. It details each owner's property and his/her rights and obligations in the Association. The master regulations are important rules in your day-to-day living. They are established to make sharing the property convenient and easy for you and all others involved.
2. Articles of Incorporation shall mean and refer to the Articles filed with the Secretary of State of the Commonwealth of Kentucky incorporating Shadow Lake Council of Co-Owners, Inc., as a non-stock, non-profit Kentucky corporation under the provisions of KRS Chapter 273, as the same may be lawfully amended from time to time. It identifies the association and its purpose, structure, and powers.
3. By-Laws shall mean and refer to the rules and regulations governing the Council. The By-Laws delineate the meeting process, election procedures, powers and duties, board meetings, records, fiscal year, and amendment process.

At the time you purchased your home, you should have been provided with a set of documents consisting of the Master Deed, Articles of Incorporation, and By-Laws. Please read these documents carefully since they clearly establish your rights as a homeowner. They also help define the areas that are restricted for the purpose of maintaining the integrity of the community.

If you do not have these documents, you can purchase them from the management company at a nominal price.

MANAGING THE HOMEOWNERS' ASSOCIATION

Ensuring the day-to-day managing of the Homeowners' Association is the responsibility of the Board of Directors elected by the Association Membership. The Board is to carry out their duties as described in the Master Deed and By-Laws (reference Article VII of the By-Laws). Some of the responsibilities of the Board of Directors are:

1. Establish the policies and regulations that govern the Association
2. Supervise and prescribe the duties of the managing agent
3. Approve the operating budget and all expenditures made by the Association
4. Set the amount of the unit assessments
5. Procure and maintain adequate liability and hazard insurance on property owned by the Council
6. Maintain the common areas and structures located on common property
7. Appoint committees as deemed appropriate in carrying out its purpose, and
8. Keep a complete record of corporate affairs and report to homeowners.

PURPOSE OF THE BOARD OF DIRECTORS

The purpose of the Board of Directors is to allow for elected representatives of all owners/members to set forth and administer policies and procedures, and to make managerial decisions affecting the operation and maintenance of Association business and all commonly held real property.

The members of the Board of Directors, being duly appointed and/or elected, are recognized by the State of Kentucky as Officers of the Corporation (Association) and have the authority to enter into contractual obligations, carry out and enforce all provisions of the Articles of Incorporation, Master Deed and By-Laws, and may assign such responsibilities as deemed appropriate to the managing agent.

THE MANAGING AGENT

The Board of Directors employs a professional management company to manage the day-to-day business of the Shadow Lake Homeowners' Association.

The managing agent for Shadow Lake Homeowners' Association is responsible to the Board of Directors for carrying out the day-to-day operations of all Association business and commonly held real property.

The managing agent has specific authorization and obligations as contained within the management contract. The management contract will generally run for a period of one (1) year or longer as determined by the contract. The present management agent is:

Towne Properties Asset Management Company
500 Thomas More Parkway
Crestview Hills, KY 41017-2175
Phone: 859-291-5858
Fax: 859-291-7767

The management company will assign a Property Manager to the town home property to oversee all Association business, employees, and the operation of the town home property. The Property Manager for Shadow Lake is **Nancy Caywood**.

It is the responsibility of the managing agent to bid, contract, oversee, and direct all contractors, vendors, etc., servicing the Association under the approval of the Board of Directors. The managing agent will select, oversee, and direct all employees, including maintenance personnel.

The management company is the vehicle by which the overall administration, policies, procedures, managerial decisions, etc., of the Board of Directors acting on behalf of all owners/members are carried out. The expertise and experience of a qualified management company provides the Board of Directors with the information and facts necessary to make appropriate decisions on all aspects of the Association administration and management of common real property.

24-HOUR EMERGENCY SERVICE

In the event you have an emergency when the management company's office is closed, please call 859-291-5858. Towne Properties Asset Management Company (hereinafter referred to as Towne Properties) has emergency personnel on call 24 hours a day.

The following is the emergency and insurance claim procedures for Towne Properties.

1. Any homeowner who sustains damage to their unit for whatever reason should contact Towne Properties immediately at 859-291-5858, regardless of the time of day. Towne Properties has an emergency answering service available 24 hours a day, seven days a week, including holidays.
2. Some expenses may be the responsibility of the homeowner; therefore the homeowner should also notify their private insurance carrier (HO6 policy) to assure proper coverage.
3. Towne Properties will dispatch an emergency service person after proper notification is given. This service person will investigate the damage and make the necessary decision regarding proceeding with the repairs, calling a contractor, if required, and/or calling the clean-up contractor to correct the damage.
4. The contractor(s) will contact the homeowner to determine the work involved and the most convenient time for the repairs to be scheduled. There is the possibility that more than one (1) contractor will be involved, e.g. a plumber and a carpet cleaner.
5. The contractor(s) will forward all necessary paperwork to Towne Properties' Service Coordinator for direct handling with the Homeowners' Association (HOA's) insurance carrier. If the homeowner has questions, a call should be directed to the Association Property Manager.
6. The Property Manager will only handle your claim with the HOA's insurance carrier. Under no circumstances will the Property Manager be responsible to the homeowner's private insurance carrier. This is the responsibility of the homeowner.
7. Following these step-by-step procedures is the best way to assure proper handling of your insurance claim.
8. Routine service calls should be directed to the Service Department or to the Property Manager or assistant who will take the information, issue a work order, and forward it to maintenance.

HOMEOWNERS' VOICE IN THE ASSOCIATION

The Association Members are to hold annual meetings and may call special meetings as prescribed in Article III of the By-Laws.

Association Members are invited to attend open Board meetings and to address the Board during new business, open to the floor section of the meeting or as recognized by the President of the Board during conducting business.

ANNUAL MEETING PROCEDURES

1. Notices for the annual meeting are to be mailed to each homeowner of record twenty (20) days before each meeting. The annual meeting is usually held in December.
2. Notices will inform each owner as to the purpose of the meeting (e.g. election of board members), date, time, and location of the meeting. The notice will:
 - a. Explain the proxy and how it may be voted by the member, assigned to any person or assigned to the Board.
 - b. May also include a brief resume from each Board candidate.
 - c. Will include the agenda for the annual meeting. In addition to other business, the agenda should allow a set amount of time (three minutes) for each Board candidate to address the meeting attendees.
3. One of the first orders of business will be to establish a quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-fifth (1/5) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Declaration, Articles of Incorporation, or By-Laws.

NOTE: At the December 6, 2005 Annual Meeting, a motion was made to amend the By-Laws regarding the term of office for elected Board Members. The motion to change the term of office from a three (3) year term to a two (2) year term was approved.

**ANNUAL MEETING
ELECTION OF BOARD OF DIRECTORS**

1. A sign-in sheet will be provided listing all the owners' names and addresses with space available for signature.
2. The homeowner will sign his/her name next to his/her address and then receive a ballot.
 - a. If the homeowner or other appointee has been assigned a proxy, they should sign their name on the line of the person who assigned the proxy. They then will receive a ballot. The staff member will mark the sign-in sheet with a "P" to indicate a proxy vote. Note: The person who assigns the proxy must completely fill out and sign the proxy form in order for it to be valid.
 - b. On all proxies assigned to the Board, the same procedure should apply, except only "Board" should be used in the assigned space. NOTE: The staff members keep all proxies in their possession.

MEETING CALLED TO ORDER:

1. The agenda should be followed. The President shall ask for nominations from the floor and give each nominee three minutes to address the meeting attendees.
2. Close the nominations.
3. Restate each candidate's name.
4. Ask the meeting attendees to vote their ballots.
5. Gather the ballots
6. The ballots should be counted by the staff or persons appointed at the meeting. If the results are close, the ballots should be recounted.
7. The results should be presented to the Board's Secretary, in writing, and signed by the persons who tabulated the ballots.
8. The results of the voting should be read twice to the attendees.

FINANCIAL MANAGEMENT

The managing agent and the Board of Directors set an annual budget necessary to support the maintenance, services, and reserve funding for replacement and repairs of common property held by the Association. Assessments are set in accordance with the Master Deed (Reference Article V of the Master Deed).

RESERVES – WHY DO WE HAVE THEM?

The Reserve Account is the Association's way of setting aside money for future repairs and replacements. Each month, a certain part of your association fee is set aside in a special interest bearing account to plan for the replacement and repair of the common areas. This helps to protect and preserve property values. This then is naturally included in the overall budget for the Association.

Your ability to sell your unit can be influenced by the adequacy of, or non-existence of, reserves set aside by the Association. Primary lenders consider Reserves for future maintenance a key part of a good financial policy and can consequently be more receptive to lending money in communities with a strong reserve fund and an established Reserve Account Policy.

Reserves do, therefore, directly affect the resale value of your property.

ASSESSMENTS

The Board of Directors adopts a collection policy for the Association and assessments are due on the first day of every month. If, after all steps have been taken to collect delinquent assessments, the account is still in arrears, liens will be filed and foreclosure action may be taken as addressed in the Collection Policy.

OPERATING BUDGET EXPLANATION

The following items are the elements for the annual budget for Shadow Lake Homeowners' Association.

SHADOW LAKE HOMEOWNERS' ASSOCIATION OPERATING BUDGET NARRATIVE EXPENSE CATEGORY AND EXPLANATION

ADMINISTRATIVE:

Estimate for cost of office supplies, copying, mailing of newsletters, payment coupons, homeowner letters, annual meeting notices, minutes, budget letters, etc.

MANAGEMENT FEES:

Contracted costs of management services
Collection and billing of homeowner assessments
Payment of operating expenses
Accounting and financial reporting
Providing direction to association contractors
Community coordination and communication
Assisting the Board with budget planning
Handling homeowner requests
Maintaining common areas and facilities in good order and repair in accordance with the policies established by the Board of Directors
Attending Board Meetings and Annual Meeting of the Membership

AUDIT/TAX PREPARATION:

Estimate for audit and tax preparation

LEGAL/CONSULTING:

Estimate of any needed minor legal consultation

INSURANCE:

Costs to provide blanket coverage for the units and common areas, general underlying liability, and coverage for Directors and Officers

LANDSCAPE MAINTENANCE CONTRACT:

Contracted costs for mowing, edging, trimming, shrub trimming for common areas; Spring clean up; fertilization and weed control/tree shrub applications, etc.

LANDSCAPE IMPROVEMENTS/REPLACEMENTS:

Estimate for any extra work needed not included in landscape contract

LAKE MAINTENANCE:

Estimate for work needed to maintain and repair the lake and for lake chemicals

SNOW REMOVAL:

Projected cost to clear driveways, sidewalks, and parking areas

POOL CHEMICALS AND SUPPLIES:

Includes chlorine, miscellaneous cleaning, supplies, keys, test equipment and permits; also includes signage required by the Board of Health

POOL MAINTENANCE, REPAIRS, DAILY OPERATION:

Opening, closing and winterizing; plumbing, filter, pump, miscellaneous repairs, daily cleaning and chemical monitoring

CLUBHOUSE/POOL TELEPHONE:

Cost to provide telephone for clubhouse and pool

CLUBHOUSE MAINTENANCE/MATERIALS/SUPPLIES:

Cleaning supplies, paper products, trash collection, routine maintenance such as minor equipment and appliance repairs, light replacements, locks, social activities, etc.

CLUBHOUSE CLEANING:

Estimate for costs of cleaning clubhouse

INSECT CONTROL:

Estimated costs to provide for exterior control of insects

BUILDING MAINTENANCE/MATERIALS:

Non-warranty routine maintenance items such as gutters, downspouts, siding, patios, decks and chimneys, etc. Includes gutter cleaning twice a year, emergency calls to the office and contractors' work not covered by reserves. Routine maintenance materials such as caulk, paint, siding, concrete, tool rentals, light bulbs, back flow valve yearly inspection, etc.

COMMON ELECTRICITY:

Anticipated costs to provide power to common area lighting and swimming pool

COMMON WATER/SANITATION:

Estimated costs for unit water/sanitation, pool, and clubhouse

IRRIGATION MAINTENANCE:

Estimate of cost to open, winterize, and minor repairs

MISCELLANEOUS:

RESERVES: See page 10

TAXES, LICENSES, ETC.

RESPONSIBILITIES OF ASSOCIATION AND HOMEOWNERS

In Association living there are certain responsibilities for the homeowners and other responsibilities for the Homeowners' Association. Homeowners should be aware of their rights and responsibilities. The Master Deed outlines the Association's and homeowners' responsibilities and the rights of the homeowner (Reference Article X in the Master Deed). The outline below is a summary of some of these responsibilities:

ASSOCIATION RESPONSIBILITY:

1. Provide for the maintenance, repair, and general upkeep of the common areas and any improvements of the common areas.
2. Provide for grass cutting and landscape maintenance on all areas.
3. Provide for snow removal from the common areas, driveways, and unit entrance walkways.
4. Provide for exterior maintenance for all units as follows:
 - a. Paint, caulk, repair and replace roof vents, chimneys, gutters, downspouts, and exterior wall surfaces.
 - b. Paint and make surface repairs on exterior surfaces of doors and window frames.
 - c. Repair and replace parking areas, driveways, and walkways.
 - d. Perform other exterior maintenance from time to time as determined by the Board to be reasonably necessary to maintain the units consistent with the funds available to the Association. Such additional maintenance is to be exercised uniformly for the benefit of all units.

OWNER RESPONSIBILITY:

Unless otherwise determined by the Board, owners shall be responsible for the following:

1. General maintenance and upkeep of the interior of the unit.
2. Providing for repair, replacement, and care of mechanical equipment and/or its pads and foundations, outside light fixtures, light bulbs, electrical outlets, water sillcock, window and/or door glass or screen.
3. Providing for repair, replacement, and care of doorjambs, thresholds or operating parts of doors and windows (including skylights).
4. Providing for the cleaning, weather-stripping, and replacement of doors (including garage doors), windows, and skylights.
5. Providing for general cleaning, debris removal, and snow removal from porches.
6. Providing for the cleaning and general upkeep of the garages.
7. Providing any care necessary to improvements or additions, which were not made by the original developer.

NOTE: An Improvement Application must be submitted to and approved by the Board prior to making any changes to the exterior of a unit. This includes new installations, such as adding a flag holder, storm door, etc, as well as items needing replacement due to ordinary wear and tear such as exterior light fixtures, garage doors, exterior doors, etc. Replacement items must match existing to the extent possible with consideration given to the fact that an exact replacement may not be available at the time replacement is warranted. Please contact the management company for assistance with locating a comparable item or if you have other questions.

This revised page 13 replaces page 13 in the Shadow Lake Reference Manual dated September 2007.

APPROVED: SHADOW LAKE BOARD OF DIRECTORS – MARCH 25, 2008

COMPLAINT PROCEDURE

There are times when everything isn't going according to plan, or the plan is in error, or somebody is stepping on our toes in one way or another. Most of us try not to encroach on our neighbors' rights and privileges and to treat others as we would like to be treated.

Accordingly, there must be a process to resolve a problem whenever one may arise, especially when a homeowner is in violation of the Covenants. The Board is powerless to do anything substantive without written documentation.

Therefore, as part of the Complaint Procedure, a form is available through the Management Office to solve these problems expeditiously. The procedure is as follows:

Homeowners should try to resolve the issue by discussion with the offending party. If not resolved, complete the Complaint or Request Form, explaining your complaint and the steps you have taken toward a reasonable solution and your suggested solution for the problem. Send the Complaint or Request Form to the Property Manager (not a Board member) so that your issue can be handled efficiently and effectively. If warranted, the issue will be placed on the agenda for the next Board Meeting. In order to be included in the next Board Meeting, the form needs to be received at least 10 days prior to the meeting.

Please keep in mind that the management company is your contact point for Shadow Lake issues. Emails should not be sent directly to Board Members. Also, your Board Members would like to be able to partake in community social events as homeowners; not as Board Members.

REQUEST PROCEDURE

Oftentimes, homeowners have a suggestion or request that they would like the Board to consider. If you have any issue you would like addressed by the Board, please complete the Complaint or Request Form and forward to the Property Manager (not a Board member) so that your issue can be handled efficiently and effectively. If warranted, the issue will be placed on the agenda for the next Board Meeting. As stated above, in order to be included in the next Board Meeting, the form needs to be received at least 10 days prior to the meeting.

NOTE 1: IF THERE IS NOT ENOUGH ROOM ON THE COMPLAINT OR REQUEST FORM TO ADEQUATELY ADDRESS YOUR ISSUE, PLEASE ATTACH ADDITIONAL SHEETS TO THE FORM.

NOTE 2: NO ACTION MAY BE TAKEN IF THIS FORM IS NOT FILLED OUT COMPLETELY.

COMPLAINT OR REQUEST FORM

TO: Shadow Lake Board of Directors

FROM: _____ SIGNATURE: _____

ADDRESS: _____

PHONE: _____ DATE: _____

EMAIL: _____

Specific request or complaint (Supply name and address of any other party involved)

NAME: _____

ADDRESS: _____

REQUEST OR COMPLAINT: _____

ATTACH AN ADDITIONAL SHEET IF NECESSARY.

Steps you have taken previously toward a solution: _____

Your suggested solution to the problem: _____

If the Board would seek legal remedies in this matter, would you be willing to testify in Court? (Please initial if the answer is yes.) _____

The following information is to be supplied by the management company:

1. Date Received: _____ 2. By: _____

3. Action Taken: _____

RULES AND REGULATIONS (POLICIES)

All Rules and Regulations (policies) are set up to help maintain the community and good relations between neighbors. Article IX, of the Master Deed describes the restrictions as to use and occupancy. The By-Laws in Article VII, Section 7.01(a) state, "The Board of Directors shall have the power to: adopt and publish rules and regulations governing the use of the Common Areas, and the personal conduct of the members or their guests thereon and to establish penalties for the infractions thereof."

Definitions of "Common Areas" and "Limited Common Areas" as referenced in Article I, Section 1.01(d) and Article I, Section 1.01(k) of the Master Deed follow.

Common Areas shall mean and refer to the general common elements of the Project and shall include...the land on which the building or buildings stand; the foundation, main walls, roof...the yards, gardens and landscaping...recreational facilities, easements, and other facilities available for the common use, in part or in whole, including, but not limited to, the community building, pool, and walking paths; and all other elements of or on the property rationally of common use or necessary to the existence, upkeep, and safety of the Owners and of the Project.

Limited Common Areas or Limited Common Elements means and refers to those Common Areas which are reserved...for the use of a particular Unit or Units, to the exclusion of the other Units. Limited Common Areas are hereby designated to include any parking space or spaces for a particular unit and any balcony or patio attached to a Unit and any heating and/or air conditioning equipment servicing a Unit and all other apparatus and installations built or set up to serve only a certain Unit or a certain group of Units. Each Unit Owner shall be entitled to an appurtenant interest in and the exclusive use and possession of those Limited Common Areas, if any, reserved to that Owner's respective Unit or to the group of Units to which that Owner's Unit belongs. The fee ownership of all Limited Common Areas, however, is vested in all Owners.

The stated Rules and Regulations (policies) in this section may be updated from time-to-time by the Board of Directors to better serve the Association members. Should there be a conflict between the Rules and Regulations (policies) documented in this Reference Manual and the most current Rule or Regulation (policy) approved by the Board of Directors, the latest revision of the Rule or Regulation (policy) shall govern and control. Should a question or concern arise, it is the homeowners' responsibility to contact the management company for assistance and guidance.

WHEREAS, Article VII, Section 7.01(a) of the Shadow Lake Association's By-Laws state the Board of Directors shall have the power to adopt and publish rules and regulations governing the use of the common area and facilities, and the personal conduct of the members and their guests thereon. NOW, THEREFORE, be it resolved that the following Shadow Lake Rules and Regulations (policies) are to be followed as adopted by the Board:

**CLUBHOUSE POLICY
(REVISED JUNE 2007)**

PART I. RESERVING THE CLUBHOUSE

1. The Clubhouse is available for use by all Association Members in good standing. "Association Member" refers to adult (21 and older) Shadow Lake Home Owners.
2. Reservations may not be made more than twelve (12) months in advance or less than seven (7) days in advance. The Association Member reserving the Clubhouse is required to be current on all dues and assessments.
3. A "Clubhouse Rental Agreement" must be completed, signed, and returned to the Clubhouse Coordinator within seven (7) days of the scheduled event.
4. A check for the non-refundable usage fee in the amount of \$60.00 and a check for the refundable security deposit in the amount of \$100.00 are to be remitted with the Clubhouse Rental Agreement to the Clubhouse Coordinator. The checks are to be made payable to Shadow Lake.
5. The Clubhouse Coordinator is to meet with the Association Member at the Clubhouse to review the Rules and Regulations prior to the scheduled event and to conduct a pre-rental condition assessment.
6. The key to the Clubhouse will be given to the renting Association Member no later than 10 a.m. the day of the event and may be given earlier at the discretion of the Clubhouse Coordinator.

PART II. PROCEDURES DURING EVENT

1. Events may not begin before 12:30 p.m. except with prior consent of the Clubhouse Coordinator. Outside activities related to the Clubhouse rental must cease at dusk. Activities inside the Clubhouse must end no later than 1 a.m.
2. The Association Member reserving the Clubhouse must be in attendance at all times during the event. He/she is responsible for the conduct of all guests.
3. All vehicles must be properly parked in lots provided. Improperly parked vehicles may be towed at the owners' expense.
4. Under no circumstances shall alcoholic beverages be sold at events. The Association Member renting the Clubhouse is responsible for preventing the serving of alcohol to minors. The member shall hold the Shadow Lake Homeowners Association harmless from any and all liability or damage resulting from the actions of an intoxicated guest.
5. The pool area and exercise room are strictly "Off Limits" to the Association Member and all guests of a private event. Violation of this rule may result in the forfeiture of all or part of the security deposit and/or loss of future Clubhouse rental privileges.
6. When an Association Member rents the Clubhouse, his/her guests are not permitted in the lake area unless accompanied by the Association Member. Note: Use of the Clubhouse also requires that the Association Member be present in the Clubhouse at all times during the rental.

7. No pets are permitted in the Clubhouse.
8. No smoking is allowed within the Clubhouse.
9. Doors and windows are to be kept closed when heat or air-conditioning is in use.

PART III. PROCEDURES AT CONCLUSION OF EVENT

1. At the conclusion of the event, the Association Member shall set the thermostat to 62 degrees (heat) in the winter and turn the thermostat to 84 degrees (air conditioning) in the summer.
2. The Association Member is responsible for turning off all appliances except the refrigerator, closing and locking windows, closing blinds, and turning off lights.
3. The door to the hallway and the front and rear doors must be securely locked when leaving the Clubhouse.

PART IV. PROCEDURES FOLLOWING EVENT

1. Cleaning the Clubhouse is the responsibility of the renting Association Member and shall be completed no later than 10 a.m. the day after the event. It is the duty of the Clubhouse Coordinator or his/her authorized representative to inspect the premises for violations and complete the checklist. Not complying with all areas of the check list will result in forfeiture of all or part of the security deposit.
2. Keys must be returned by 10 a.m. the day after the event or later at the discretion of the Clubhouse Coordinator.
3. The Association Member reserving the Clubhouse is responsible for payment of replacement costs for all items damaged or lost as a result of, or occasioned by, the Association Member's use of the property. This may result in forfeiture of the security deposit or a special assessment by the Board of Directors.
4. It is the responsibility of the Board of Directors to effect the repair or replacement of all Clubhouse property damaged during a private or community event.
5. The security deposit will be refunded within five (5) business days after the event, provided the Association Member has cleaned the Clubhouse and surrounding area as indicated on the checklist, no damage or loss has occurred, and there have been no infractions of the Clubhouse rules. For non-compliance, the Clubhouse Coordinator and the Board of Directors shall have jurisdiction over all disagreements in the matter. Appeals may be made to the Board of Directors.

PART V. GENERAL RULES

1. The Board of Directors may sponsor community events, at no fee, on dates not booked by private events. At least one Board member or a member of the Social Committee must be present at these affairs. Any damage occurring shall be the responsibility of the Association Member causing the damage. Cleaning is the responsibility of the sponsoring party (usually the Social Committee).
2. Shadow Lake Committees (i.e. Architectural, Finance, Landscape, Long Term Planning, and Social) may reserve the Clubhouse for their meetings. Committees using the Clubhouse are subject to the same rules stated herein;

however, they are not subject to a usage fee, security deposit, or completion of a rental agreement.

3. An Association Member may be denied use of the Clubhouse for the following reasons:
 - Delinquency in payment of Association Fees and Assessments
 - History of damage to the Clubhouse
 - History of negligence concerning Clubhouse rules, regulations, and policies.
 - Other reasons deemed substantial by the Board of Directors.
4. The Clubhouse Coordinator is to be provided with a schedule of events occurring at the Clubhouse at least every six (6) months. These include planned social events, Board and Committee meetings, and other scheduled events of the Association.
5. The Clubhouse Coordinator will email a list of Association Members and proposed rental dates to the management company and Board Secretary for the upcoming month to determine if an Association Member on the list is ineligible to rent the Clubhouse. The email from the Clubhouse Coordinator will also include Board and Committee meetings as well as social events scheduled for the Clubhouse during the upcoming month.
6. The Clubhouse Coordinator will send monthly reports to the management company regarding the previous month's rental. He/she will also send money received from the rental of the Clubhouse to the management company.
7. The Clubhouse Coordinator is responsible to the Board of Directors. The Clubhouse Coordinator is responsible for inspecting the Clubhouse for damage and ensuring that the items on the checklist have been satisfactorily followed by the Association Member before returning the security deposit. He/she is to report all infractions to the Board of Directors and Association Management Company.
8. Money received from usage fees shall be used for the cleaning of the Clubhouse, utility usage during the event, and the replacement or repair of Clubhouse property caused by normal wear and tear. Money from this source may also be used to purchase items which will enhance the appearance and/or enjoyment of the Clubhouse and Clubhouse area.

This policy replaces the Clubhouse Policy on pages 18-20 of the Shadow Lake Reference Manual dated November 16, 2004, and any revisions made since that date.

APPROVED: SHADOW LAKE BOARD OF DIRECTORS – JUNE 26, 2007

ARCHITECTURAL CONTROL GUIDELINES

The Association has been charged with the responsibility of maintaining the aesthetic and architectural character of the Association.

The purpose of the Architectural Control approval is not to discourage improvements, but to control the nature of improvements to those that enhance the value and conform to the overall aesthetic appearance of the Association. This control should be looked upon as protection of your investment. The Board of Directors and the Association Members are in favor of improvements.

Any owner desiring to make any exterior change, improvement, or addition (including any change in color) must obtain approval for the change or improvement from the Board of Directors. All applications for architectural changes will be considered on an individual basis, and all reasons presented for the improvements will be weighed and evaluated, based on the following consideration:

1. The harmony of external design and location in relation to surrounding buildings in the community.
2. The recognition of future maintenance or expenditures the installation might cause the Association.
3. Adherence to guidelines established in the Master Deed.

The procedures for this are as follows:

1. Submit to the management company a complete description for the improvement with a drawing, photograph or catalog picture specification, as necessary, and attach to a completed Improvement Application.
2. The Board will review the application at the next scheduled meeting. The application will be approved, disapproved, or additional or alternative recommendations for the improvement will be suggested. The owner will receive a copy and notice of same.
3. Any change or improvement made by an owner is the responsibility of the owner for maintenance, repair and/or replacement. This responsibility is transferred with ownership of the unit.
4. Unauthorized changes or improvements must be removed or restored to original condition at the discretion of the Board of Directors and will be at the expense of the owner.

LANDSCAPE POLICY (REVISED JUNE 2007)

The Council of Co-Owners (COC) is responsible for maintaining the natural aesthetic and architectural character of the landscaping within the community. Plants, trees, and shrubs should be indigenous to the area for beauty and endurance. The Landscape Committee makes recommendations to the Board of Directors in support of this objective.

Any owner desiring to make changes, improvements, or additions to the landscape must submit an Improvement Application to the property management company for consideration by the Shadow Lake Board of Directors. A landscape improvement must not restrict any drainage area or downspout or inhibit the mowing, trimming, or maintenance by the landscape service.

If the Improvement Application is approved, the owner may proceed with the change. It is the responsibility of the unit owner to maintain any approved landscape changes. The Association is not responsible for replacement of any landscape items, not a standard of the original community design, regardless of approval.

Any unit owners who make changes to the landscape in the common or limited common areas, outside this policy and without the approval of the Board of Directors, will be subject to restoring the area(s) to its original condition including size and type of plants, etc.

The Board of Directors has approved the following for landscape enhancements:

1. **Flowers** – Flowers are permitted to be planted in the front and rear mulch areas but must be maintained by the homeowner and not exceed 18" in height.
2. **Birdhouse and Birdfeeder** – One (1) birdhouse or birdfeeder is permitted per unit but must be located in the back of the unit and at least three (3) feet beyond the routinely mowed and maintained Common Area. Birdhouses and birdfeeders are not to be installed on decks, patios, or in mulched beds. However, one (1) hummingbird feeder is permitted on the deck or patio in the rear of the units.
3. **American Flag** – An American Flag may be displayed over the garage or at the front of the unit. Specifications are:
 - a. The Flag size may be either 2-1/2' by 4' or 3' by 5' and must be in good condition.
 - b. The flagpole may be either 5' or 6' in length.

- c. The bracket may only be installed on the wood section over the garage door or in the front entryway of the unit.
- d. The Flag when it is flown must be displayed in the proper and respectful manner.

(No other flags, i.e. decorative or seasonal, may be flown from the bracket or displayed at the unit at any time.)

4. **Front Porch Area** – Flowerpots and seating structures for two (2) people may be placed on the front porch or stoop area of a unit. Hanging plants are limited to one (1). Wind chimes may not be hung in this area.
5. **Statues** – Statues may be placed in the front and rear mulched beds or front porch area. Statues placed in the front mulched beds or front porch area may not exceed 18” in height. Statues placed in the rear mulched beds may not exceed 36” in height. Only two (2) statues are permitted in the front area and two (2) in the rear. Stepping stones/pavers are permitted in the mulch area. Lawn ornaments, statues, flags, banners, or any such items may not be placed in the front and back lawns or side Common Areas. See Paragraph 6 on Seasonal Decoration exceptions.
6. **Seasonal Decorations** – Seasonal decoration items (Christmas, Easter, Fourth of July, Halloween, etc) are permitted, but may only be displayed 21 days prior to the holiday and must be removed no later than 7 days after the holiday. Christmas decorations, however, may be put up the Friday following Thanksgiving Day and removed no later than 7 days after New Year’s Day.
7. **Shepherd’s Hook** – Two (2) Shepherd’s Hooks per unit are permitted in the front mulched bed and two (2) in the rear mulched bed. If the unit has a shared front entrance, the unit owner must have approval from their neighbor prior to installing.
8. **Yard/Patio Walkway Lights** – The unit owner may have yard/patio walkway lights along the sidewalk to their unit. **This requires an improvement application before installing.** If the unit has a shared front entrance, the unit owner must have approval from their neighbor. A wiring diagram and neighbor approval (if applicable) is to be submitted with the improvement application. In addition, it is the unit owner’s responsibility to purchase, install, and maintain the lights and wiring. Lighting requirements are:
 - a. Lighting fixtures must be tier or mushroom style.
 - b. Maximum of 8 lights per walkway.
 - c. Lighting fixtures must have clear lights. No colored lights are permitted.
 - d. Lighting fixtures are not to exceed 12 inches in height
 - e. All wires must be securely buried underground

9. **Signs** – “For Sale” signs may only be placed in the mulched area by the garage. If there is no room in this area, the “For Sale” sign may be placed in the mulched area surrounding the front yard tree. As a last resort, the “For Sale” sign may be placed in other mulched areas in the front of the unit. Security signs are limited to one (1) sign in the front and one (1) sign in the rear of the unit. The security signs must be placed in the mulch bed in front and next to the unit in the rear and may not interfere with mowing and landscaping. No other types of signs are permitted, either temporary or permanent.
10. **Wreaths/Wall Hangings** – One (1) wreath and one (1) wall hanging (e.g. welcome plaque, etc) may be hung in the front entryway wall or door. See paragraph 6 regarding holiday decorations.

This policy is designed to give unit owners some creativity in the back of their units while ensuring uniformity in the front of units. Unit owners always have the option of submitting an improvement application to request a variance from this policy. Each request will be evaluated on a case-by-case basis and in the best interest of the community overall.

Unit owners are responsible for restoring the building to its original condition when something attached to the building is removed (e.g. flag pole, hanging baskets, etc).

The COC and/or contractors working for the COC will not be responsible for any damage to birdhouses/birdfeeders, signs, decorations, and other items owned by unit owners.

This policy replaces the following Guidelines/Policies in the Shadow Lake Reference Manual dated November 16, 2004, and any revisions made since that date:

- Landscaping Guidelines
- Birdhouse and Feeder Policy
- Flag Policy
- Front Porch and Stoop
- Lawn Ornament Policy
- Signs
- Shepherd’s Hook

APPROVED: SHADOW LAKE BOARD OF DIRECTORS – JUNE 26, 2007

LAKE POLICY (REVISED JUNE 2007)

The Council of Co-Owners (COC) is concerned with maintaining the lake area to ensure proper storm water drainage and retention. The COC is also concerned with the safety of homeowners and their guests who visit the lake area. To that end, the following lake policy is established.

- The lake area is available to residents and their guests from dawn to dusk for fishing or recreation.
- The resident owner and guest agree that the use of the lake for any purpose is at their own risk.
- A resident owner, 17 years or older, must accompany his/her guest(s) at all times. No one under the age of 17 is permitted to fish or otherwise be in the lake area unless accompanied by an adult resident owner.
- The police may be notified when children are in the lake area without adult supervision. It only takes a minute for a child to fall into the lake and drown.
- Fishing is permitted from the banks only. When you catch a fish, please release it back into the lake.
- Resident owners and their guests are to abide by all Fishing and Gaming Laws including any laws requiring fishing licenses.
- No fires are permitted.
- No boats or other flotation devices are permitted in the lake.
- Resident owners and their guests are responsible for cleaning up after themselves.
- Resident owners and their guests are to be respectful of the residents at all times. No loud music or offensive behavior is permitted.
- No one is to throw gravel or rocks into the lake. The gravel on the walking path is there to provide easier mobility in the lake area. The rocks at the spillway are there to enhance storm water drainage and prevent erosion of the area.
- When a resident rents the Clubhouse, their guests are not permitted in the lake area unless accompanied by the resident owner. Note: Use of the Clubhouse also requires that the resident owner be present in the Clubhouse at all times during the rental.
- If a unit is leased, the tenant is subject to the provisions of this Policy

This policy replaces the Lake Policy contained in the Shadow Lake Reference Manual dated November 16, 2004, and any revisions made since that date.

APPROVED: SHADOW LAKE BOARD OF DIRECTORS – JUNE 26, 2007

**FRENCH DOOR POLICY
(ESTABLISHED JULY 2007)**

The Board of Directors approved the replacement of sliding glass doors with French Doors at the June 26, 2007, Board Meeting pending establishment of a "French Door Policy." Homeowners are permitted to replace their sliding glass doors with French Doors that meet the following specifications.

Please note: **AN IMPROVEMENT APPLICATION MUST BE SUBMITTED AND APPROVED PRIOR TO ANY CHANGE.**

French Door Specifications:

1. Door must be manufactured by: Reliablilt by JELD-WEN Millwork or equal
2. Model of Door: Masters Patio Doors or equal (French Type)
3. Door Configuration: Double
4. Size Application: Retrofit to existing
5. Door Material: Vinyl Clad Pre-finished Steel
6. Glass: Clear
7. Swing of Door: In-swing (Door swings into the house)
8. Jamb Species: Primed
9. Jamb Width: No Less than 4 9/16"
10. Sill Style: Fixed Vinyl Cap Sill
11. Sill Finish: Aluminum
12. Door Color: Door must be WHITE VINYL on the EXTERIOR, NO EXCEPTIONS
13. Door must be purchased at a REPUTABLE DEALER
14. If blinds are between the glass, they must be WHITE
15. If Mullions are used, they must be WHITE in Color and BETWEEN THE GLASS
16. Door MUST be INSTALLED by a qualified installer. The Association and Management Company assume no responsibility for installation or upkeep. Owners

are responsible for any damage to the condominium unit resulting from the removal of the existing door or installation of the new door. In the event that any damage occurs during installation to the exterior of the unit that is not repaired by the installer, repairs will be done through the management company at the homeowner's expense.

APPROVED: SHADOW LAKE BOARD OF DIRECTORS – JULY 24, 2007

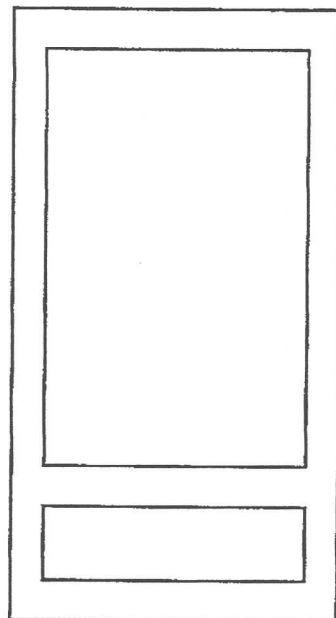
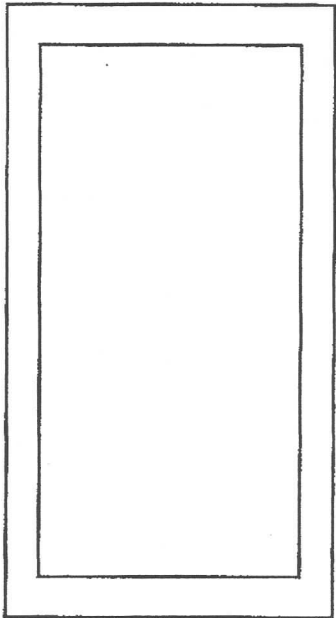
STORM DOOR POLICY

The approved storm door for homes in Shadow Lake is a white, full view style storm door. Please see the drawings below. A full view style storm door has the maximum amount of glass or screen. The surrounding metal border may not exceed 3 1/2" in width. Some full view style doors have a kick panel at the bottom. The kick panel shall not exceed 16 inches in height. The Board will consider variations of the approved style.

AN IMPROVEMENT APPLICATION MUST BE SUBMITTED PRIOR TO ANY EXTERIOR CHANGE.

APPROVED: SHADOW LAKE BOARD OF DIRECTORS – JUNE 2, 2000

Subsequent to approval of the two styles shown below, the Board approved a storm door that allows the upper or lower half of the glass to be raised or lowered for access to the screen. This eliminates the need to remove and replace a full view glass or screen during seasonal changes.



AWNING POLICY

The Association and Management assume no responsibility for the awning installation or upkeep.

Awnings must be kept in excellent condition. All motorized parts must be kept operable at all times. If the Board determines the awning is not kept in excellent condition, the Board may cause the awning to be repaired, replaced or removed at the owner's expense.

Owners are responsible for any damage to the town home unit as the result of the awning being attached to the exterior of the building.

Owners are responsible to remove the awning and to reinstall the awning in the event that maintenance is required on the exterior of the town home.

In the event that any needed damage repairs or maintenance is required to the exterior of the buildings, such maintenance is to be done through the management company at the owner's expense.

CONTRACTOR: Queen City Awnings
 7225 East Kemper Road
 Cincinnati, OH 45249
 Telephone: 513-530-9660
 Contact: Bill Monhollen

STYLE: SunShelter retractable awning by Durasol
AWNING COLOR: Sand Gravatated Stripe/Sunbrella style number 4936
BRAID COLOR: Beige
FRAME: Sand
SCALLOP: WAVE
AWNING MUST BE WIND SENSORED AND MOTORIZED

The approved specifications are for wall-mounts only. All approvals will require the awnings to be professionally installed by Queen City Awning.

An improvement application must be submitted for every resident interested in installing an awning.

APPROVED: SHADOW LAKE BOARD OF DIRECTORS – JULY 9, 2002

SHADOW LAKE HOMEOWNERS ASSOCIATION

REFERENCE MANUAL

DECK POLICY (REVISED SEPTEMBER 2007)

The Shadow Lake Council of Co-Owners (COC) will contract with a professional company to seal the exterior portion of the face boards and posts of all decks in the community. The board will set the schedule for completion of this work. The next contract for this work will start in 2008. The Board will give appropriate directions when work is to commence. Homeowners without decks will not be affected.

Homeowners are responsible for all flat surfaces of decks and other surfaces not treated by the contractor. These surfaces shall be treated according to the directions/specifications contained in this policy. Individual owners are to bear the cost of this maintenance item. Homeowners may treat the flat portions of their deck or may contract with someone independently to complete this portion of the work.

A tinted sealer is to be used to accent the natural wood that covers each deck and to preserve the wood for the first treatment. The same color will be used on all decks to enhance the aesthetic appearance of the community. Subsequent treatments should use clear sealers to maintain the original appearance of the decks.

DECK SPECIFICATIONS

1. Exterior face boards and posts will be treated by the contractor.
2. Flat surfaces are the responsibility of the homeowner.
3. The decks will be cleaned with oxygen bleach, then an application of synthetic resin. As an alternative, power washing of the decks is permitted.
4. Product Specifications: (Available at Porter Paint Stores)
 - Porter Deck Cleaner or equivalent
 - Porter Deck Transparent Wood Stain - #2101 Cedar or equivalent.
 - Porter Clear Wood Stain or equivalent

This policy replaces the Deck Policy contained in the Shadow Lake Reference Manual dated November 16, 2004, and any revisions made since that date.

APPROVED: SHADOW LAKE BOARD OF DIRECTORS – SEPTEMBER 25, 2007

PARKING POLICIES AND PROCEDURES

No owners or tenants shall repair or restore any vehicle of any kind upon the common Area, except for emergency repairs, and then only to the extent necessary to enable movement thereof to a proper repair facility.

Violations subject to one warning before being towed are as follows:

1. Inoperable vehicles:
No inoperable vehicles shall be stored or parked upon the common area. Vehicles without current license plates will be considered abandoned and towed at the owner's expense. Each household may not park more than two (2) vehicles on the common pad. Guests are excluded.
2. Commercial Vehicles.
3. Boats or Campers
4. Trucks other than pick-up trucks or standard vans:
 - Weight must not exceed 6,000 pounds
 - Only standard truck beds permitted
 - No trucks allowed with dual wheels
 - Only standard caps allowed. No campers, modified truck beds, etc.
 - Must be currently licensed and in good operable condition.

APPROVED: SHADOW LAKE BOARD OF DIRECTORS – JUNE 2, 2000

BRASS DOOR KNOCKERS

Owners are permitted to install brass or antique brass door knockers of a size no greater than six inches on the door to the unit. Unit owners are responsible for removing the door knocker and restoring the area on the door where the door knocker was placed to its original condition upon the sale of the unit, if requested by the new owner.

APPROVED: SHADOW LAKE BOARD OF DIRECTORS – SEPTEMBER 5, 2000

OUTSIDE LIGHT FIXTURES

After noting a difference between the handbook and the declaration regarding outside lights, it was noted that the Declaration over rides the handbook. Therefore, the unit owner is responsible for the repair and replacement of all outside lights. Changes to exterior lighting must be approved by the Board through an improvement application.

APPROVED: SHADOW LAKE BOARD OF DIRECTORS – APRIL 26, 2005

GRILLS, CHIMINEAS, AND OPEN FLAME PRODUCING ITEMS

No charcoal grills, chimineas, or any other open flame producing items may be placed on the decks of the buildings. If a resident uses a gas or electric grill on the deck or patio, or a charcoal grill on the patio, it must be a minimum of three feet from the building. All damage caused by any flame-producing device to the common area or to the limited common area is a resident responsibility. Repairs, at the resident cost, must be made within thirty days of the occurrence or the Association may enter to make repairs and charge the homeowner. Repairs are subject to inspection by the Association to assure compliance with the governing standards and regulations. The Association will assume no responsibility for any damage caused by the flame producing items.

APPROVED: SHADOW LAKE BOARD OF DIRECTORS – JULY 21, 2001

DRYER VENT CLEANING

This is a homeowner responsibility and should be cleaned on a routine basis. Lint buildup not only prevents the dryer from performing properly but could cause a fire. The management agent can provide names of vendors who provide this service.

SHADOW LAKE NEWS – JANUARY 24, 2007

**WOODBURNING FIREPLACE CHIMNEY
REPAIR AND MAINTENANCE POLICY
(ESTABLISHED JULY 2006)**

WHEREAS, the Shadow Lake Board of Directors is empowered under the Articles of Incorporations, Articles III and the By-Laws, Article VII, to determine the proper maintenance of Limited Common Areas to promote the health, safety, and welfare of the residents; and

WHEREAS, fireplace chimneys are a Limited Common Element as defined in ARTICLE I, Section 1.01(k) of the Declaration in that they are for the exclusive use of the Owner; and

WHEREAS, wood burning fireplaces are an improvement available for the exclusive use of the individual Unit Owner; and

WHEREAS, it is the obligation of the Unit Owner to maintain and repair at his/her expense all appliances designed for the exclusive use of the Unit Owner; and

WHEREAS, burning wood or other similar combustible products results in the depositing of creosote on the walls of the fireplace flue; and

WHEREAS, a build-up of creosote can result in a chimney fire that could threaten adjoining units; and

WHEREAS, the Board has determined that regular cleaning by a certified and insured Chimney Sweep can help prevent chimney fires;

NOW THEREFORE, BE IT RESOLVED THAT, the Board of Directors of Shadow Lake requires that all Unit Owners with wood burning fireplaces cause to have their chimneys cleaned and inspected annually if the fireplace is used regularly, every two years if the fireplace is used only periodically. Further, that each homeowner with a wood burning fireplace produce, upon demand of the Board, proof of cleaning by way of receipt or cancelled check. If the homeowner cannot show that they have had their chimney cleaned and inspected within the past year, the homeowner will have ten days to have the chimney cleaned by a certified professional and provide proof of service by way of receipt. If the homeowner fails or refuses to have their chimney cleaned, the Board of Directors shall have the power under Article X, Section 9.05 of the Declarations to levy a fine against the unit owner, the amount of which shall be set annually by the Board, until such times as the violation has been corrected.

APPROVED: SHADOW LAKE BOARD OF DIRECTORS – JULY 25, 2006

It was noted in the January 2007 Newsletter that homeowners with wood burning fireplaces must have their fireplace chimney cleaned and provide proof to the management company by 5/1/07. If the fireplace is not used, the chimney must still be **inspected**.

PET POLICY

No animals shall be raised, bred or kept in the Project, except that dogs, cats, or other household pets may be kept in residential Units, provided that (1) they shall not be permitted to run loose and (2) they are not kept, bred, or maintained for any commercial purpose. Any pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Project upon seven (7) days written notice from the Council. Pets permitted as addressed above shall be leashed or restrained during walking or exercise within the Common Area. An Owner shall be responsible for cleaning up after his/her pet.

PURSUANT TO MASTER DEED

NONCOMPLIANCE POLICY (ESTABLISHED JUNE 2007)

The Board of Directors (hereinafter referred to as "Board") is given authority under the By-Laws, Articles VII, Section 7.01, Part A, to "adopt and publish rules and regulations governing the use of the Common Areas, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof." The Master Deed, Declaration of Property, Article IX, Restrictions as to Use and Occupancy, Section 9.05, addresses "Fines." "In addition to any other remedy that it may have, the Council can levy a reasonable fine against a Unit Owner who has violated any Rule or Regulation set out in the Declaration, the By-Laws, or made by the Council. Before the fine can be levied, the Unit Owner must be sent written notice of the nature of the violation and be given thirty (30) days after the date of mailing to cure the violation. If the violation is not cured, the Council may levy a fine against the Unit Owner and against the Unit. The fine may be reported as a lien and is otherwise enforceable as an assessment lien, including by foreclosure and including the collection of reasonable attorneys' fees. Each day of the violation may be considered a separate violation."

Note: Unit owners always have the option of submitting an improvement application to request a variance to the stated rules and regulations. Each request will be evaluated on a case-by-case basis and in the best interest of the community overall.

The following provides the action that will be taken when a Unit Owner fails to comply with the Declaration, By-Laws, Policies, or Rules and Regulations and an improvement application for a variance has not been submitted and approved.

FIRST OFFENSE

- The management company will send an initial violation notice to the Unit Owner via certified mail. The notice will allow 30 days to correct the described violation and advise the Unit Owner that a \$50 fine will be imposed if the violation is not corrected within the 30 day time period.
- If the violation is not corrected within 30 days after initial notification, a second certified letter will be sent to the Unit Owner advising that the violation has not been corrected. The letter will allow an additional 30 days to correct the described violation. If the Unit Owner fails to correct the violation within this second 30 day period, a second \$50 fine will be imposed.
- If the Unit Owner still has not corrected the violation after the second 30 day period has expired, the Board reserves the right to take legal action, as addressed above, against the Unit Owner. This includes considering each subsequent day as a separate violation.

SUBSEQUENT OFFENSE(S) FOR SAME VIOLATION

- The management company will send a certified letter to the unit owner advising that the same violation has occurred again. The letter will give the

Unit Owner 30 days to correct the violation. If the violation is not corrected in 30 days, a \$100 fine will be assessed against the Unit Owner.

- If the Unit Owner still has not corrected the violation after the 30 day period has expired, the Board reserves the right to take legal action, as addressed above, against the Unit Owner. This includes considering each subsequent day as a separate violation.

The Master Deed, Article XIV, Miscellaneous, Section 14.04, Enforcement of Provisions, provides that the Council has the right to enforce imposed liens and charges.

In the event a Unit Owner wishes to appeal the decision, the following procedure must be followed. The Unit Owner must request a hearing by the Board. Such request is to be submitted, in writing, to the management company within 10 days of receipt of the **first** correspondence concerning the violation. Pending a final decision on a timely request for review, and while the rule violation is under review, no further penalties will accrue.

The management company will then schedule a hearing at the earliest mutually agreeable date and time (not to exceed 30 days from receipt of the request for a hearing). Following the hearing, the Board will review the pertinent facts and arrive at a final ruling. Within 10 days of the hearing, this ruling will then be submitted, in writing, to the person who requested the hearing. In the event these guidelines are unclear or ambiguous, the Declaration, Articles of Incorporation, By-Laws, and/or any applicable ordinances shall be controlling.

APPROVED: SHADOW LAKE BOARD OF DIRECTORS – JUNE 26, 2007

COLLECTION POLICY

Policy and procedure for collection accounts, which are past due, or for a returned check.

1. Monthly assessment is due and payable on the 1st of each month.
2. A late notice will be mailed to any condominium owner whose payment has not been received by the 15th of the month; at that time, a \$25 late fee will be added to the account.
3. A 10 day demand letter will be sent to the condominium owner who is 30 days past due from the 1st of the month. If the delinquency is not paid at this time, an additional \$50 will be added to the account beginning at the 1st of the second month delinquent and each additional month thereafter the account is delinquent.
4. If the account is not paid up by the 10th of the 2nd month, a lien may be filed at this time and a notice sent to the mortgage company with no further notice. The condominium owner will be responsible for all legal lien fees, court costs, attorney fees, and all other collection expenses associated with the debt.
5. Seventy five (75) days past the original due date the Association, through its Board of Directors, will request the Association's attorney to enforce foreclosure action as provided in the Shadow Lake Master Deed.
6. At any time during the first 60 days, the condominium owner may make arrangements with the management company of the property to set up a payment plan to get current. This plan is subject to the approval of the Board of Directors. If this plan is not maintained for any reason, the original procedures will go into effect as if it were the 75th day of delinquency and foreclosure procedures will be enforced.
7. Returned checks: In the event the bank returns the condominium owner's check for any reason, the owner will be charged the bank fees at cost plus an additional \$25 processing fee. The owner, not the Association, will be responsible for these charges.

THIS PROCEDURE WILL GO INTO EFFECT STARTING 9/1/05.

APPROVED: SHADOW LAKE BOARD OF DIRECTORS – JUNE 28, 2005

**IMPROVEMENT APPLICATION
SHADOW LAKE**

WHEN DO YOU FILE AN IMPROVEMENT APPLICATION?

An application form must be submitted for any modification or improvement to the exterior of your building or grounds. If in doubt about your particular project, contact the management company. Please send the completed application to the management company.

WHAT IS THE OBJECT OF THE FORM?

The object of requiring a homeowner to file an Improvement Application with the Board is two-fold:

1. To insure that your planned improvement conforms to the Association's Declaration, enhances the beauty of the Community, maintains the architectural harmony of the Community and in no way inconveniences your fellow homeowners.
2. To enable the Association to determine what information and assistance it can give in order to expedite completion of your planned improvement.

Name: _____ Address: _____ Unit # _____

Date: _____ Phone Number: _____

Owner: Yes No Renter: Yes No Land Contract: Yes No

Type and Nature of Requested Improvement: _____

Color: _____ Location: _____

Dimensions: _____ Location: _____

Supplies: _____ Approximate Cost: _____

A SCALE drawing of all improvements must be submitted and attached to the application to show the exact location and dimensions.

I understand the rules concerning the proposed improvement. This improvement in no way encroaches on a neighbor's limited common area or common ground. I agree to abide by the rules established by the Association and will be solely liable for any upkeep required by the construction of this improvement.

I further agree to obtain all licenses and/or building permits and to meet all legal requirements for building codes.

Date: _____ Signature: _____

Date Received: _____ Received By: _____

Date Approved: _____ Date Disapproved: _____ Letter Sent: _____

Special Details or provisions for approval:

POOL RULES

NO LIFEGUARD IS ON DUTY. RESIDENTS AND THEIR GUESTS SWIM AT THEIR OWN RISK.

1. The pool hours are 9:00 a.m. to 10:00 p.m. and is open daily.
2. Children are the sole responsibility of their parents, guardian or babysitter, who **MUST** be present with children in the pool area.
3. Resident children under the age of 17 **MUST** be accompanied by a parent, guardian or babysitter.
4. No glass containers are allowed in the pool area. All beverages must be in a paper or plastic container.
5. No pets or animals of any kind are permitted in or around the pool area.
6. Balls, plastic toys, air mattresses, etc., will be permitted as long as they do not interfere with other swimmers.
7. All guests **MUST** be accompanied by an adult member. There is a limit of four (4) guests per household.
8. Pool furniture may not be removed from the deck area.
9. The pool may not be reserved for individual private parties.
10. Proper swim attire must be worn at all times. (NO cut-off jeans please). Infants must be diapered and wearing rubber pants while in the pool.
11. **NO DIVING WILL BE PERMITTED.**
12. Radios must be played at a minimum level so as not to disturb others.
13. The gate is to be closed, secure and locked at all times. If a homeowner should lose a key, there may be a \$25.00 replacement charge per key, per occurrence.

IN CASE OF EMERGENCY CALL 911 AND THEN THE MANAGEMENT COMPANY.

APPROVED: SHADOW LAKE BOARD OF DIRECTORS – JUNE 2, 2000

NOTE: Pool users may be asked to produce a photo ID showing their Shadow Lake address as proof of residency. This is to ensure the pool remains safe and available to all residents.

GUIDELINES FOR REMOVAL OF SNOW AND TREATMENT OF ICE

The first priority for snow removal will be driveways and unit entrance walkways; then the parking pads, where accessible. Driveways, unit entrance walkways, and parking pads will be cleared of snow only after three (3) inches or more of snow has fallen, it has stopped snowing, and the temperature is forecasted to remain below 32 degrees for the next 24 hours. Large snows may require multiple removals. The snow removal contractor, the management company, and the Shadow Lake Snow Captain will be in constant contact to determine when snow removal and/or treatment with de-icer are warranted. They will look at the safest method for the homeowners while also trying to take the most cost efficient approach.

We have requested that the snow removal contractor have a crew in all sections of the community. Since it is the smallest area, as soon as they finish Misty Cove Way, that crew will move to Shadow Ridge to provide additional help there. Please do not ask the snow removal contractor's employees for special services when you see them in the community. The contractor is instructed to remain on a planned removal schedule. Individual requests hamper the overall snow removal plans and contribute to escalated costs to all homeowners.

When there is an ice storm, the snow removal contractor, the management company, and the Shadow Lake Snow Captain will determine the appropriate action to take. Typically, with an ice storm, the contractor will apply ice retardants to treat the driveways, unit entrance walkways, and parking pads once the event has stopped provided the temperature is forecasted to remain below 32 degrees for the next 24 hours. (We recommend that homeowners stock their own ice retardants to cover those in-between times.)

The Clubhouse will be given a normal snow removal to the end of the first parking section; however, no special treatments will be given to the Clubhouse. If the Clubhouse is rented, the renter will be responsible for any additional services that they would like. They may choose to cancel their reservation under these conditions and their deposit will be refunded. It is not cost effective to provide special services for a Clubhouse rental.

Remember, the City of Cold Spring takes care of the main and side streets in our community. The community sidewalks will not be treated during a snow or ice event.

Please note: These are "guidelines" only. Our primary concern is safety of our homeowners. The Shadow Lake Snow Captain will be in constant contact with the snow removal contractor and the management company to determine the best action to take based on each individual snow or ice event.

This Guideline replaces the Snow Removal Guidelines dated February 26, 2006, on page 40 of the Shadow Lake Reference Manual and any revisions made since that date.

APPROVED: SHADOW LAKE BOARD OF DIRECTORS – MARCH 25, 2008