

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR PROVIDENCE MEADOWS SUBDIVISION

THIS DECLARATION, made this 4th day of November, 1999, by Providence Meadows, LLC., hereinafter sometimes referred to as the "Declarant."

WITNESSETH:

WHEREAS, the Declarant is the owner of the real Property described in Exhibit "A" hereof and desires to create a residential community consisting of single family residences with easement areas for detention pond, entranceways and landscaping for the benefit of said community; and

WHEREAS, the Declarant desires to provide for the preservation of the values and amenities in said community and for the maintenance of the detention pond, entranceways and landscaping around said entranceways; and to this end, desires to subject the real property described in Exhibit "A" hereof to the covenants, conditions, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said Property and the subsequent Owners thereof; and

WHEREAS, the Declarant has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an Association to which should be delegated and assigned the powers and duties of maintaining and administering the storm water retention pond, entranceways and landscaping around such entranceways and administering and enforcing the within covenants and restrictions and disbursing the charges and assessments hereinafter created; and

WHEREAS, the Declarant has or will form the "Providence Meadows Homeowners Association, Inc.," as a non-profit Ohio corporation for the purpose of carrying out the powers and duties aforesaid;

NOW, THEREFORE, the Declarant hereby declares that all of the Properties described in Exhibit "A" and such other property as may be subjected to the provisions hereof pursuant to Article 2, shall be held, sold and conveyed subject to the covenants, conditions, restrictions, easements, charges and liens set forth in this Declaration, and any subdivision plat which includes the Property, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title, or interest in the described Properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

199900088156
Filed for Record in
BUTLER COUNTY, OHIO
JOYCE B THALL
On 11-29-1999 At 02:32:32 pm.
DECLARATION 74.00
OR Book 6428 Page 1350 - 1366

TRANSFER NOT NECESSARY
KAY ROGERS
BY MB 11/2/99 DEPT.
AUDITOR, BUTLER CO., OHIO

Date 11/4/99
H.O.A. \$128.00

ARTICLE 1DEFINITIONS

1.1 Definitions. The following words when used in this Declaration shall have the following meanings:

- 1.1.1 "Articles" and "Articles of Incorporation" shall mean those Articles, filed or to be filed with the Secretary of Ohio, incorporating Providence Meadows Homeowners Association, Inc., as a corporation not for profit under the provisions of Chapter 1702 of the Revised Code of Ohio, as the same may be amended from time to time.
- 1.1.2 "Association" shall mean and refer to the Providence Meadows Homeowners Association, Inc., and its successors and assigns.
- 1.1.3 "Board" and "Board of Trustees" shall mean the Board of Trustees of the Association as provided in the Articles of Incorporation and By-Laws of the Association.
- 1.1.4 "Declarant" shall mean and refer to Providence Meadows, LLC, and its successors and assigns.
- 1.1.5 "Developer" shall mean and refer to Providence Meadows, LLC., and his successors and assigns if such successors or assigns should acquire one or more developed Lots from the Declarant for the purpose of resale to an Owner or for the purpose of constructing improvements thereon for resale to an Owner. Any assignee described herein shall be a "Developer" for purposes of this Declaration only as to the Lot or Lots which such assignee has acquired for the purpose of resale or for the purpose of constructing improvements thereon for resale to an Owner.
- 1.1.6 "Development Period" shall mean the period commencing on the date on which this Declaration is recorded and terminating on the earlier of (a) the day ten (10) years after such date, or (b) the day next following the day on which the Developer or Declarant owns no part of the Property.
- 1.1.7 "Living Unit" shall mean and refer to any structure designated and intended for use and occupancy as a residence by a single family.
- 1.1.8 "Lot" shall mean and refer to any plat of land shown upon any recorded subdivision plat of the Property.
- 1.1.9 "Member" shall mean any one of those Owners who are members of the Association as provided in Article 4 hereof.
- 1.1.10 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including

contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

1.1.11 "Property" and "Properties" shall mean and refer to that certain real property hereinafter described, and such additions thereto as may hereafter be annexed.

1.1.12 "Trustee" and "Trustees" shall mean that person or those persons serving, at the time pertinent, as a Trustee or Trustees of the Association, and mean that same person or those persons serving in the capacity of a member of the Board of Trustees of the Association.

ARTICLE 2

PROPERTY DEVELOPMENT - ANNEXATION

2.1 Property Subject to Declaration. The real property which is, and shall be held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied and improved subject to this Declaration is located in the Township of Liberty County of Butler, State of Ohio, and is more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof.

2.2 Annexation of Additional Property. For a period of fifteen (15) years from and after the date this Declaration is filed for record, additional property, not limited to the Property described in Exhibit "B", may be annexed to the above-described Property by the Declarant without the assent of the Members of the Association, if any. Thereafter, such additional property may be annexed only with the consent of fifty-one (51%) percent of each class of Members of the Association. Any additional Property so annexed, however, must be adjacent to or in the immediate vicinity of the above-described Property. The scheme of the within Covenants and Restrictions shall not, however, be extended to include any such additional property unless and until the same is annexed to the real property described on Exhibit "A" as hereinafter provided.

Any annexations made pursuant to this Article, or otherwise shall be made by recording a supplement to this Declaration with the Recorder of Butler County, Ohio, which supplementary declaration shall extend the scheme of the within covenants and restrictions to such annexed property. Such supplementary Declaration may contain such additional covenants, conditions, restrictions, easements, charges and liens, as the Declarant shall deem appropriate for the purpose of completing the development of the property.

ARTICLE 3

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

3.1 Members. Every Lot Owner shall be a Member of the Association, and such membership shall be appurtenant to and may not be separated from ownership of any Lot. During the Development Period, the Association shall have Class A Members (being all Owners except Developer) and a Class B Member (Developer). After the Class A Members are entitled to elect all of the Board, the Class B membership shall

terminate and Developer, if it is then an Owner, shall become a Class A Member and continue as such so long as it shall remain an Owner.

3.2 Voting Members.

- 3.2.1 With the exception of a Developer until Class B membership has lapsed and becomes a nullity, every person, group of persons or entity who is an Owner of a fee interest in any Lot which is or becomes subject by covenants of record to assessment by the Association shall be a Class A Member of the Association. Class A Members shall be entitled to one vote per each Lot in which they hold the interest required for membership.
- 3.2.2 Class B Members shall be the Developer which shall be entitled to five votes for each Lot in which any Developer holds the interest otherwise required for Class A membership multiplied by the number of living units located or proposed by the Declarant to be located on such Lot, provided, however, that each Class B membership shall terminate after the Class A Members are entitled to elect all of the Board.
- 3.2.3 At such time as Class B membership shall terminate, any Developer which, for any Lot, holds an interest therein otherwise required for Class A membership, shall be deemed a Class A Member with reference to such Lot or Lots and entitled to the voting and all other rights of such Class A Member. If more than one person, group of persons, or entity is the record Owner of a fee interest in any Lot, then the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

ARTICLE 4

ASSESSMENTS

4.1 Covenant for Assessments. The Declarant for each Lot owned by it (and as hereinafter limited by the provisions of this Declaration) and each person, group of persons, or entity who becomes an Owner of a Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance shall be deemed to covenant and agree to pay to the Association an Annual Assessments to be fixed, established and collected from time to time as hereinafter provided. All assessments, together with interest thereon as hereafter provided and costs of collection thereof (including court costs and reasonable attorney's fees) as hereinafter provided shall be a charge on the land and shall be a continuing lien upon the property and Lot against which such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as herein provided, shall also be the personal obligation of the person, group of persons, or entity who was the Owner of such property and Lot at the time when the assessment fell due.

4.2 Annual Assessment, Initial Amount. The annual assessment shall be levied for the purpose of maintaining, repairing and replacing the detention pond, entranceway sign and related landscaping. Until January 1, 2001, the Maximum Annual Assessment for each Class A membership shall not exceed One Hundred Dollars (\$100.00) per Living Unit.

The assessment may be billed in advance on a monthly, quarterly or annual basis. It shall be the duty of the Board of Trustees of the Association to periodically fix the amount of the assessment against each Lot for such assessment period and the Board of Trustees shall make reasonable efforts to fix the amount of the assessment against each Lot for each assessment period at least thirty (30) days in advance of such date or period and shall, at the time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association and shall be opened to inspection by any Owner upon reasonable notice to the Board.

Written notice of the assessment shall thereupon be sent to the Owner of any Lot subject thereto. Annual Assessments subsequent to the first Annual Assessment shall become a lien on January 1 of each year. No notice of lien other than this Declaration need be recorded to establish the validity of any such lien, and this Declaration shall stand as notice thereof.

4.3 Assessment of Declarant and Developer. Any provision of this Declaration or of the Articles of Incorporation or By-Laws of the Association notwithstanding, the Developer and/or Declarant, while there exists a Class B Member, shall be required to pay an assessment for any recorded, unsettled Lot in which it has the interest otherwise required for Class A membership only in an amount equal to twenty-five (25%) percent of the Annual Assessments. The provisions of this Section 4.3 shall not apply to the assessment of any Living Unit held by a Developer for rental purposes that is or has been occupied as a Living Unit; in which event the Developer shall be required to pay the full amount of the assessments levied thereon.

4.4 Assessment Certificates. The Association shall, upon demand, at any reasonable time, furnish to the Owner liable for assessment a certificate in writing signed by an officer or other authorized agent of the Association, setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid. A reasonable charge may be levied in advance by the Association for each certificate so delivered.

4.5 Non-Payment of Assessment. Any assessment levied pursuant to these covenants which is not paid on the date when due shall be delinquent and shall, together with such interest thereon and cost of collection thereof, as hereinafter provided, thereupon become a continuing lien upon the property which shall bind such Lot in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them with the consent of the Association.

If the assessment is not paid within fifteen (15) days after the due date, the assessment shall bear interest at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property, in either of which events interest, costs and reasonable attorney's fees shall be added to the amount of each assessment. No Owner shall waive or otherwise escape liability for the assessments herein provided for by abandonment of his Lot or Living Unit.

In addition to the ten percent (10%) per annum interest provided above, the Board of Trustees in its discretion, may establish a reasonable late charge to be paid in the event of any assessment that is not paid within fifteen (15) days after due date, provided that such late charge shall not exceed a sum equal to ten (10%) percent of the amount of the assessment which is delinquent by fifteen (15) days.

4.6 Subordination of Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien.

However, any first mortgagee who obtains title to a Lot pursuant to the remedies in the mortgage or through foreclosure shall not be liable for more than six (6) months of the Lot's unpaid assessments or charges accrued before the acquisition of title to the Lot by the mortgagee.

ARTICLE 5

USE RESTRICTIONS

5.1 Prohibited Uses and Nuisances. Except for activities of the Developer during the Development Period, the following provisions shall apply to all Living Units and Lots:

- 5.1.1 Harmful Discharges. There shall be no emissions of dust, sweepings, dirt, cinders, odors, gases or other substances into the atmosphere (other than normal residential chimney emissions) no production, storage or discharge of hazardous wastes on the Property or discharges of liquid, solid wastes or other harmful matter into the ground or any body of water, if such emission, production, storage or discharge may adversely affect the use or intended use of any portion of the Property or may adversely affect the health, safety or comfort of any person. No waste nor any substance or materials of any kind shall be discharged into any public sewer serving the Property or any part thereof in violation of any regulation of any public body having jurisdiction over such public sewer.
- 5.1.2 Compliance with Laws. No improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof relating to any portion of the Property shall be complied with, by and at the sole expense of the Owner.
- 5.1.3 Noise. No person shall cause any unreasonable loud noise (except for security devices) anywhere on the Property, nor shall any person permit or engage in any activity, practice or behavior for the purpose of causing annoyance, discomfort or disturbance to any person lawfully present on any portion of the Property.
- 5.1.4 No Trade or Business. No trade or business of any kind may be conducted in or from any Lot or living unit except that an Owner or occupant of a Lot or Living Unit may conduct such business activity within the Lot or Living Unit so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from the exterior of the Lot or Living Unit; (b) the business activity conforms to all zoning requirements for the Property; (c) the business activity does not involve persons coming onto the Lot who do not reside in the Property; and (d) the business activity is consistent with the residential character of the Property.
The terms "business" and "trade" as used in this provision shall be construed to have their ordinary generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the

provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether (i) such activity is engaged in full-time or part-time; (ii) such activity is intended to or does generate profit; (iii) a license is required thereof.

- 5.1.5 Signs. No signs, billboards, or advertisements of any kind shall be displayed on or about any Lot to public view except for signs advertising the Property for sale or rent. During the construction and sales period, signs used by the Developer, builders, or realtors to advertise the Property shall be uniform in style, and must be approved by the Developer. Political signs will be permitted to be put up no sooner than 30 days before an election and must be removed within seven days after the election.
- 5.1.6 Trash. Except in connection with construction activities, no burning of any trash and no accumulation or storage of litter, refuse, bulk materials, building materials or trash of any other kind shall be permitted on any Lot. Trash containers shall not be permitted to remain in public view except on days of trash collection. No incinerator shall be kept or maintained upon any Lot.
- 5.1.7 Parking; Vehicle Repairs. No trailers, campers, mobile homes, motor homes, buses, or trucks exceeding a 3/4 ton rating shall be permitted to be regularly parked upon any Lot or on the street in front of any Lot or parked in excess of forty-eight (48) hours except that any of such vehicles may be stored or parked in an enclosed garage. It is further provided that any vehicles being used for the purpose of construction or repair work upon any Lot or residence shall be permitted to park on or in front of a Lot for a reasonable period of time necessary for such purpose. No recreational vehicle, boat, or travel trailer shall be parked or stored on any Lot, unless the same is in an enclosure or garage and completely out of view.
- 5.1.8 Animals. The maintenance, keeping, boarding or raising of animals, livestock, poultry or reptiles of any kind, regardless of number, is prohibited on any Lot, except that the keeping of guide animals and orderly domestic pets (e.g., dogs, cats or caged birds) is permitted. Such pets are not to be kept or maintained for commercial purposes or for breeding. All animals must be kept within the Lot boundary and not allowed to run unattended. There will be no outdoor kennels, dog houses or dog runs permitted.
- 5.1.9 Open Fire. Open burning is not permitted on the Property, except that outdoor fireplaces, grills, and chimneys may be used if equipped with fire screens to prevent the discharge of embers or ashes.
- 5.1.10 Lighting. No exterior lighting shall be directed outside the boundaries of a Lot.
- 5.1.11 Street Cleaning. Builders of each residence and the Owners of the Lots in this subdivision shall be responsible for the cleaning and removal of mud or debris on the streets caused during the construction of such residence and may be billed by the Association for the cost of such cleaning and removal.

5.1.12 Other Structures. No structure, planting or other material other than driveways, or sidewalks shall be placed or permitted to remain upon any Lot which may damage or interfere with any easement for the installation or maintenance of utilities, or which may change, obstruct or retard direction or flow of any drainage channels.

5.1.13 Mailboxes. Mailbox design and location shall be identical and shall be installed by Declarants upon notification that the home is complete. Any mailbox damaged will be repaired or replaced as necessary by and at the expense of the individual Lot owner with the same style of mailbox as originally installed.

5.2 Residential Use. All of the Living Units shall be used for private residential purposes exclusively except that a Developer may use Living Units as models and as offices in connection with the marketing or sale of Lots or Living Units in Providence Meadows.

5.3 Right of Association to Remove or Correct Violations of this Article. The Association may, in the interest or the general welfare of all of the Owners, enter upon any Lot or the exterior of any dwelling at reasonable hours on any day except Sunday for the purpose of removing or correcting any violation or breach of any attempted violation of any of the covenants and restrictions contained in this Article, or for the purpose of abating anything herein defined as a prohibited use or nuisance, provided however, that no such action shall be taken without a resolution of the Board of Trustees of the Association in obtaining access to any Lot or Property covered under this Section and any charges incurred by the Association in correcting the violation hereunder, (including court costs and reasonable attorney's fees) shall constitute a charge against the subject Property and a personal obligation of the Owner thereof, and the Association shall have a lien upon the Property and Lot for such expenses, and including costs of collection of said lien amount, which lien shall be subordinate to first mortgages as provided in Section 4.6.

5.4 Developer's Reservation of Entry Rights. The Declarant for itself and any Developer reserves the right for a period of five (5) years after the sale of a Lot by the Declarant or Developer to an Owner to enter upon the Lot for purposes of correcting grade and drainage patterns for the benefit of the entire Properties, provided that the Lot shall be restored with any pavement, grass or sod which shall have been removed.

5.5 Declarant's and Association's Right to Grant Easements. As long as there exists Class B membership, the Declarant, and thereafter the Association is authorized without consent of the Members to grant across, through or under any Lot and any utility easement, including a Television Cable easement, deemed by the granting party to be necessary or convenient in the development or enjoyment of the Properties, provided no easement shall be granted across, through or under any Living Unit or building which restricts ingress or egress to such Living Unit or building.

5.6 Support Easement: for Other Buildings. Declarant hereby reserves the right and easement for itself, and its successors and assigns, to use the Property for and to install thereon such structures as Declarant may deem necessary or desirable to support that portion of other buildings and structures that are not part of the Property, but may be constructed as part of the Project and also the right to enter upon the Property as Declarant may deem necessary or desirable to construct, maintain or repair such buildings and structures and the support structures for the same. However, any utilization of the foregoing rights and easements reserved shall not damage the Property, and, if any damage occurs to the Property as a result of such utilization, the Property shall

be restored to the condition which existed immediately prior to said utilization at the sole expense of the person or persons making such utilization.

5.7 Arbitration. In the event of any dispute between Owners regarding the application of these restrictions or any rule or regulation, the party aggrieved shall submit a complaint in writing to the Board specifying the dispute. The Board shall set a time and place for a hearing thereon within thirty (30) days thereafter, and give written notice to each party thereof not less than five days in advance of such hearing. The Board, after hearing such evidence and arguments, as it deems proper, shall render a written decision on the matter to each party within thirty (30) days after such hearing. No legal action may be instituted by either party on such a dispute unless the arbitration provided for herein has occurred, or unless both parties have waived the requirement for arbitration.

ARTICLE 6

ARCHITECTURAL RESTRICTIONS

6.1 The following architectural restrictions shall be applicable to the Property:

6.1.1 Dwelling Type. No building shall be erected, altered, placed or be permitted to remain on any Lot other than one single-family dwelling not to exceed two stories in height. Such dwelling shall include a private garage for not less than two nor more than four cars, which shall be attached to, the Living Unit.

6.1.2 Dwelling Floor Area. The floor area of the Living Unit exclusive of porches, decks, basements and garage shall be no less than 2100 square feet for a ranch type dwelling with a basement, and 2600 square feet for a 2-story dwelling. Contemporary designs having a lesser floor area than the above stated, however, may be approved if said design shall have volume comparable to the above stated. Any other design may be approved if submitted as herein provided. No structure shall be constructed, erected, placed or permitted to remain upon any Lot unless the plans and specifications for such structure and location of the structure on the Lot are approved in accordance with this Section 6.1.2. Review of the construction of the original dwellings and related construction shall be by the Declarant or his designee and all other review shall be by the Board of Trustees of the Association or by an architectural committee composed of three (3) members appointed by the Board. Such plans and specifications shall be reviewed as to harmony of external design and location in relation to surrounding structures and topography in accordance with the requirements hereinafter set forth. In the event that the Declarant, the Board or its designated committee fails to approve or disapprove said plans and specifications within thirty (30) days after submission, approval will not be required and full compliance with this Article shall be deemed to have occurred. Plans and specifications shall be in such form and contain such detailed information as Declarant may reasonably require. In all cases, plans and specifications shall include a site plan showing the locations of all proposed and existing structures on the Lot, exterior elevations for the proposed building, specifications of materials, color schemes and other details affecting the exterior appearance of the proposed building.

Architectural Committee

- 6.1.3 Construction Materials. No Living Units shall be constructed of concrete block, cinder block or other similar materials unless the entire exterior of the Living Unit is covered with brick. No underground Living Units shall be permitted.
- 6.1.4 Siding Materials. All sheeting materials used, as siding shall require written consent.
- 6.1.5 Conformance to Code. All dwellings shall be built in such a manner so to comply with the zoning laws, health regulations, and building, plumbing and electrical codes of the Township of Liberty and/or Butler County, State of Ohio.
- 6.1.6 Living Unit Placement and Yard Grading. Living Units shall conform to existing grade and drainage patterns. Each Lot owner and/or builder shall endeavor to retain as much of the natural woods as is practical.
- 6.1.7 Radio and Television Antennas. Satellite dishes are permitted as long as they do not exceed 18' in diameter and shall be located in rear yards only. Radio or television antennas of any kind shall not exceed the highest point of the roof and shall be placed out of the view of other residences, as nearly as practicable.
- 6.1.8 Air Conditioning and Heat Pump Equipment. Such equipment shall be located only in side or rear yards.
- 6.1.9 Awnings. No metal or plastic awnings for windows, doors or patios may be erected or used.
- 6.1.10 Exterior Carpeting. No exterior carpeting shall be allowed if it is visible from the street or any neighboring Lot.
- 6.1.11 Other Structures. No above ground swimming pools shall be permitted on any Lot. No structure of a temporary character, trailer, shack, barn, storage sheds or other outbuildings, shall be permitted on any Lot.
- 6.1.12 Fences. No fence shall be erected or placed on any Lot in front of the set back line. Split rail (with wire mesh pet guard) in rear yard only will be permitted without approval. No other type of fence shall be installed without the prior written approval of Providence Meadows, LLC.
- 6.1.13 Completion. Construction of a Living Unit, established lawn, including shrubs and mulching in conformity with the neighborhood or such as Providence Meadows, LLC., shall require on any Lot shall be completed within one (1) year from the date construction is started. If construction is not started within one-year from the date of Lot purchase, the Lot shall be graded, seeded and the sidewalk shall be installed within one-year of Lot purchase.

- 6.1.14 Storm Water. Storm water must be disposed of in accordance with drainage plans on file with the Butler County Engineer. All drainage patterns on above said plans must be conformer to and all drainage swales shall be maintained and may not be filled.

ARTICLE 7

FEDERAL HOME LOAN MORTGAGE CORPORATION PROVISIONS

7.1 The following provisions are included herein for the benefit of the holders of first mortgages on any Lot within that portion of Providence Meadows which is subject to the provisions of this Declaration, in order to permit compliance with the requirements of Federal Home Loan Mortgage Corporation (FHLMC) as a condition to the purchase of loans on Living Units. The covenants and provisions hereinafter set forth shall run in favor only of the first mortgage holders, and the provisions hereinafter set forth may be altered, amended, revised or rescinded by actions of the Board of Trustees of the Association, without approval of the Members of the Association, but only without such approval to the extent that such alteration, amendment, revision or rescission is necessary to comply with the requirements of FHLMC.

7.2 It is provided as follows:

- 7.2.1 Unless at least two-thirds (66-2/3%) of the first mortgagees (based upon one vote for each first mortgage owned) or Owners (other than the Declarant or Developer) of the individual units in Providence Meadows have given their prior written approval, the Association shall not be entitled to:
- (a) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the common Property owned, directly or indirectly, by such homeowners association for the benefit of the units in Providence Meadows (the granting of easements for public utilities or for other public purposes consistent with the intended use of such common Property by the Association shall not be deemed a transfer within the meaning of this clause);
 - (b) change the method of determining the obligations, assessments, dues or other charges which may be levied against a unit owner;
 - (c) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of units, the exterior maintenance of units, the maintenance of units, the maintenance of the common property party walks or common fences and driveways, or the upkeep of lawns and plantings in Providence Meadows;
 - (d) fail to maintain fire and extended coverage on insurable Providence Meadows common property on a current replacement cost basis in an amount not less

than one hundred percent (100%) of the insurable value (based on current replacement cost);

(e) use hazard insurance proceeds for losses to any common property for other than the repair, replacement or reconstruction of such common property.

7.2.2 First mortgagees of units may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any common property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such common property and first mortgagees making such payments shall be owed immediate reimbursement therefor from the homeowners association. All first mortgagees of units in Providence Meadows shall be entitled to such reimbursement.

7.2.3 No Unit Owner, or any other party, has priority over any rights of any first mortgagee of a unit pursuant to its mortgage in the case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for losses to or taking of common property.

7.2.4 A first mortgagee, upon request, is entitled to written notification from the homeowners association of any default in the performance by the individual unit Borrower of any obligation under the constituent documents which is not cured within sixty (60) days.

ARTICLE 8

SURFACE WATER MANAGEMENT

8.1 Surface Water Management System. The Association shall maintain the private drainage easements as shown on the plat and structures or improvements thereon or on the Common Area in accordance with the regulations and guidelines set forth by the Butler County Engineer. The Association shall have primary responsibility for the maintenance of any pipes, concrete gutters or mechanical devices. By acceptance of such responsibility, the Association shall not be liable for any damage caused by surface water, erosion, landslide or other similar causes, unless such damage was proximately caused by the failure to exercise ordinary care in carrying out its duties and responsibilities. Each Owner shall have primary responsibility for grass-cutting and vegetation control within the easements located on his or her Lot. Such responsibility shall include keeping these easements clean and unobstructed.

8.2 Access to Lots. For the purpose solely of performing of performing the maintenance required or authorized herein, the Association for surface water management, through its duly authorized or employees, or subcontractors, shall have the right, after reasonable notice to the Owner, to enter upon the Lot at reasonable hours on any day.

ARTICLE 9

MISCELLANEOUS

9.1 Duration. Except where permanent or perpetual easements or other permanent rights or interest are herein created the terms and provisions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association or by any of the Lot Owners, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date of recordation of this Declaration, after which the Declaration shall be automatically extended for successive periods of ten (10) years in perpetuity, unless a recorded instrument signed by the then Owners of two-thirds (2/3) of the Lots have been recorded, agreeing to terminate the Declaration.

9.2 Amendment. The Declaration may be amended, from time to time as follows:

9.2.1 By Declarant: The Declarant reserves the right and power, and each Lot Owner by acceptance of a deed to a Lot is deemed to consent to and does with an interest, which shall run with the title to the Lot, and is irrevocable except by Declarant for a period of five (5) years from the date hereof, to amend this Declaration to the extent necessary to conform to any requirements imposed or requested by any governmental agency, public authority or financial institution, (including the U.S. Department of Housing and Urban Development, the U.S. Veteran's Administration, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or similar agency), without the approval of the Lots Owners, or to the extent necessary to enable Declarant or any other Developer to meet any other reasonable need or requirement in order to complete the development of the Property and to facilitate the making and marketing of first mortgages upon any of the Lots. Any amendment must be recorded and shall take effect only upon recording.

9.2.2 By Lot Owners. Except as otherwise provided in this Declaration, this Declaration may be amended at any time by an instrument executed by persons or entities enabled to exercise seventy-five percent (75%) of the voting power of both classes of the Association; provided, however, that Declarant's rights hereunder may not be amended or altered without Declarant's prior written consent. Any amendment must be recorded and shall take effect only upon recording.

9.3 Personal Liability. Nothing in this Declaration, the Articles or the regulations of the Association, or any rules or regulations enacted pursuant to any of the aforesaid, shall impose personal liability upon any Member of the Board of Trustees or any officer of the Association acting in his capacity as such, for the maintenance, repair or replacement of any Living Unit or give rise to a cause of action against any of them except for damages resulting from their own willful omissions or misconduct and each person who becomes an Owner or Member hereby releases and discharges all liability for injury or damages to such Member or Owner or to such Member's or Owner's property and covenants not to initiate any legal proceedings against any such person or persons unless such said person is covered by insurance and in such event the amount of recovery shall be limited in the amount of insurance.

9.4 Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, by first class mail, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

9.5 Enforcement. Except as provided in Article 6, enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenants or restrictions, either to restrain or to enjoin violation or to recover damages, and against the land to enforce any lien created by these covenants; and the failure or forbearance by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

9.6 Severability. Invalidation of any one of these covenants or restrictions by judgment, decree or order shall in no way effect any other provision hereof, each of which shall remain in full force and effect.

9.7 Conflicts. In the case of any conflict between this Declaration and either the Articles of Incorporation or the By-Laws of the Association, the Declaration shall control.

9.8 Condemnation. In the event any Lot or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or are otherwise sought to be acquired by a condemning authority, the net proceeds of any award or settlement shall be the property of the Lot Owner and the holder of the first mortgage, to the extent of their respective interests. Each Lot Owner shall give the holder of a first mortgage on the Owner's Lot timely written notice of such proceeding or proposed acquisition.

9.9 Professional Management Contracts. The Association may delegate all or any portion of its authority to discharge its responsibilities herein to a manager or managing agent. Any management agreement shall not exceed three (3) years and shall provide for termination by either party without cause or without payment of a termination fee on ninety (90) days or less written notice.

9.10 Non-Liability of Declarant or Developer. Neither Declarant nor Developer or their representatives, successors or assigns shall be liable for any claim whatsoever arising out of or by reason of any actions performed pursuant to any authorities granted or delegated to them by or pursuant to this Declaration or the By-Laws, whether or not such claims shall be asserted by an Owner, Occupant, the Association, or by any person or entity claiming through any of them; or shall be on account of injury to person or damage to or loss of property wherever located and however caused. Without limiting the generality of the foregoing, the foregoing enumeration includes all claims for, or arising by reason of, the Property or any part thereof becoming out of repair or by reason of any act or neglect of any Owner, Occupant, the Association and their representative agents, employees, guests and invitees or by reason of any neighboring property or personal property located on or about the Property, or by reason of the failure to furnish or disrepair of any utility services (heat, air conditioning, electricity, gas, water, sewage, etc.), except as provided by any written warranty provided by the Developer to an Owner or the Association.

9.11 Gender and Grammar. The singular, whenever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or other forms of business organizations, or individuals, men or women, shall in all cases be assumed as though in such case fully expressed.

IN WITNESS WHEREOF, the said Providence Meadows, LLC., has hereunto set its signature on the day and year first written above.

Signed and acknowledged
in the presence of:

Providence Meadows, LLC.

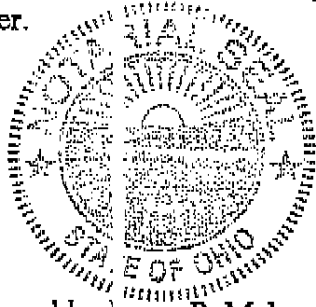
Shirley F. H. Board
Printed Name: SHIRLEY F. H. BOARD

By: Donald L. Dixon
Donald L. Dixon, Managing Member

Sheila A. Seiter
Printed Name: Sheila A. Seiter

STATE OF OHIO :
: SS:
COUNTY OF Butler :

The foregoing instrument was acknowledged before me this 4th day of November 1999, by Donald L. Dixon, Managing Member.



Valerie N. Schriock
Notary Public
1814 commission expires 01.22.0

This instrument was prepared by James P. Maloney II, Esq.

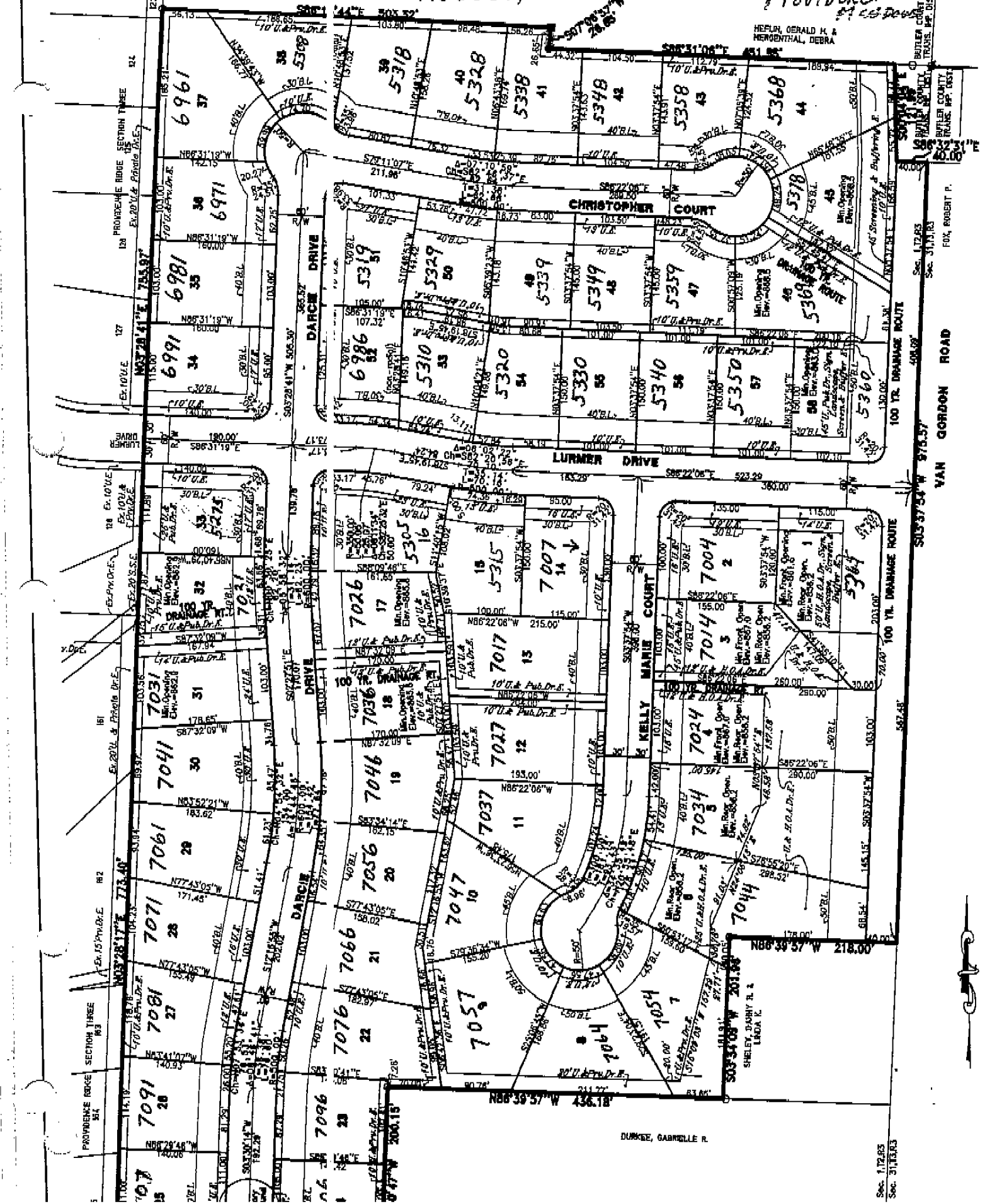
Exhibit A

Situated in Section 1, Town 2, Range 3, Liberty Township, Butler County, Ohio, and being more particularly described as Entire Lots one through fifty-eight, inclusive, as the same are known and designated on the recorded plat of Providence Meadows, recorded at Plat Book 3094, Pages A-B of the Butler County, Ohio records.

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Exhibit B

[Legal description for any additional property in Providence Meadows which will share in the cost of Entranceway and Landscaping Maintenance]



MEHLIN, GERALD K. & HERSCHELTAL, DEBRA
 BUTLER COUNTY REGISTERED PROFESSIONAL SURVEYOR
 No. 12,483
 No. 31,743

FROM 10:59AM 02-06-07
 Sec. 1, 12, 63
 Sec. 31, 74, 83

VAN GORDON ROAD
 FOX, ROBERT P.
 No. 12,483
 No. 31,743

100 YL DRAINAGE ROUTE
 100 YL DRAINAGE ROUTE

SHELEY, JERRY R. & LINDA L.
 No. 12,483
 No. 31,743

DUNN, GABRIELLE R.
 No. 12,483
 No. 31,743

K KELLY MARIE COURT
 No. 12,483
 No. 31,743

100 YL DRAINAGE ROUTE
 100 YL DRAINAGE ROUTE

CHRISTOPHER COURT
 No. 12,483
 No. 31,743

DARCIE DRIVE
 No. 12,483
 No. 31,743

BY-LAWS OF
PROVIDENCE MEADOWS HOME OWNERS ASSOCIATION

ARTICLE I

NAME AND PURPOSE

The name of this Association shall be Providence Meadows Home Owners Association, and its sole purpose shall be to act as a home owners association for Providence Meadows Subdivision in accordance with the Declaration of Covenants, Conditions and Restrictions and Reservation of Easements (the "Declaration") for the subject property.

ARTICLE II

MEMBERSHIP

Section 1: Each Lot Owner shall be a Member of Providence Meadows Home Owners Association as provided in Article IV of the Declaration.

ARTICLE III

VOTERS

Section 1: The number of votes for each Member is calculated as provided in Section 2 of Article IV of the Declaration.

Section 2: This voting power can be exercised in person or by proxy by the Owner, or Owners, of a Lot, his or her heirs, assigns or personal representative. All proxies shall be in writing and filed with the Secretary of the Association. Every proxy shall be revocable and shall automatically cease upon the conveyance by the Lot Owner of his Lot.

ARTICLE IV

MEETINGS

Section 1: ANNUAL MEETING. There shall be an annual meeting of the Members held in Butler County, Ohio, within the first calendar quarter of each year at a date and time and at a place from time to time designated by the Board.

Section 2: ELECTION OF TRUSTEES. At the annual meeting the Members shall elect the Board of Trustees as provided in these By-Laws and the Declaration.

Section 3: ITEMS FOR DISCUSSION. At the annual meeting any matters concerning the welfare of Providence Meadows Subdivision may be discussed and referred to the Board for proper attention.

Section 4: REPORTS. At the annual meeting, the President, Secretary and Treasurer shall submit reports for the year just ending, which reports shall be read to the Members.

Section 5: SPECIAL MEETINGS. Special meetings may be called by the Board or by the President, or by Members constituting at least twenty percent (20%) of the voting power of each class of membership by written notice mailed to each Member at least five (5) days before the time and date for such meeting is shown in such notice. Notice of such meeting may be waived in writing.

Section 6: PRESIDING OFFICER. Annual and Special Meetings shall be presided over and conducted by the President, or in his absence, the Secretary or Treasurer, in that order.

Section 7: NOTICE. Except as otherwise provided in the Declaration, written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing or delivering a copy of such notice to each Member entitled to vote thereat, at least seven (7) days in advance of such meeting, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the time and place of the meeting, and in the case of a Special Meeting, the purpose of the meeting.

Section 8: QUORUM. To constitute a quorum at the annual or any Special Meeting at least twenty percent (20%) of the voting power of each class of membership (in person or by proxy) must be present at such meeting.

Section 9: VOTING POWER. Except as otherwise provided in the Declaration, or by law, the vote of a majority of the Members voting on any matter that may be determined by the Members at a duly called and noticed meeting at which a quorum is present shall be sufficient to determine that matter.

Section 10: ORDER OF BUSINESS. The order of business at all meetings of Members shall be as follows:

- a. Calling of meeting to order;
- b. Roll call; determination of whether there is a quorum;
- c. Proof of notice of meeting or waiver of notice;
- d. Reading of minutes of preceding meeting;
- e. Reports of officers;

- f. Reports of committees;
- g. Election of Trustees (when appropriate);
- h. Unfinished and/or old business;
- i. New business;
- j. Adjournment.

Section 11: WRITTEN CONSENT. Any action that could be taken by Members at a meeting may be taken without a meeting by the written consent of the Members having not less than fifty-one percent (51%) of the voting power of each class of membership unless the approval of a greater number of Members is required by the Declaration, or other Ohio Law to take the action being taken.

Section 12: SUSPENSION OF VOTING PRIVILEGES. No Member shall be eligible to vote or to be elected to the Board of Trustees who is shown on the books of the Association to be more than sixty (60) days delinquent in the payment of any assessment due the Association.

ARTICLE V

BOARD OF TRUSTEES AND OFFICERS

Section 1: BOARD OF TRUSTEES. Until the first annual meeting, the initial Board shall consist of three (3) Trustees appointed by the Class B Member who shall serve until their respective successors are appointed and qualified. Declarant appointed Trustees need not be Members of the Association.

Except as otherwise hereafter provided and except for the period during which the Declarant shall control the Board, Trustees shall be elected for three (3) year terms of office and shall serve until their respective successors are elected and qualified.

At the annual meeting in 2003, or at such sooner time as determined by the Board, the Board of Trustees shall expand from three (3) to five (5). At such meeting, the Class B Member shall appoint three (3) Trustees for a one (1) year term. At such meeting, the Class A Members shall elect two (2) Trustees. One of the Trustees shall be elected for a three (3) year term and one of the Trustees shall be elected for a two (2) year terms.

At the annual meeting in 2004, or at such sooner time as determined by the Board, the Board of Trustees shall expand from five (5) to seven (7). At such meeting, the Class B Member shall appoint four (4) Trustees for a three (3) year term and the Class A Members shall elect one (1) Trustee for a three (3) year term. Thereafter, at each tri-annual meeting, the Class B Member, until such time as the Declarant shall transfer control of the Board to the Class A Members, shall appoint

four (4) Trustees for a three (3) year term. At the expiration of the terms of the Trustees elected by the Class A Members, until such time as the Declarant shall transfer control of the Board to the Class A Members, the Class A Members shall, at the annual meeting, elect successor Trustees for a three (3) year term. All elected Trustees (but not appointed Trustees), and their successors, shall be owners or residents in Providence Meadows Subdivision.

The Declarant shall transfer control of the Board to the Class A Members at the first annual meeting after the earlier of the following events: (i) the expiration of the Development Period, or (ii) the Class B member voluntarily resigns in writing its Class B membership rights. At this meeting, all Declarant appointed Trustees shall be deemed removed from office, and the Class A Members, including the Declarant if it is then an Owner, shall elect a Trustee to fill each vacancy on the Board. The terms of said elected Trustees shall be from one (1) to three (3) years, as determined by the Board, so that in any one (1) year thereafter, the terms of no more than three (3) nor less than two (2) Trustees shall expire. Additionally, after this meeting, all Trustees, and their successors, shall be elected by Class A Members and shall be elected for a three (3) year term.

Notwithstanding anything above to the contrary, the Class B Member may, by written notice to the Board, at or before any annual meeting, relinquish to the Class A Members, the Class B Members' right to elect one or more Trustees at such annual meeting pursuant to this section.

Section 2: REMOVAL. Excepting only Trustees named in the Articles or selected by the Declarant, any Trustee may be removed from the Board with or without cause, by a majority vote of the Members. In the event of the death, resignation, or removal of a Trustee other than the one named in the Articles or a substitute selected by the Declarant, that Trustee's successors shall be selected by the remaining members of the Board and shall serve the unexpired term of such deceased, resigned, or removed Trustee. Declarant shall have the sole right to remove, with or without cause, any Trustee designated in the Articles, or a substitute selected by Declarant, and select the successor of any Trustee so selected who dies, resigns, is removed or leaves office for any reason before the election of Trustees by all of the Members as provided in the Declaration.

Section 3: NOMINATIONS. Nominations for the election of Trustees to be elected by the Members shall be made by a nominating committee. Nominations may also be made from the floor at the meeting. The nominating committee shall consist of a chairman, who shall be a member of the Board, and two (2) or more Members appointed by the Board. The nominating committee shall make as many nominations for elections to the Board as it shall, in its discretion, determine, but no less than the number of vacancies that are to be filled.

Section 4: ELECTIONS. Election to the Board by the Members shall be by secret written ballot. At such elections, the Members or their proxies may cast, in respect to each vacancy, such voting power as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

Section 5: COMPENSATION. Unless otherwise determined by the Members at a meeting duly called and noticed for such purpose, no Trustee shall receive compensation for any service

rendered to the Association as a Trustee. However, any Trustee may be reimbursed for his or her actual out of pocket expenses incurred in the performance of his or her duty.

Section 6: REGULAR MEETINGS. Regular meetings of the Board shall be held at no less than quarterly, without notice, on such date and at such place and hour as may be fixed from time to time by resolution of the Board.

Section 7: SPECIAL MEETINGS. Special meetings of the Board shall be held when called by the President of the Board, or by any two (2) Trustees, after no less than three (3) days notice to each Trustee.

Section 8: QUORUM. The presence at any duly called and noticed meeting, in person, of Trustees entitled to cast a majority of the voting power of the Trustees, shall constitute a quorum for such meeting.

Section 9: VOTING POWER. Except as otherwise provided in the Declaration, or by law, the vote of a majority of the Trustees voting on any matter that may be determined by the Board at a duly called and noticed meeting at which a quorum is present shall be sufficient to determine that matter.

Section 10: ACTIONS IN WRITING WITHOUT MEETING. Any action that could be taken by the Board at a meeting may be taken without a meeting with the affirmative vote or approval, in a writing or writings, of all of the Trustees.

Section 11: POWERS. The Board shall exercise all powers and authority, under law, and under the provisions of the Declaration, that are not specifically and exclusively reserved to the Members by law or by other provisions thereof, and without limiting the generality of the foregoing, the Board shall have the right, power and authority to:

- a. Take all actions deemed necessary or desirable to comply with all requirements of law, and the Declaration;
- b. Obtain insurance coverage not less than that required pursuant to the Declaration;
- c. Enforce the covenants, conditions and restrictions set forth in the Declaration;
- d. Repair, maintain, and improve the Common Areas and Limited Common Areas;
- e. Establish, enforce, levy and collect assessments as provided in the Declaration;

- f. Adopt and publish rules and regulations, subject to the provisions of Article VI, governing the use of the Common Areas and the Limited Common Areas if any, and the personal conduct of the Members, occupants and their guests thereon, and establish penalties for the infraction thereof;
- g. Suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association (such rights may also be suspended after notice and a hearing, for a period not to exceed sixty (60) days for each infraction of published rules and regulations or of any provisions of the Declaration);
- h. Declare the office of a member of the Board to be vacant in the event that such Trustee shall be absent from three (3) consecutive regular meetings of the Board;
- i. Authorize the Officers to enter into one or more management agreements in order to facilitate the efficient operation of the Property; (it shall be the primary purpose of such management agreements to provide for administration, management, repair and maintenance as provided in the Declaration, and the receipt and disbursement of funds as may be authorized by the Board - the terms of any management agreement shall be as determined by the Board to be in the best interests of the Association, subject, in all respects, to the provisions of the Declaration); and
- j. Do all things and take all actions permitted to be taken by the Association by law, or the Declaration not specifically reserved thereby to others.

Section 12: DUTIES. It shall be the duty of the Board to:

- a. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at each annual meeting of the Members, or any special meeting when such statement is requested in writing by Members representing thirty percent (30%) of each class of Members who are entitled to vote;
- b. Supervise all Officers, agents and employees of the Association and see that their duties are properly performed;
- c. As more fully provided in the Declaration, to:
 - (i) Fix the amount of assessments against each Lot;
 - (ii) Give written notice of each assessment to every Member subject thereto within the time limits set forth therein; and

- (iii) Foreclose a lien against any property for which assessments are not paid within a reasonable time after they are authorized by the Declaration to do so, or bring an action at law against the Member(s) personally obligated to pay the same, or both;
- d. Issue, or to cause an appropriate representative to issue, at a reasonable charge, upon demand by any person, a certificate setting forth whether or not any assessment has been paid;
- e. Procure and maintain insurance as provided in the Declaration, and as the Board deems advisable;
- f. Cause all Officers or employees handling Association funds to be bonded;
- g. Cause the property subject to the Association's jurisdiction to be maintained within the scope of authority provided in the Declaration;
- h. Cause the restrictions created by the Declaration to be enforced; and
- i. Take all other actions required to comply with all requirements of law and the Declaration.

Section 13: ENUMERATION OF OFFICERS. The Officers of this Association shall be a President, Secretary, Treasurer and such other Officers as the Board may from time to time determine. The officers shall be Owners, residents in the subdivision or representatives of the Declarant or the Declarant and the same person may hold more than one office except the office of President and Secretary.

Section 14: SELECTION AND TERM. Except as otherwise specifically provided in the Declaration or by law, the Officers of the Association shall be selected by the Board, from time to time, to serve until the Board selects their successors.

Section 15: 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.

Section 16: 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 the acceptance of such resignation shall not be necessary to make it effective.

Section 17: DUTIES. The duties of the Officers shall be as the Board may from time to time determine. Unless the Board otherwise determines, the duties of the Officers shall be as follows:

- a. President. The President shall preside at all meetings of the Board, shall have the authority to see that orders and resolutions of the Board are carried out, and shall sign all legal instruments on behalf of the Association.
- b. Secretary. The Secretary shall record the votes and keep the minutes and proceedings of meetings of the Board and of the Members, serve notice of meetings of the Board and of the Members, keep appropriate current records showing the names of Members of the Association together with their addresses and shall act in the place instead of the President in the event of the President's absence or refusal to act.
- c. Treasurer. The Treasurer shall assume responsibility for the receipt of and deposit in appropriate bank accounts all monies of the Association, the disbursement of such funds as directed by resolution of the Board, the keeping of proper books of account, the preparation of an annual budget and statement of income and expenditures to be presented to the Members at annual meetings, and the delivery or mailing of a copy of each to each of the Members.

ARTICLE VI

ADMINISTRATIVE RULES AND REGULATIONS

Section 1: The Board may adopt administrative rules and regulations governing the operation and use of the Property not in conflict with the Declaration or these By-Laws.

ARTICLE VII

NOTICES AND DEMANDS

Section 1: Any notice by the Board or by the Officers to a Member shall be deemed to be duly given, and any demand upon him shall be deemed by him to have been duly made, if delivered in writing to him personally, or if mailed by first class mail, postage prepaid, addressed to him at the Lot address and any notice by a Member to the Association shall be deemed to be duly given and any demand upon the Association shall be deemed to have been duly made, if in writing and delivered to an Officer of the Association.

ARTICLE VIII

AMENDMENT

Section 1: These By-Laws may be amended from time to time at an annual or special meeting of the Association in accordance with the provisions set forth in the Declaration for amendment thereto.

ARTICLE IX

AUDIT

Section 1: The Board may cause the preparation of an audited financial statement of the Association for the previous accounting year and shall furnish such statement to those requesting it, provided that no such statement needs to be furnished earlier than one hundred eighty (180) days following the end of such accounting year.

ARTICLE X

INDEMNIFICATION OF TRUSTEES AND OFFICERS

Section 1: A Trustee or an Officer shall not be liable to the Members for any mistake of judgment, or negligent act except there shall be liability for a Trustee's or Officer's individual willful misconduct or bad faith. The Association shall indemnify Trustees and Officers, their heirs, executors and administrators, against all losses, costs and expenses, including attorney's fees, reasonably incurred by any such person in connection with any action, suit or proceeding to which such person may be made a party by reason of being or having been or being a representative of a Trustee or Officer, except as to matters as to which the Trustee or Officer shall be finally adjudged in this action, suit or proceeding to be liable for willful misconduct or bad faith. The Board may purchase insurance in the amount it deems appropriate to provide this indemnification, and the cost of this insurance shall be an expense of the Association. In the event of any settlement, indemnification shall be provided only in connection with those matters covered by the settlement as to which the Association is advised by counsel that the Trustee or Officer has not been guilty of willful misconduct or bad faith as a Trustee or Officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which a Trustee or Officer may be entitled. All liability, loss, damage, cost and expenses incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provision shall be treated by the Association as an expense of the Association. Nothing in this section shall be deemed to obligate the Association to indemnify any Member, who is or has been a Trustee or Officer, with respect to any duties or obligations assumed or liabilities incurred by the Member as a Member rather than as a Trustee or Officer.

ARTICLE XI

MISCELLANEOUS

Section 1: 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, and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

Section 2: FISCAL YEAR. The fiscal year shall begin on the first day of January of every year, except that the first fiscal year of the Association shall begin at the date of incorporation. The commencement date of the fiscal year herein established shall be subject to change by the Board of Trustees should corporate practice subsequently dictate.

Section 3: CONFLICT. In the case of any conflict between the Articles and these By-Laws, the Articles shall control; and in the case of conflict between the Declaration and these By-Laws, the Declaration shall control.

Section 4: RULES AND REGULATIONS. As provided in Article VI hereof, the Board may adopt such reasonable rules and regulations and from time to time amend the same supplementing the rules and regulations set forth in the Declaration and these By-Laws as it may deem advisable for the maintenance, conservation and beautification of the Property, and for the health, comfort, safety and general welfare of the Owners and occupants of the Property. Written notice of such rules and regulations shall be given to all Members and occupants and the Property shall at all times be maintained subject to such rules and regulations. In the event such supplemental rules and regulations shall conflict with any provisions of the Declaration or of these By-Laws, the provisions of the Declaration and of these By-Laws shall govern.

Section 5: NO ACTIVE BUSINESS TO BE CONDUCTED FOR PROFIT. Nothing herein contained shall be construed to give the Association authority to conduct an active business for profit on behalf of all the Members or any of them.

Section 6: DEFINITIONS. All terms used herein shall have the same meaning as set forth in the Declaration.

Section 7: DELEGATION OF DUTIES. Nothing herein contained shall be construed so as to preclude the Association from delegating to persons, firms or corporations of its choice, including any manager or managing agent, such duties and responsibilities of the Association as the Board shall from time to time specify, and to provide for reasonable compensation for the performance of such duties and responsibilities.