

437378
ARTICLES OF INCORPORATION

OF

THE CLEAR FORK HILLS, SECTION THREE ASSOCIATION, INC.

The undersigned, desiring to form a non-profit corporation under the Non-Profit Corporation Law of Ohio, do hereby certify:

ARTICLE I

The name of the corporation shall be THE CLEAR FORK HILLS, SECTION THREE ASSOCIATION, INC.

ARTICLE II

The place in this state where the principal office of the corporation is to be located is the Village of Lexington, Richland County.

ARTICLE III

The purpose or purposes for which said corporation is formed are:

- (a) To promote the health, safety, and welfare of the residents within Clear Fork Hills, Section Three, Block A, of the Village of Lexington, County of Richland and State of Ohio, as shown by the Plat Records of Richland County, Ohio, and such additions thereto as may hereafter be brought within the jurisdiction of this corporation, hereinafter referred to as "The Properties", and for this purpose, to:
- (1) own, acquire, build, operate, and maintain recreation parks, playgrounds, swimming pools, golf courses, commons, streets, footways, including buildings, structures, personal properties incident thereto, hereinafter referred to as "the common properties and facilities";
 - (2) maintain unkempt lands or trees;

Post-it brand fax transmittal memo 7671	11	Pages	11
From	John M. Brown	To	John M. Brown
Co.	Clear Fork Hills, Section Three Association, Inc.	Co.	Clear Fork Hills, Section Three Association, Inc.
Phone #		Phone #	
Fax #		Fax #	

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- (3) fix assessments (or charges) to be levied against The Properties;
 - (4) enforce any and all covenants, restrictions and agreements applicable to The Properties;
 - (5) pay taxes, if any, on the common properties and facilities; and,
 - (6) insofar as permitted by law, to do any other thing that, in the option of the Board of Directors, will promote the common benefit and enjoyment of the residents of The Properties.
- (b) To purchase or otherwise acquire, lease as lessee, invest in, hold, use, lease as lessor, encumber, sell, exchange, transfer and dispose of property of any description, or any interest therein, by authority and action of its Board of Trustees;
 - (c) To borrow money and issue, sell and pledge its notes, bonds and other evidences of indebtedness, and to secure any of its obligations by mortgage, pledge or deed of trust of all or any of its property by authority and action of its Board of Trustees.

ARTICLE IV

The names and addresses of the persons who are to be the initial Trustees of the corporation are as follows:

<u>Name</u>	<u>Address</u>
<u>John L. Morley</u>	<u>Gass Road, Lexington, Ohio 44504</u>
<u>Richard R. McCleary</u>	<u>445 Yorkshire Road, Lexington, Ohio 44</u>
<u>F. L. Bemiller</u>	<u>800 South Home Road, Mansfield, Ohio</u>

ARTICLE V

Every person or entity who is a record owner of a fee or undivided fee, interest in any lot (or Living Unit) which is subject by covenants of

record to assessment by the Association shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

ARTICLE VI

The Association shall have two classes of voting membership:

CLASS A. Class A members shall be all those owners as defined in Article V with the exception of the Developer. Class A members shall be entitled to one vote for each Lot (or Living Unit) in which they hold the interests required for membership by Article V. When more than one person holds such interest or interests in any Lot (or Living Unit) all such persons shall be members, and the vote for such Lot (or Living Unit) shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot (or Living Unit).

CLASS B. Class B members shall be the Developer. The Class B member shall be entitled to three votes for each Lot now or hereafter owned by the Developer and made subject to these restrictions and three votes per acre of unplatted land within the General Development Plan for Clear Fork Hills, Section III, in which it holds the interest required for membership by Article V (and for every Living Unit in any Multifamily Structure owned by it until such Unit is first sold or leased), provided that the Class B membership shall cease and become converted to Class A Membership on the happening of any of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on June 1, 1983.

From and after the happening of these events, whichever occurs earlier, the Class B member shall be deemed to be a Class A member entitled to one vote for each Lot (or Living Unit) in which it holds the interests required for membership under Article V.

ARTICLE VII

The affairs of the corporation shall be managed by a board of not less than three (3) nor more than nine (9) Trustees who need not be members of the Association.

ARTICLE VIII

Additions to The Properties described in Article III may be made only in accordance with the provisions of the recorded covenants and restrictions applicable to said properties. Such additions, when properly made under the applicable covenants, shall extend the jurisdiction, functions, duties, and membership of this corporation to such properties. Where the applicable covenants require that certain additions be approved by this corporation, such approval must have the assent of two-thirds of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

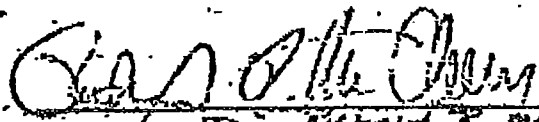
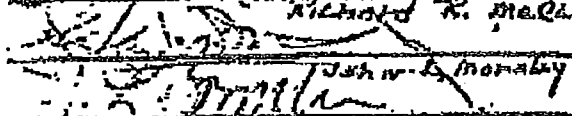
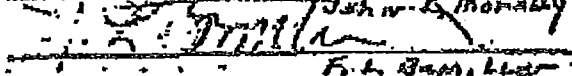
ARTICLE IX

Upon dissolution of the corporation, the assets, both real and personal of the corporation, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the corporation. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the corporation. No such disposition of Association properties shall be effective to divest or diminish any right or title of any member vested in him under the recorded covenants and deeds applicable to The Properties unless made in accordance with the provisions of such covenants and deeds.

ARTICLE X

These Articles may be amended in accordance with the law, provided that the voting and quorum requirements specified for any action under any provision of these Articles shall apply also to any amendment of such provision, and provided further that no amendment shall be effective to impair or dilute any rights of members that are governed by the recorded covenants and restrictions applicable to The Properties (as, for example, membership and voting rights) which are part of the property interests created thereby.

IN WITNESS WHEREOF, we have hereunto subscribed our names, this
10th day of May, 1973.


Richard R. McQuarry

John W. Monahan

R. L. Bannister

Volume 690, Page 520
~~4 D. Volume 789, Page 280~~

FOR SUPPLEMENTARY DECLARATION OF COVENANTS AND RESTRICTIONS (CLEAR FORK HILLS, SECTION THREE, BLOCK B, SEE DEED VOLUME 782, Pages 501 thru 505.

Section Three, Block D, See Deed Volume 841 pg. 52.

Section Three, Block E, See Deed Vol. 854 pg. 1-5A

TRANSFER NOT NECESSARY
NORMAN L. WOLFE, County Auditor.

N.C. 6/20/73 *by*

DECLARATION OF COVENANTS AND RESTRICTIONS

66002 . CLEAR FORK HILLS

SECTION THREE - BLOCK A

THIS DECLARATION, made this 14th day of JUNE, 1973,
by HIGHLAND GARDEN HOMES, INC., hereinafter called Developer.

WITNESSETH:

WHEREAS, Developer is the owner of the real property described in Article II of this declaration and desires to create thereon a residential community with permanent parks, playgrounds, open spaces, and other common facilities for the benefit of the said community; and

WHEREAS, Developer desires to provide for the preservation of the values and amenities in said community and for the maintenance of said parks, playgrounds, open spaces and other common facilities; and, to this end, desires to subject the real property described in Article II together with such additions as may hereafter be made thereto (as provided in Article II) to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an agency to which should be delegated and assigned the powers of maintaining and administering the community properties and facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer has incorporated under the laws of the State of Ohio, as a non-profit corporation, THE CLEAR FORK HILLS, SECTION THREE ASSOCIATION, INC. for the purpose of exercising the functions aforesaid;

NOW THEREFORE, the Developer declares that the real property described in Article II, known as Clear Fork Hills, Section Three, Block A, and such additions thereto as may hereafter be made pursuant to Article II hereof to complete the General Plan for Clear Fork Hills, Section Three, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I

DEFINITIONS

Section 1. The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Association" shall mean and refer to The Clear Fork Hills, Section Three Association, Inc.

(b) "The Properties" shall mean and refer to all such existing properties, and additions thereto in the further development of Clear Fork Hills, Section Three, as are subject to this Declaration or any Supplemental Declaration under the provisions of Article II, hereof.

(c) "Common Properties" shall mean and refer to those areas of land shown on any recorded subdivision plat of The Properties and intended to be devoted to the common use and enjoyment of the owners of The Properties in Clear Fork Hills, Section Three and its staged development.

(d) "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of The Properties with the exception of Common Properties as heretofore defined.

(e) "Living Unit" shall mean and refer to any portion of a building situated upon The Properties designed and intended for use and occupancy as a residence by a single family.

(f) "Multifamily Structure" shall mean and refer to any building containing two or more Living Units under one roof except when each such living unit is situated upon its own individual Lot.

(g) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Living Unit situated upon The Properties but, notwithstanding any application theory of the mortgage, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

(h) "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article III, Section 1, hereof.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION: ADDITIONS THERETO

Section 1. Existing Property. The real property which is, and shall be, held, transferred, sold, conveyed, and occupied subject to this Declaration is located in Lexington, Ohio, and is more particularly described as follows:

Situated in the Village of Lexington, County of Richland, and State of Ohio, and being a part of the Southwest Quarter of Section 14, Township 20, Range 19, and further described as follows:

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Commencing on the south line of Section 14, at the southwest corner of Clearfork Hills, Section 2, Block D, as shown at Volume 19, page 140 of Plate; thence North $08^{\circ} 07'$ West, with the south line of Section 14, a distance of 460.47 feet; thence North $1^{\circ} 53'$ East, a distance of 299.07 feet; thence North $88^{\circ} 10'$ East, a distance of 28.76 feet; thence North $1^{\circ} 50'$ West, a distance of 130.00 feet; thence North $0^{\circ} 33' 16''$ West, a distance of 50.01 feet; thence North $1^{\circ} 50'$ West, a distance of 130.00 feet; thence North $88^{\circ} 10'$ East, a distance of 105.00 feet; thence North $33^{\circ} 40'$ East, a distance of 140.00 feet; thence North $83^{\circ} 24' 40''$ East, a distance of 670.93 feet; thence North $70^{\circ} 11' 30''$ East, a distance of 168.25 feet; thence Southeasterly, along a $22^{\circ} 12' 40''$ curve to the right, for a distance of 30.06 feet; thence North $70^{\circ} 11' 30''$ East, a distance of 130.00 feet; thence South $19^{\circ} 48' 36''$ East, a distance of 121.62 feet; thence Southeasterly, along a $14^{\circ} 21' 01''$ curve to the right, for a distance of 124.38 feet to the centerline of the creek; thence in a general Southwesterly direction, along the centerline of the creek, to the point of beginning, containing 17.13 acres of land, more or less,

all of which real property shall hereinafter be referred to as "Existing Property."

Section 2. Additions to Existing Property. Additional lands in the further development of Clear Fork Hills, Section Three, may become subject to this Declaration in the following manner:

(a) Additions in Accordance with a General Plan of Development. The Developer, its heirs and assigns, shall have the right to bring within the scheme of this Declaration additional properties in future stages of the development, provided that such additions are in accord with a General Plan of Development prepared prior to the sale of any Lot and made known to every purchaser (which may be done by brochure delivered to each purchaser) prior to such sale.

Such General Plan of Development shall show the proposed additions to the Existing Property and contain: (1) a general indication of area and location of additional development stages and proposed land uses in each; (2) the approximate area and location of common properties proposed for each stage; (3) the general nature of proposed common properties and improvements; (4) a statement that the proposed additions, if made, will

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become subject to assessment for their just share of Association expenses; and (5) a schedule for termination of the Developer's right under the provisions of this sub-section to bring additional development stages within the scheme. Unless otherwise stated therein, such General Plan shall not bind the Developer, its heirs and assigns, to make the proposed additions or to adhere to the Plan in any subsequent development of the land shown thereon and the General Plan shall contain a conspicuous statement to this effect.

80-1 The additions authorized under this and the succeeding subsection, shall be made by filing of record a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the scheme of the covenants and restrictions of this Declaration to such property.

Such Supplementary Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration. In no event, however, shall such Supplementary Declaration revoke, modify or add to the covenants established by this Declaration within the Existing Property.

(b) Other Additions. Upon approval in writing of the Association pursuant to a vote of its members as provided in its Articles of Incorporation, the owner of any property who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Association, may file of record a Supplementary Declaration of Covenants and Restrictions, as described in sub-section (a) hereof.

(c) Mergers. Upon a merger or consolidation of the Association with another association as provided in its Articles of Incorporation, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Existing Property together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration within the Existing Property except as hereinafter provided.

ARTICLE XII

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee, interest in any Lot (or Living Unit) which

is subject by covenants of record to assessment by the Association shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

Section 2. Voting Rights. The Association shall have two classes of voting membership:

CLASS A. Class A members shall be all those owners as defined in Section 1 with the exception of the Developer. Class A members shall be entitled to one vote for each Lot (or Living Unit) in which they hold the interests required for membership by Section 1. When more than one person holds such interest or interests in any Lot (or Living Unit) all such persons shall be members, and the vote for such Lot (or Living Unit) shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot (or Living Unit).

CLASS B. Class B members shall be the Developer. The Class B member shall be entitled to three votes for each Lot now or hereafter owned by the Developer and made subject to these restrictions and three votes per acre of unplatted land within the General Development Plan for Clear Fork Hills, Section III, in which it holds the interest required for membership by Article V (and for every Living Unit in any Multifamily Structure owned by it until such Unit is first sold or leased), provided that the Class B membership shall cease and become converted to Class A Membership on the happening of any of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on June 1, 1983.

From and after the happening of these events, whichever occurs earlier, the Class B member shall be deemed to be a Class A member entitled to one vote for each Lot (or Living Unit) in which it holds the interests required for membership under Section 1.

Section 3. The Articles of Incorporation, and Bylaws, of the Association may contain any provisions, not in conflict with these Covenants and Restrictions, as are permitted to be set forth in such Article and Bylaws by the Non-Profit Corporation Law of the State of Ohio in effect from time to time.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON PROPERTIES

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Section 1. Members' Easements of Enjoyment. Subject to the provisions of Section 3, every Member shall have a right (for himself, his immediate household, and guests) and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot (or Living Unit).

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Section 2. Title to Common Properties. The Developer may retain the legal title to the Common Properties until such time as it has completed improvements thereon and until such time as, in the opinion of the Developer, the Association is able to maintain the same but, notwithstanding any provision herein, the Developer hereby covenants, for itself, its heirs and assigns, that it shall convey the Common Properties to the Association not later than June 1, 1983.

Section 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) the right of the Developer and of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Properties and in aid thereof to mortgage said properties. In the event of a default upon any such mortgage the lender shall have a right, after taking possession of such properties, to charge admission and other fees as a condition to continued enjoyment by the members and, if necessary, to open the enjoyment of such properties to a wider public until the mortgage debt is satisfied whereupon the possession of such properties shall be returned to the Association and all rights of the Members hereunder shall be fully restored; and

(b) the right of the Association to take such steps as are reasonably necessary to protect the above-described properties against foreclosure; and

(c) the right of the Association, as provided in its Articles and Bylaws, to suspend the enjoyment rights of any Member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations; and

(d) the right of the Association to charge reasonable admission and other fees for the use of the Common Properties; and

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(e) the right of the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer, determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by Members entitled to cast two-thirds (2/3) of the votes of each class of membership has been recorded, agreeing to such dedication, transfer, purpose or condition, and unless written notice of the proposed agreement and action thereunder is sent to every Member at least ninety (90) days in advance of any action taken.

(f) the right of additional properties and subsequent Members resulting therefrom to use the Common Properties, all in accordance with these Covenants and Restrictions.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Developer for each Lot (and Living Unit) owned by him within The Properties hereby covenants and each Owner of any Lot (or Living Unit) by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; (2) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in The Properties and in particular for the improvement and maintenance of properties, services, and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties and of the homes situated upon The Properties, including, but not limited to, the payment of taxes and insurance thereon and repair, replacement, and additions thereto, and for the cost of labor, equipment, materials, management, and supervision thereof.

Section 3. Basis and Maximum of Annual Assessments. Until the year beginning January, 1974, the annual assessment shall be two ~~(\$1.00) per lot~~ dollars per lot (or Living Unit). From and after January 1, 1974, the annual assessment may be increased by vote of the Members, as hereinafter provided, for the next succeeding three years and at the end of each such period of three years for each succeeding period of three years.

The Board of Directors of the Association may, after consideration of current maintenance costs and future needs of the Association, fix the actual assessment for any year at a lesser amount.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized by Section 3 hereof, the Association may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least ten (10) days in advance and shall set forth the purpose of the meeting.

Section 5. Change in Basis and Maximum of Annual Assessments. Subject to the limitations of Section 3 hereof, and for the periods therein specified, the Association may change the maximum and basis of the assessments fixed by Section 3 hereof prospectively for any such period provided that any such change shall have the assent of two-thirds of the votes of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting, provided further that the limitations of Section 3 hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation and under Article 'II, Section 2 hereof'.

Section 6. Quorum for Any Action Authorized Under Sections 4 and 5. The quorum required for any action authorized by Sections 4 and 5 hereof shall be as follows:

At the first meeting called, as provided in Sections 4 and 5 hereof, the presence at the meeting of Members, or of proxies, entitled to cast sixty (60) percent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections

4 and 5, and the required quorum at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence on the date (which shall be the first day of a month) fixed by the Board of Directors of the Association to be the date of commencement.

The first annual assessments shall be made for the balance of the calendar year and shall become due and payable on the day fixed for commencement. The assessments for any year, after the first year, shall become due and payable on the first day of March of said year.

The amount of the annual assessment which may be levied for the balance remaining in the first year of assessment shall be an amount which bears the same relationship to the annual assessment provided for in Section 3 hereof as the remaining number of months in that year bear to twelve. The same reduction in the amount of the assessment shall apply to the first assessment levied against any property which is hereafter added to the properties now subject to assessment at a time other than the beginning of any assessment period.

The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

Section 8. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Lot (or Living Unit) for each assessment period of at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

Written notice of the assessment shall thereupon be sent to every Owner subject thereto.

The Association shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect of Non-Payment of Assessment: The Personal Obligation of the Owner; The Lien; Remedies of Association. If the assess-

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ments are not paid on the date when due (being the dates specified in Section 7 hereof), then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property 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.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of eight (8) percentum per annum, or two (2) percent over the average bank prime rate for the City of Mansfield, Ohio, whichever is more, but not exceeding that permitted by law, and the Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action.

The Association may file in the office of the County Recorder a Notice of Lien to evidence any delinquent assessment or installment, but the Association shall not be under any duty to file such Notice of Lien and its failure or omission to do so shall not in any way impair or affect the Association's lien and other rights in and against the property and against the Owner of such property.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

Section 11. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein: (a) all properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use; (b) all Common Properties as defined in Article I, Section 1 hereof; (c) all properties exempted from taxation by the laws of the State of Ohio, upon the terms and to the extent of such legal exemption.

Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.

ARTICLE VI

PROTECTIVE COVENANTS

Section 1. Land Use. No Lot except common properties shall be used except for residential purposes, in conformity with the Development Plan for the area in which such Lot is located, as such Plan is finally approved (with such amendments or modifications as may be finally approved) by the appropriate authority, board, commission or officials of the Village of Lexington, Ohio.

Section 2. Architectural Control Committee. No building, fence, wall or other structure shall be erected, placed or altered upon The Properties, until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Trustees of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fail to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

Section 3. Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved in favor of the Developer until June 1, 1983, and thereafter in favor of the Association as shown on the recorded plat and over the rear ten feet of each Lot or as otherwise shown on the recorded Plat. Within these easements, no structure, planting, or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or public utility is responsible. The Developer, until June 1, 1983, and thereafter the Association, shall be empowered to assign such easements to the municipality or to an appropriate public authority or public utility. Such easements shall entitle the holder thereof to enter upon and across each Lot, including common areas, at any place as required in order to make any such installation or maintenance within the easements, or any area immediately adjacent thereto.

Section 4. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

Section 5. Temporary Structures. No building or structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used or kept on any Lot at any time either temporarily or permanently.

Section 6. Garage and Parking Facilities. Every single-family detached residence shall include a garage sufficient to store at least one full-size automobile, and an accessory paved driveway; and no such garage shall be converted by alteration or use so as to diminish its area below that required for such purpose unless in conjunction with such conversion a garage with equivalent space is provided and approved under the provisions of said Section 2.

Every single-family attached residence or multiple family dwelling shall have provided for it on its own Lot or on Neighborhood Association Property at least one such parking space for each such residence or Living Unit; and no such parking space shall be converted, by alteration or use, so as to diminish its area below that required for such purposes unless in conjunction with such conversion a parking space with equivalent space is provided and approved under the provisions of said Section 2.

Section 7. Storage and Parking of Vehicle. No commercial vehicle, truck, tractor, mobile home or travel trailer (either with or without wheels), or any other transportation device of any kind except as hereinafter provided shall be stored or kept on any Lot. Private automobiles and recreational vehicles may be stored in a garage, or parked in a paved driveway or in a parking space, provided such garage, driveway or parking space conform to the requirements of Section 6, when incident to the residential use of the Lot upon which such garage or driveway is situated or to the Living Unit for which such parking space is provided.

Section 8. Signs. No sign of any kind shall be displayed to the public view on any Lot except one sign of not more than five square feet advertising the property for sale or rent, or signs used by the Developer to advertise the property during the construction and sales period.

Section 9. Livestock and Poultry. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept provided that they are not kept, bred, or maintained for any commercial purpose, nor permitted to cause or create a nuisance or disturbance.

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Section 10. Garbage and Refuse Disposal. No Owner, occupant or tenant of any Lot or Living Unit shall deposit or leave garbage, waste, putrid substances, junk or other waste materials on such Lot or on any other part of The Properties or on any public street or other public property or in any lake, pond or water course, nor permit any other person to deposit any of such materials on any property owned by or in the possession of such Owner. An Owner, occupant or tenant of any Lot or Living Unit may keep such garbage and refuse as shall necessarily accumulate from the last private, municipal or Association garbage and rubbish collection available for such Lot or Living Unit, provided any such garbage is kept in sanitary containers which shall be subject to regulation by the Association, which containers and which refuse except on the day scheduled for municipal or Association or private garbage and rubbish collection for such Lot or Living Unit shall be kept from public view.

As used in this Section 10, "waste material" shall mean any material which has been discarded or abandoned, or any material no longer in use; and, without limiting the generality of the foregoing, shall include junk; waste boxes, cartons, plastic or wood scraps or shavings, waste paper and paper products, and other combustible materials or substances no longer in use, or if unused, those discarded or abandoned; metal or ceramic scraps or pieces of all types, glass, and other non-combustible materials or substances no longer in use, or if unused, those discarded or abandoned; and machinery, appliances or equipment or parts thereof, no longer in use, or if unused, those discarded or abandoned.

As used in this Section 10, "junk" shall mean abandoned, inoperable, partially dismantled or wrecked vehicles of any kind, whether motor vehicle, automobile, motorcycle, emergency vehicle, school bus, bicycle, commercial tractor, agricultural tractor, house trailer, truck, bus, trailer, semi-trailer, pole trailer, railroad train, railroad car, street car or trackless trolley, aircraft, lighter-than-air craft, watercraft or any other form of device for the transportation of persons or property; and without limiting the generality of the foregoing, with respect to any automobile or other transportation device of any kind the operation of which requires issuance of a license by the United States Government or any agency thereof or by the State of Ohio or any agency or political subdivision thereof, any such automobile or other transportation device shall be deemed to be junk unless a current valid license has been issued for the operation of such automobile or other transportation device and (if required by law) is displayed upon such automobile or other transportation device.

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Section 11. Water Supply. No individual water-supply system shall be permitted on any Lot unless such system is located, constructed and equipped in accordance with the requirements, standards and recommendations of the Richland County Board of Health (and any other local public health authority having jurisdiction.) Approval of such system as installed shall be obtained from such authorities.

Section 12. Sewage Disposal. No individual sewage-disposal system shall be permitted on any Lot unless such system is designed, located and constructed in accordance with the requirements, standards and recommendations of the Richland County Board of Health (and any other local public health authority having jurisdiction.) Approval of such system as installed shall be obtained from such authorities.

Section 13. Mowing. The Owner of each Lot (except a Lot with respect to which the Association or a Neighborhood Association has assumed such responsibility shall mow or cause to be mowed all grass or other vegetation thereon, except decorative landscaping, ground cover and garden plants, to a height not exceeding four inches.

Section 14. Minimum Lot Area Requirements; Maximum Heights of Buildings, Maximum Yard Setbacks and Minimum Floor Areas per unit shall be as established and permitted by the Village of Lexington, Ohio Zoning Ordinance relating to the zoning classification from time to time, taking into consideration the flexibility allowances and requirements for Open Space Residential Developments and Planned Districts.

ARTICLE VII

EXTERIOR MAINTENANCE

The Owner of each Lot and Living Unit (except a Lot or Living Unit with respect to which the Association or a Neighborhood Association has

assumed and is properly discharging such responsibility) shall provide reasonable exterior maintenance upon each such Lot and Living Unit as follows: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, driveways, walks and other exterior improvements.

ARTICLE VIII

Correction by Association of Breach of Covenant. If the Board of Trustees of the Association, after giving reasonable notice to the Owner of the Lot or Living Unit involved and reasonable opportunity for such Owner to be heard, determines by the affirmative vote of three-fourths (3/4) of the authorized number of Trustees that a breach of any protective covenant has occurred and that it is necessary in order to prevent material deterioration of neighborhood property values that the Association correct such breach, then after giving such Owner notice of such determination by certified mail, the Association, through its duly authorized agents or employees, shall enter upon the Lot involved (but not into any Living Unit) and correct such breach of covenant by reasonable means. The cost of such correction of a breach of covenant shall be assessed against the Lot or Living Unit upon which such corrective work is done, and shall become a lien upon such Lot and Living Unit and the obligation of the Owner, and immediately due and payable, in all respects as provided in Article V hereof.

Any Owner of a Lot or Living Unit affected by such a determination of the Trustees to correct a breach of covenant pursuant to this Article may, within ten (10) days after the date of the mailing of the certified mail notice of such determination, appeal such determination to the membership by sending a Notice of Appeal to the President or Secretary of the Association by registered or certified mail at the address of such officer as it appears on the records of the Association at the time of such mailing. No action shall be taken or authorized by the Association pursuant to any such determination until after ten (10) days have elapsed from the date the certified mail notice to the Owner of the Lot or Living Unit involved was mailed, and, if Notice of Appeal has not been received by the President or Secretary (or other officer in the absence of the President or Secretary) within such ten-day period, then the Association may take or authorize the taking of action pursuant to such determination; but if within such period such Notice of Appeal has been received, or if after such period but before the taking of such action a Notice of Appeal is received which has been mailed within such ten-day period, then no action shall be taken pursuant to such determination until such determination has been confirmed at a meeting of the Members by the affirmative vote of Members entitled to exercise a majority of the voting power of the Association,

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and if there be more than one class of membership then by the affirmative vote of Members entitled to exercise a majority of the voting power of each class of membership, provided that written notice shall be given to all Members at least thirty (30) days in advance of the date of such meeting, stating that such determination and Notice of Appeal will be considered at such meeting.

ARTICLE IX

DURATION, WAIVER AND MODIFICATION

Section 1. Duration and Provision for Periodic Modifications. These Covenants and Restrictions shall run with the land, and shall inure to the benefit of and be enforceable by and against the Association, the Developer and any other Owner of land within Clear Fork Hills, Section Three - Block A, their respective legal representatives, heirs, devisees, successors and assigns, until June 1, 2020, after which time said Covenants and Restrictions shall be automatically renewed for successive periods of five (5) years each unless modified or cancelled, effective on the last day of the then current term or renewal term, at a meeting of the Members by the affirmative vote of Members entitled to exercise three-fourths (3/4) of the voting power of the Association, provided that such meeting shall be held at least one (1) year in advance of such effective date and written notice of such meeting shall be given to each Member at least sixty (60) days in advance of the date of such meeting, stating that such modification or cancellation will be considered at such meeting. Promptly following the meeting at which such modification or cancellation is enacted, the President and Secretary of the Association shall execute and record an instrument reciting such modification or cancellation.

Section 2. Modifications by Developer. Until June 1, 1983, the Developer shall be entitled to modify any of the provisions of these Covenants and Restrictions or to waive any of such provisions, either generally or with respect to particular property, if in the Developer's judgment the development or lack of development of Clear Fork Hills, Section Three - Block A requires such modification or waiver, or if in the Developer's judgment the purposes of the general plan of development will be better served by such modification or waiver, provided that the Developer may not, pursuant to this Section 2, increase the maximum annual assessment provided by Section 2 of Article V for years beginning prior to March 1, 1975. Promptly following any modification of these Covenants and Restrictions adopted by the Developer pursuant to this Section 2, the Developer shall execute and record an instrument reciting such modification.

Section 3. Other Modifications. These Covenants and Restrictions may be modified, effective on the ninetieth day following a meeting of the

Members held for such purpose, by the affirmative vote of Members entitled to exercise Ninety Per Cent (90%) of the voting power of the Association provided that written notice shall be given to each Member at least thirty (30) days in advance of the date of such meeting, stating that such modification will be considered at such meeting. Promptly following the meeting at which such modification or cancellation is enacted, the President and Secretary of the Association shall execute and record an instrument reciting such modification or cancellation.

ARTICLE X

GENERAL PROVISIONS

Section 1. 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, 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.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. It is specifically provided that the Association and Members thereof are subject to the provisions of a certain Conservation Easement granted by the Developer to the Village of Lexington, Ohio, for the maintenance and care of Common Properties and collection of assessments therefor as set forth in said Conservation Easement and the provisions of Section 600.6 of the Village of Lexington Zoning Ordinance.

IN WITNESS WHEREOF, HIGHLAND GARDEN HOMES, INC., Developer, has executed this Declaration of Covenants and Restrictions this 14th day of June, 1973.

In the Presence of:

Mary Ellen Laughlin
Richard B. McQuinn

HIGHLAND GARDEN HOMES, INC.

By

G. J. Murray
G. J. Murray, President

By

F. L. Demiller
F. L. Demiller, Secretary-Treasurer

STATE OF OHIO :
: SS.
COUNTY OF RICHLAND :

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Before me, a Notary Public, in and for said County and State, personally appeared the above named HIGHLAND GARDEN HOMES, INC. by G. J. Murray, its President, and F. L. Demiller, its Secretary-Treasurer, who acknowledged that they did sign the foregoing instrument and that the same is the free act and deed of said Corporation, and the free act and deed of each of them personally and as such officers.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, at Mansfield, Ohio, this 14th day of June, 1973.

Mary Ellen Vaughan
Notary Public

MARY ELLEN VAUGHN
NOTARY PUBLIC, State of OHIO
My Comm. Expires 11-1-1974

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This instrument prepared by
Gongwer, Murray, Brown & Demiller
Attorneys at Law
Mansfield, Ohio

RECEIVED FOR RECORD
June 20 1973
At 3:21 O'clock P.M.
Recorded June 22, 1973
IN RICHLAND COUNTY RECORDS
Volume 690 Page 520 thru 537
R. E. O'Brien
Richland County Recorder
-19.00

BYLAWS

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to THE CLEAR FORK HILLS, SECTION THREE ASSOCIATION, INC., a non-profit corporation organized and existing under the laws of the State of Ohio.

Section 2. "The Properties" shall mean and refer to Clear Fork Hills, Section Three, and such additions thereto as may hereafter be brought within the jurisdiction of the Association by annexation as provided in Article VI, Section 2 herein.

Section 3. "Common Properties" shall mean and refer to parks, playgrounds, swimming pools, golf courses, commons, streets, footways, including buildings, structures, personal property incident thereto, and any other properties owned and maintained by the Association for the common benefit and enjoyment of the residents within The Properties.

ARTICLE II

LOCATION

Section 1. The principal office of the Association shall be located at Lexington, Ohio.

ARTICLE III

MEMBERSHIP

Section 1. Every person or entity who is a record owner of a fee or undivided fee, interest in any Lot (or Living Unit) which is subject by covenants of record to assessment by the Association shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

Section 2. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each owner of and becomes a lien upon the property against which such assessments are made as provided by Article V of the Declaration of Covenants and Restrictions to which The Properties are

subject and recorded in Deed Volume 690, Page 520, Richland County, Ohio Records, and specifically, Article V thereof which is incorporated herein and made a part hereof, The rights of membership are further subject to the rights of assessment and collection granted to the Village of Lexington, Ohio, in a certain Conservation Easement granted by the Developer in accordance with Section 600.6 of the Village of Lexington Zoning Ordinance.

Section 3. The membership rights of any person whose interest in The Properties is subject to assessments under Article III, Section 2, whether or not he be personally obligated to pay such assessments, may be suspended by action of the Directors during the period when the assessments remain unpaid; but, upon payment of such assessments, his rights and privileges shall be automatically restored. If the Directors have adopted and published rules and regulations governing the use of the common properties and facilities, and the personal conduct of any person thereon, as provided in Article IX, Section 1, they may, in their discretion, suspend the rights of any such person for violation of such rules and regulations for a period not to exceed thirty (30) days.

ARTICLE IV

VOTING RIGHTS

Section 1. The Association shall have two classes of voting membership:

CLASS A. Class A members shall be all those owners as defined in Section 1 with the exception of the Developer. Class A members shall be entitled to one vote for each Lot (or Living Unit) in which they hold the interests required for membership by Section 1. When more than one person holds such interest or interests in any Lot (or Living Unit) all such persons shall be members, and the vote for such Lot (or Living Unit) shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot (or Living Unit).

CLASS B. Class B members shall be the Developer. The Class B member shall be entitled to three votes for each Lot in which it holds the interest required for membership by Section 1 (and for every Living Unit in any Multifamily Structure owned by it until such Unit is first sold or leased), provided that the Class B membership shall cease and become converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) on June 1, 1983.

From and after the happening of these events, whichever occurs earlier, the Class B member shall be deemed to be a Class A member entitled to one vote for each Lot (or Living Unit) in which it holds the interests required for membership under Section 1.

ARTICLE V

PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON PROPERTY

Section 1. Each member shall be entitled to the use and enjoyment of the common properties and facilities as provided by deed of dedication and Article IV, Declaration of Covenants applicable to The Properties.

Section 2. Any member may delegate his rights of enjoyment in the Common Properties and Facilities to the members of his family who reside upon The Properties or to any of his tenants who reside thereon under a leasehold interest for a term of one year or more. Such member shall notify the Secretary in writing of the name of any such person and of the relationship of the member to such person. The rights and privileges of such person are subject to suspension under Article III, Section 3, to the same extent as those of the member.

ARTICLE VI

ASSOCIATION PURPOSES AND POWERS

Section 1. The Association has been organized for the following purposes:

- (a) To promote the health, safety, and welfare of the residents within Clear Fork Hills, Section Three, Block "A", of the Village of Lexington, County of Richland, and State of Ohio, as shown at Plat Volume 23, Page 99, Richland County, Ohio Records, and such additions thereto as may hereafter be brought within the jurisdiction of this corporation, hereinafter referred to as "The Properties", and for this purpose, to:

- (1) own, acquire, build, operate, and maintain recreation parks, playgrounds, swimming pools, golf courses, commons, streets, footways, including buildings, structures, personal properties incident thereto, hereinafter referred to as "the common properties and facilities";
 - (2) maintain unkempt lands or trees;
 - (3) fix assessments (or charges) to be levied against The Properties;
 - (4) enforce any and all covenants, restrictions and agreements applicable to The Properties;
 - (5) pay taxes, if any, on the common properties and facilities; and,
 - (6) insofar as permitted by law, to do any other thing that, in the option of the Board of Directors, will promote the common benefit and enjoyment of the residents of The Properties.
- (b) To purchase or otherwise acquire, lease as lessee, invest in, hold, use, lease as lessor, encumber, sell, exchange, transfer and dispose of property of any description, or any interest therein, by authority and action of its Board of Trustees.
 - (c) To borrow money and issue, sell and pledge its notes, bonds and other evidences of indebtedness, and to secure any of its obligations by mortgage, pledge or deed of trust of all or any of its property by authority and action of its Board of Trustees.

Section 2. Additions to The Properties described in Article III may be made only in accordance with the provisions of the recorded covenants and restrictions applicable to said properties. Such additions, when properly made under the applicable covenants, shall extend the jurisdiction, functions, duties, and membership of this corporation to such properties. Where the applicable covenants require that certain additions be approved by this corporation, such approval must have the assent of two-thirds of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 3. Subject to the provisions of the recorded covenants and restrictions applicable to The Properties described in Article III, and to the extent permitted by law, the corporation may participate in mergers and consolidations with other non-profit corporations organized for the same purposes,

provided that any such merger or consolidation shall have the assent of two-thirds of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 4. The corporation shall have power to mortgage its properties only to the extent authorized under the recorded covenants and restrictions applicable to said properties.

Section 5. The quorum required for any action governed by Sections 2, 3 and 4 of these Bylaws shall be as follows:

At the first meeting duly called as provided therein, the presence of members, or of proxies, entitled to cast sixty (60) per cent of all of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set forth in said Articles, and the required quorum at any subsequent meeting shall be one half of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following such preceding meeting.

ARTICLE VII

Section 1. The affairs of the corporation shall be managed by a board of not less than three (3) nor more than nine (9) directors who need not be members of the Association.

Section 2. Vacancies in the Board of Directors shall be filled by the majority of (if more than three) remaining directors, any such appointed director to hold office until his successor is elected by the Members, who may make such election at the next annual meeting of the Members or at any special meeting duly called for that purpose.

ARTICLE VIII

ELECTION OF DIRECTORS: NOMINATING COMMITTEE: ELECTION COMMITTEE

Section 1. Election to the Board of Directors shall be by written ballot as hereinafter provided. At such election, the members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provisions of the recorded covenants applicable to The Properties. The names receiving the largest number of votes shall be elected.

Section 2. Nominations for election to the Board of Directors shall be made by a Nominating Committee which shall be one of the Standing Committees of the Association.

Section 3. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting.

Section 4. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members, as the Committee in its discretion shall determine, provided that the Committee shall seek suggestions from all corporate mortgage lenders who hold home mortgages within The Properties and shall so exercise its discretion in the matter of nominations that there shall be, at all times, at least one member of the Board of Directors who represents the interests of such mortgage lenders. Nominations shall be placed on a written ballot as provided in Section 5 and shall be made in advance of the time fixed in Section 5 for the mailing of such ballots to members.

Section 5. All elections to the Board of Directors shall be made on written ballot which shall: (a) described the vacancies to be filled; (b) set forth the names of those nominated by the Nominating Committee for such vacancies; and (c) contain a space for a write-in vote by the members for each vacancy. Such ballots shall be prepared and mailed by the Secretary to the members at least fourteen (14) days in advance of the date set forth therein for a return (which shall be a date not later than the day before the annual meeting or special meeting called for elections).

Section 6. Each member shall receive as many ballots as he has votes. Notwithstanding that a member may be entitled to several votes, he shall exercise on any one ballot only one vote for each vacancy shown thereon. The completed ballots shall be returned as follows: Each ballot shall be placed in a sealed envelope marked "Ballot" but not marked in any other way. Each such "Ballot" envelope shall contain only one ballot, and the members shall be advised that, because of the verification procedures of Section 7, the inclusion of more than one ballot in any one "Ballot" envelope shall disqualify the return. Such "Ballot" envelope, or envelopes (if the member or his proxy is exercising more than one vote), shall be placed in another sealed envelope which shall bear on its face the name and signature of the member or his proxy, the number of ballots being returned, and such other information as the Board of Directors may determine will serve to establish his right to cast the vote or votes presented in the ballot or ballots contained therein. The ballots shall be returned to the Secretary at his address.

Section 7. Upon receipt of each return, the Secretary shall immediately place it in a safe or other locked place until the day set for the annual or other special meeting at which the elections are to be held.

On that day, the external envelopes containing the "Ballot" envelopes shall be turned over, unopened, to an Election Committee which shall consist of five members appointed by the Board of Directors. The Election Committee shall then adopt a procedure which shall:

- (a) establish that the number of envelopes marked "Ballot" corresponds to the number of votes allowed to the member or his proxy identified on the outside envelope containing them; and
- (b) that the signature of the member or his proxy on the outside envelope is genuine; and
- (c) if the vote is by proxy that a proxy has been filed with the Secretary as provided in Article XIV, Section 2, and that such proxy is valid.

Such procedure shall be taken in such manner that the vote of any member or his proxy shall not be disclosed to anyone, even the Election Committee.

The outside envelopes shall thereupon be placed in a safe or other locked place and the Election Committee shall proceed to the opening of the "Ballot" envelopes and the counting of the votes. If any "Ballot" envelope is found to contain more than one ballot, all such ballots shall be disqualified and shall not be counted. Immediately after the announcement of the results, unless a review of the procedure is demanded by the members present, the ballots and the outside envelopes shall be destroyed.

ARTICLE IX

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. The Board of Directors shall have power:

- (a) To call special meetings of the members whenever it deems necessary and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting membership, as provided in Article XIII, Section 2.
- (b) To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any Member, Officer or Director of the Association in any capacity whatsoever.

- (c) To establish, levy and assess, and collect the assessments or charges referred to in Article III, Section 2.
- (d) To adopt and publish rules and regulations governing the use of the common properties and facilities and the personal conduct of the members and their guests thereon.
- (e) To exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to the meeting or to members in the covenants.
- (f) In the event that any member of the Board of Directors of this Association shall be absent from three (3) consecutive regular meetings of the Board of Directors, the Board may by action taken at the meeting during which said third absence occurs, declare the office of said absent Director to be vacant.

Section 2. It shall be the duty of the Board of Directors:

- (a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting when such is requested in writing by one-fourth (1/4) of the voting membership, as provided in Article XIII, Section 2.
- (b) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.
- (c) As more fully provided in Article V of the Declaration of Covenants applicable to The Properties:
 - (1) To fix the amount of the assessment against each lot (property) for each assessment period at least thirty days (30) in advance of such date or period and, at the same time;
 - (2) To prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any member, and at the same time;
 - (3) To send written notices of each assessment to every owner subject thereto.

- (d) To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

ARTICLE X

DIRECTORS' MEETINGS

Section 1. A regular meeting of the Board of Directors shall be held on 20th of each month as 8:00 o'clock (P.M.) provided that the Board of Directors may, by resolution, change the day and hour of holding such regular meeting.

Section 2. Notice of such regular meeting is hereby dispensed with. If the day for the regular meeting shall fall upon a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday, and no notice thereof need be given.

Section 3. Special meetings of the Board of Directors shall be held when called by any officer of the Association or by any two directors after not less than three (3) days' notice to each director.

Section 4. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be a valid as though made at a meeting duly held after regular call and notice if a quorum is present and, if either before or after the meeting, each of the directors not present signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made part of the minutes of the meeting.

Section 5. The majority of the Board of Directors shall constitute a quorum thereof.

ARTICLE XI

OFFICERS

Section 1. The officers shall be a president, a vice-president, a secretary, and a treasurer. The president and the vice-president shall be members of the Board of Directors.

Section 2. The officers shall be chosen by majority vote of the directors.

Section 3. All officers shall hold office during the pleasure of the Board of Directors.

Section 4. The president shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out and sign all notes, checks, leases, mortgages, deeds and all other written instruments.

Section 5. The vice-president shall perform all the duties of the president in his absence.

Section 6. The secretary shall be ex-officio the secretary of the Board of Directors, shall record the votes and keep the minutes of all proceedings in a book to be kept for the purpose. He shall sign all certificates of membership. He shall keep the records of the Association. He shall record in a book kept for that purpose the names of all members of the Association together with their addresses as registered by such members (see Article XIII, Section 3).

Section 7. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, Provided however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The treasurer shall sign all checks and notes of the Association, provided that such checks and notes shall also be signed by the president or the vice-president.

Section 8. The treasurer shall keep proper books of account and cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year. He shall prepare an annual budget and an annual balance sheet statement and the budget and balance sheet statement shall be presented to the membership at its regular annual meeting.

ARTICLE XII

COMMITTEES

Section 1. The Standing Committees of the Association shall be:

- The Nominations Committee
- The Recreation Committee
- The Maintenance Committee
- The Architectural Control Committee
- The Publicity Committee
- The Audit Committee

Unless otherwise provided herein, each committee shall consist of a Chairman and two or more members and shall include a member of the Board of Directors for board contact. The committees shall be appointed by the Board of Directors prior to each annual meeting to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting. The Board of Directors may appoint such other committees as it deems desirable.

Section 2. The Nominations Committee shall have the duties and functions described in Article VIII.

Section 3. The Recreation Committee shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines.

Section 4. The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Common Properties and Facilities of the Association, and shall perform such other functions as the Board, in its discretion, determines.

Section 5. The Architectural Control Committee shall have the duties and functions described in Article VII, Declaration of Covenants and Restrictions applicable to The Properties. It shall watch for any proposals, programs, or activities which may adversely affect the residential value of The Properties and shall advise the Board of Directors regarding Association action on such matters.

Section 6. The Publicity Committee shall inform the members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association.

Section 7. The Audit Committee shall supervise the annual audit of the Association's books and approve the annual budget and balance sheet statement to be presented to the membership at its regular annual meeting as provided in Article XI, Section 8. The treasurer shall be an ex-officio member of the Committee.

Section 8. With the exception of the Nominations Committee and the Architectural Control Committee (but then only as to those functions that are governed by Article VII, Declaration of Covenants and Restrictions applicable to The Properties), each committee shall have power to appoint a subcommittee from among its membership and may delegate to any such subcommittee any of its powers, duties and functions.

Section 9. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE XIII

MEETINGS OF MEMBERS

Section 1. The regular annual meeting of the members shall be held on _____ of the month of _____ in each year, at the hour of _____ o'clock (A.M. or P.M.). If the day for the annual meeting of the members shall fall upon a holiday, the meeting will be held at the same hour on the first day following which is not a holiday.

Section 2. Special meetings of the members for any purpose may be called at any time by the President, the Vice President, the Secretary or Treasurer, or by any two or more members of the Board of Directors, or upon written request of the members who have a right to vote one-fourth of all of the votes of the entire membership or who have a right to vote one-fourth of the votes of the Class A membership.

Section 3. Notice of any meetings shall be given to the members by the Secretary. Notice may be given to the member either personally, or by sending a copy of the notice through the mail, postage thereon fully prepaid to his address appearing on the books of the corporation. Each member shall register his address with the Secretary, and notices of meetings shall be mailed to him at such address. Notice of any meeting regular or special shall be mailed at least six (6) days in advance of the meeting and shall set forth in general the nature of the business to be transacted, provided however, that if the business of any meeting shall involve an election governed by Article VIII or any action governed by the Articles of Incorporation or by the Covenants applicable to The Properties, notice of such meeting shall be given or sent as therein provided.

Section 4. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action governed by these Bylaws. Any action governed by the Articles of Incorporation or by the Covenants applicable to The Properties shall require a quorum as therein provided.

ARTICLE XIV

PROXIES

Section 1. At all corporate meetings of members, each member may vote in person or by proxy.

Section 2. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the member of his home or other interest in The Properties.

ARTICLE XV

BOOKS AND PAPERS

Section 1. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any members.

ARTICLE XVI

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of each class of members present in person or by proxy, provided that those provisions of these Bylaws which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matter stated herein to be or which is in fact governed by the Covenants and Restrictions applicable to The Properties may not be amended except as provided in such Covenants and Restrictions:

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Covenants and Restrictions applicable to The Properties referred to in Section 1 and these Bylaws, the Covenants and Restrictions shall control.

IN WITNESS WHEREOF, we, being all of the Directors of THE CLEAR FORK HILLS, SECTION THREE ASSOCIATION, INC., have hereunto set our hands this 15th day of May, 1973.

/S/ Richard R. McCleery

/S/ John L. Morley

/S/ F. L. Bemiller