

EXHIBIT C

CARRINGTON PLANNED UNIT DEVELOPMENT BYLAWS

BYLAWS

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BYLAWS

ARTICLE I PURPOSE AND DEFINITIONS

Section 1. Purpose

The within Bylaws are executed and annexed to the Declaration of the Carrington Planned Unit Development. Their purpose is to provide for the establishment of a Homeowners' Association for the government of said Planned Unit Development Property in the manner provided by said Declaration and these Bylaws.

Section 2. Definitions

Certain of the terms used in these Bylaws have been defined in the Declaration and, when used herein, shall have the same meaning as set forth in the Declaration, unless the context clearly indicates a different meaning therefor.

ARTICLE II THE ASSOCIATION

Section 1. Form of Association

The Association shall be a non-profit unincorporated Association unless either the Developer or the Board shall elect to incorporate the Association by filing Articles of Incorporation not in conflict with these Bylaws or the Declaration. Upon incorporation, these Bylaws shall serve as the Code of Regulations for the incorporated Association. Said incorporated Association is intended to qualify for tax exempt status under the Internal Revenue Code, and to this end, the Association is organized solely to provide for the management and maintenance of the Planned Unit Development Property. The Association, through its Board of Managers, shall take proper steps to insure, if possible, that its operations meet the requirements of the Internal Revenue Code for tax exempt status, and if any provision of these Bylaws, or any amendment hereto, would prevent the Association from qualifying for such tax exempt status, said provision or amendment shall be deemed null and void.

Section 2. Membership

Each Homeowner upon acquisition of fee simple title to a Lot within the Planned Unit Development shall automatically become a Member of the Association. Such membership shall be non-transferable and shall terminate upon the sale or other disposition by such Member of his Lot, at which time the new Homeowner shall automatically become a Member of the Association. In addition to any other rights Developer may have pursuant to the Declaration, Developer shall be a Member of the Association with respect to all Lots owned by Developer and shall have the right, without limitation, to exercise the voting power appurtenant to such Lots and the power to vote the same.

Section 3. Name of the Association

The Association shall be called the Carrington Planned Unit Development Homeowner's Association, Inc.

ARTICLE III VOTING

Section 1. Voting

Each Homeowner shall be entitled to one vote for each Lot owned in fee simple and a proportionate part of one vote for ownership of divided fee simple interest in a Lot. Such Homeowner may be present at any meeting of the voting members and may vote or take any other action as a voting member either in person or by proxy. The original Developer or its nominee shall be the voting member with respect to any Lot owned by the Developer.

Only Homeowners in good standing shall be entitled to vote at any meeting of the Association, either in person or by proxy. A Homeowner shall be deemed to be in "good standing" and "entitled to vote" if, and only if: (i) at least three days prior to the date fixed for a meeting, said Homeowner shall have fully paid all assessments and/or fines made or levied against him and all of his Lots by the Association as hereinafter provided, together with all interest, costs, attorneys fees, penalties, and other expenses, if any, properly chargeable to him and against all of his Lots, and (ii) as of the date of the meeting, his voting rights are not suspended through action taken by the Board, after notice and opportunity for hearing, as a penalty for infraction of the Rules and Regulations or any of the provisions of the Declaration or these Bylaws.

Section 2. Majority

As used in these Bylaws the term "Majority of Owners" shall mean those Homeowners holding in excess of 50% of the votes.

Section 3. Quorum

Except as otherwise provided in the Bylaws, the presence in person or by proxy of a "Majority of Owners" as defined in Article III Section 2. shall constitute a quorum.

Section 4. Proxies

Votes may be cast in person or by proxy. Proxies must be in writing in a form prescribed by the Association and filed with the Secretary before the appointed time of each meeting. The person appointed as a proxy need not be a Member of this Association. Each proxy shall be revocable at any time by actual notice to the Secretary of the Association.

ARTICLE IV ADMINISTRATION

Section 1. Place of Meetings

Meetings of the Association shall be held at the principal office of the Planned Unit Development or at such other suitable place convenient to the Homeowners as may be designated by the Board.

Section 2. Annual Meeting

There shall be an annual meeting held in the first calendar quarter of each year, on a date and at an hour established, from time to time, by the Board.

Section 3. Special Meetings

It shall be the duty of the President or, in case of the President's absence, death, or disability, the officer authorized to exercise the authority of the President, to call a special meeting of the Homeowners as directed by resolution of the Board or upon a petition signed by a majority of the Homeowners representing over fifty percent (50%) of the voting rights and presented to the Secretary. Said special meetings of the voting members may be called at any time for the purpose of considering matters which, by the terms of this Declaration, require the approval of all or some of the voting members, or for any other reasonable purpose. Said meetings shall be called by written notice, authorized by a majority of the Board, or by the voting members having over fifty percent (50%) of the total votes. Said notice must be delivered not less than ten (10) days prior to the date fixed for said meeting. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of two-thirds (2/3rds) of the Homeowners present, either in person or by proxy.

Section 4. Notice of Meetings

It shall be the duty of the Secretary to hand deliver to the Lot of each Homeowner or to mail a notice of each annual or special meeting to the Lot of each Homeowner, stating the purpose thereof as well as the time and place where it is to be held, to each Homeowner of record, at least ten (10) days prior to such meeting. The delivery by hand or mailing of a notice in the manner provided in this section shall be considered notice served.

Section 5. Adjourned Meetings

If any meeting of Homeowners cannot be organized because a quorum has not attended, the Homeowners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 6. Actions Without a Meeting

All actions, except removal of a Board member, which may be taken at a meeting of the Association may be taken without a meeting with the approval of and in a writing or writings signed by Members of the Association having the percentage of voting power required to take such action if the same were taken at a meeting; provided, that not less than the majority of the

voting membership, both in number and in percentage of voting power, signed the writing. Such writings shall be filed with the Secretary of the Association.

Section 7. Order of Business

The order of business at all meetings of members of the Association shall be as follows:

- 1 Calling of meeting to order.
- 2 Roll call.
- 3 Proof of notice of meeting or Waiver of Notice.
- 4 Reading of minutes of preceding meeting.
- 5 Reports of officers.
- 6 Reports of committees.
- 7 Election of managers (when appropriate).
- 8 Unfinished and/or old business.
- 9 New Business.
- 10 Adjournment.

ARTICLE V BOARD OF MANAGERS

Section 1. Number and Qualification

The affairs of the Association shall be governed by a Board of Managers. The Board shall initially consist of three (3) members or Managers, all of whom will be appointed by Developer. At the time when ownership of all of the Lots within the Planned Unit Development have been sold and conveyed or such earlier time as the Developer may elect, the Homeowners shall elect three (3) members to the Board of Managers. All persons elected to the Board of Managers by members of the Association, must be Homeowners within the Planned Unit Development.

The terms of the three (3) Board Members shall be staggered so that the term of one (1) member of the Board will expire and successors be elected at each Annual Meeting of the Association.

Only persons nominated as candidates shall be eligible for election as Managers and candidates receiving the greatest number of votes shall be elected. Election to the Board by the Homeowners shall be by secret written ballot. At such elections, the Homeowners 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. Cumulative voting is not permitted.

Nominations for the election of members of the Board to be elected by the Homeowners may be made by any Homeowner. Nominations may also be made from the floor at the meetings.

Section 2. Vacancies

Vacancies in the Board caused by any reason other than the removal of a Member by a vote of the Association shall be filled by vote of the majority of the remaining Members, even though they may constitute less than a quorum; and each person so elected shall be a Member until a successor is elected at the next annual meeting of the Association.

Section 3. Removal of Members

At any regular or special meeting duly called, any one or more of the Members may be removed with or without cause by a vote for removal of not less than two-thirds (2/3rds) of the voting power of the Homeowners, as provided in the Declaration, and a successor may then and there be elected to fill the vacancy thus created. Any Member whose removal has been proposed by the Homeowners shall be given an opportunity to be heard at the meeting. Failure to elect a Member to fill the unexpired term of any Member removed shall be deemed to create a vacancy on the Board.

Section 4. First Meeting of the New Board

The first meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the Managers at the meeting at which such Managers were elected, and no notice shall be necessary to the newly elected Managers in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 5. Regular Meetings

Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board, but at least two (2) such meetings shall be held during such calendar year. Notice of regular meetings of the Board shall be given to each Manager personally or by mail, telephone, or telegraph, at least three (3) days prior to the day named for such meetings. At such meetings, any and all business within the power of the Managers may be transacted.

Section 6. Special Meetings

Special meetings of the Board may be called by the President or, in case of the President's absence, death or disability, the Manager authorized to exercise the authority of the President, on three (3) days' notice to each Manager, given personally or by mail, telephone, or telegraph, which notice shall state the time, place (as hereinabove provided), and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Managers.

Section 7. Waiver of Notice

Before or at any meeting of the Board, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 8. Quorum

At all meetings of the Board, a majority of the Managers shall constitute a quorum for the transaction of business, and the acts of the majority of the Managers present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time

to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 9. Action Without a Meeting

Any action required to be taken, or any action which may be taken, at a meeting of the Managers, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Managers entitled to vote with respect to the subject matter thereof.

Section 10. Powers

The Board shall exercise all powers and authority, under law, and under the provisions of the Articles, these Bylaws, and the Declaration, that are not specifically and exclusively reserved to the Homeowners 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, the Articles, the Declaration, and these Bylaws;
- B. obtain insurance coverage no 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;
- E. establish, enforce, levy and collect assessments as provided in the Declaration;
- F. adopt and publish rules and regulations governing the use of the Common Areas and the personal conduct of Homeowners and their guests thereon, and establish penalties and fines for the infraction thereof;
- G. suspend the voting rights of the Homeowner during any period in which such Homeowner shall be in default in the payment of any assessment and/or fines levied by the Association (such rights may also be suspended after notice and 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, these Bylaws, or the Articles);
- H. declare the office of a member of the Board to be vacant in the event 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 with third parties 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 agreements shall be as determined by the Board to be in the best interest of the Association, subject, in all respects, to the provisions of these Bylaws, the Articles, and the Declaration);

- J. purchasing or leasing or otherwise acquiring in the name of the Association or its designee (corporate or otherwise) on behalf of all Homeowners, Lots offered for sale or lease, or Lots subject to foreclosure or other judicial sales;
- K. do all things and take all actions permitted to be taken by the Association by law, the Declaration, these Bylaws, and the Articles, not specifically reserved thereby to others;
- L. granting licenses;
- M. establishing and maintaining a funded reserve for contingencies and replacements in any amount which it determines, in its sole discretion, to be necessary or advisable and, to the extent that it deems desirable, to create requirements for other reasonable reserves (such as maintenance and repair, working capital, bad debts, and depreciation) and designating trust funds for the benefit of Homeowners or the Association;
- N. forming committees of the board and/or composed of persons who need not be members of the Board, members of the Association, or PUD residents, and delegating to such committees such powers, authority, and responsibilities as the Board may, in the exercise of its sole discretion, determine to be appropriate; and
- O. borrowing from any reserve fund established and maintained by it for a maximum period of 90 days to fund expenditures authorized in the Declaration or these Bylaws.

Section 11. 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 Homeowners at the annual meeting of Homeowners, or at any special meeting when such statement is requested in writing by Homeowners representing fifty percent (50%) or more of the voting power of Homeowners;
- 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 as provided therein;
 - ii. give written notice of each assessment to every Homeowner subject thereto within the time limits set forth therein; and
 - iii. foreclose the 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 Homeowner(s) personally obligated to pay the same, or both;

- D. issue, or to cause an appropriate officer to issue, 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 the property subject to the Association's scope of authority to be maintained within the scope of authority provided in the Declaration;
- G. cause the restrictions created by the Declaration, Rules and Regulations or hereby to be enforced and levy reasonable fines for violations thereof; and
- H. take all other actions required to comply with all requirements of law, the Articles, the Declaration and these Bylaws.

Section 12. Compensation

Unless otherwise determined by the Homeowners at a meeting duly called and noticed for such purpose, no Board member shall receive compensation for any service rendered to the Association as a Board member. However, any Board member may be reimbursed for his or her actual expenses incurred in performance of duties.

Section 13. Voting Power

Except as otherwise provided in the Planned Unit Development organization documents, or by law, vote of a majority of the Board members 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 14. Fidelity Bonds

The Board may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association, and shall be a Common Expense.

Section 15. Committees

The Board of Managers may appoint a Nominating Committee, a Finance Committee or any other committees as deemed appropriate in carrying out its purposes. It shall be the duty of the Board of Managers to act as a Committee of the whole 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 Manager, officer or committee of the Association as is further concerned with the matter presented.

ARTICLE VI OFFICERS

Section 1. Designation

The principal officers of the Association shall be a President, a Vice President and a Secretary-Treasurer, all of whom shall be elected by and from the Board. The Managers may appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary who are not Managers of the Association, but are members of such Association. Each such officer shall hold office during the pleasure of the Board, and perform such duties as the Board may prescribe.

Section 2. Election of Officers

The officers of the Association shall be elected annually by the Board at the first meeting of each new Board.

Section 3. Removal of Officers

Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Managers, or at any special meeting of the Board called for such purpose.

Section 4. President

The President shall be the Chief Executive Officer of the Association. He shall have all of the general powers and duties which are usually vested in the office of President of an Association, including but not limited to the power to appoint committees from among the Homeowners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association. He shall have authority to sign all contracts, notes, and other instruments requiring his signature and shall have all the powers and duties as the Board may from time to time assign to him.

Section 5. Vice President

The Vice President shall perform the duties of the President whenever the President is unable to act and shall have such other authority and perform such other duties as may be determined by the Board.

Section 6. Secretary-Treasurer

The Secretary-Treasurer shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board may direct, and he shall, in general, perform all the duties incident to the office of Secretary and such duties as the Board may prescribe. A copy of such minutes shall be posted in a place designated by the Board.

The Secretary-Treasurer shall also have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board and he shall perform such other duties as from time to time may be assigned to him by the Board.

Section 7. Duties of Officers May Be Delegated

In the absence of any officer of the Association, or for any other reason the Board may deem sufficient, the Board may delegate the powers or duties, or any of them, to such officer, to any Manager, or to the Managing Agent.

**ARTICLE VII
GENERAL POWERS OF THE ASSOCIATION**

Section 1. Payments from Maintenance Funds

Each Owner shall pay Common Expenses and/or assessments for Common Expenses, as provided herein and/or in the Declaration to the Association, for the benefit of all of the Homeowners, and the Association shall place the funds so collected in one or more accounts of the Association (said account or accounts being hereinafter referred to as the "Maintenance Fund"), and out of the Maintenance Fund the Association shall arrange and pay for the following:

- A. Utility Services. The cost of water, waste removal, electricity, and any other utility service for the Common Areas and the cost of waterlines, waste removal and/or any utilities which are not separately metered or otherwise directly charged to individual Homeowners; however, the Association may discontinue such payments at any time, in which case each Owner shall be responsible for direct payment of his share of such expenses as shall be determined by the Board of Managers of the Association; and the Association reserves the right to levy additional assessments against any Owner to reimburse it for excessive use, as shall be determined by the Board of Trustees, by such Owner of any utility service having been charged against or to the Maintenance Fund;
- B. Casualty Insurance. The premiums upon a policy or policies of fire insurance, with extended coverage, vandalism and malicious mischief endorsements, as provided in the Declaration, if any, the amount of which insurance shall be reviewed annually;
- C. Liability Insurance. The premiums upon a policy or policies insuring the Association, the members of the Board of Trustees and the Homeowners against any liability to the public or to the Homeowners, and their invitees or tenants, incident to the ownership and/or use of the Lots and/or the Limited Common Areas and/or Common Areas as provided in the Declaration, if any, the limits of which policy or policies shall be reviewed annually;
- D. Worker's Compensation. The costs of worker's compensation insurance to the extent necessary to comply with any applicable law;

- E. Wages and Fees for Services. The fees for services of any person or firm employed by the Association, including, without limitation, the services of a person or firm to act as a manager or managing agent for the Planned Unit Development Property, the services of any person or persons required for the maintenance or operation of the Planned Unit Development Property, any legal and/or accounting services necessary or proper in the operation of the Planned Unit Development Property or the enforcement of the Declaration and these Bylaws and for the organization, operation and enforcement of the rights of the Association;
- F. Care of Common Areas. The cost of landscaping, gardening, snow removal, cleaning, maintenance, decorating, repair and replacements of the Common Areas which are to be maintained and repaired as Common Expenses pursuant to the Declaration and such equipment for the Common Areas as the Association shall determine are necessary and proper, and the Association shall have the exclusive right and duty to acquire the same for the Common Areas;
- G. Certain Maintenance of Lots. The cost of the maintenance and repair of any Lot if such maintenance or repair is necessary, in the discretion of the Association, to protect or improve the Common Areas of any other portion of the Planned Unit Development Property, and if the Homeowner of said Lot have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair is delivered by the Association to said Homeowner, provided that the Association shall levy special assessments against such Homeowner for the cost of said maintenance or repair;
- H. Discharge of Mechanic's Liens. Any amount necessary to discharge any mechanic's lien or other encumbrance levied against the entire Planned Unit Development Property or any part thereof which may in the opinion of the Association constitute a lien against the entire Planned Unit Development Property rather than merely against the interests therein of particular Homeowners; it being understood, however, that the foregoing authority shall not be in limitation of any statutory provisions relating to the same subject matter, and where one or more Homeowners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Association by reason of said lien or liens shall be specially assessed to said Owner or Homeowners;
- I. Additional Expenses. The cost of any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, Common Expenses or Assessments which the Association is required to secure or pay for pursuant to the terms of the Declaration and/or these Bylaws or by law or which is in the opinion of the Association necessary or proper for the maintenance and operation of the Planned Unit Development Property as a first class Planned Unit Development project or for the enforcement of the Declaration and these Bylaws including, but not limited to, a proportionate share of the expenses associated with any and all easements.

Section 2. Limitation on Capital Additions and Improvements

The Secretary-Treasurer shall also have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board and he shall perform such other duties as from time to time may be assigned to him by the Board.

Section 7. Duties of Officers May Be Delegated

In the absence of any officer of the Association, or for any other reason the Board may deem sufficient, the Board may delegate the powers or duties, or any of them, to such officer, to any Manager, or to the Managing Agent.

ARTICLE VII GENERAL POWERS OF THE ASSOCIATION

Section 1. Payments from Maintenance Funds

Each Owner shall pay Common Expenses and/or assessments for Common Expenses, as provided herein and/or in the Declaration to the Association, for the benefit of all of the Homeowners, and the Association shall place the funds so collected in one or more accounts of the Association (said account or accounts being hereinafter referred to as the "Maintenance Fund"), and out of the Maintenance Fund the Association shall arrange and pay for the following:

- A. Utility Services. The cost of water, waste removal, electricity, and any other utility service for the Common Areas and the cost of waterlines, waste removal and/or any utilities which are not separately metered or otherwise directly charged to individual Homeowners; however, the Association may discontinue such payments at any time, in which case each Owner shall be responsible for direct payment of his share of such expenses as shall be determined by the Board of Managers of the Association; and the Association reserves the right to levy additional assessments against any Owner to reimburse it for excessive use, as shall be determined by the Board of Trustees, by such Owner of any utility service having been charged against or to the Maintenance Fund;
- B. Casualty Insurance. The premiums upon a policy or policies of fire insurance, with extended coverage, vandalism and malicious mischief endorsements, as provided in the Declaration, if any, the amount of which insurance shall be reviewed annually;
- C. Liability Insurance. The premiums upon a policy or policies insuring the Association, the members of the Board of Trustees and the Homeowners against any liability to the public or to the Homeowners, and their invitees or tenants, incident to the ownership and/or use of the Lots and/or the Limited Common Areas and/or Common Areas as provided in the Declaration, if any, the limits of which policy or policies shall be reviewed annually;
- D. Worker's Compensation. The costs of worker's compensation insurance to the extent necessary to comply with any applicable law;

The Association's powers hereinabove enumerated shall be limited in that the Association shall have no authority to acquire and pay for out of the Maintenance Fund any capital additions and improvements (other than for purposes of replacing or restoring portions of the Common Areas, subject to all the provisions of the Declaration and these Bylaws) having a total cost in excess of Two Thousand Dollars (\$2,000.00), nor shall the Association authorize any structural alterations, capital additions to, or capital improvements of, the Common Areas requiring an expenditure in excess of Two Thousand Dollars (\$2,000.00), without in each case the prior approval of fifty-one percent (51%) of the voting power of the Association. See also Article XII.

Section 3. Contracts with Developer

Anything contained in these Bylaws and the Declaration to the contrary notwithstanding, the Developer shall enter into any contract with the Association to provide any services to the Association and/or the Planned Unit Development Property which is for a period in excess of one (1) year from and after the date the Homeowners of the Planned Unit Development Property, other than the Developer, have assumed control of the Association, unless such management contract or other agreement is renewed and continued by the Association by a majority vote of the Homeowners, other than the Developer, duly taken and had in accordance with the Declaration and Bylaws and the Planned Unit Development Act.

Section 4. Association's Right to Enter Lots

The Association or its agents may enter onto any Lot within the Planned Unit Development Property when necessary in connection with any maintenance, repair, service and/or construction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Homeowners as practicable, and any damage caused thereby shall be repaired by the Association, at the expense of the Maintenance Fund.

Section 5. Right to Cure Delinquencies

In the event any Homeowners shall default in the payment of any monies required to be paid under the provisions of any mortgage or trust deed against his Lot, the Board of Managers shall have the right to cure such default, but shall not be obligated to do so by paying the amount so owing to the party entitled thereto. Thereupon the Board may levy a special assessment against such Homeowner and his Lot for the amount so paid, and the Association shall automatically have a lien therefor against such Lot, which lien shall have the same force and effect and may be enforced in the same manner as provided in Section 8. of the Declaration.

Section 6. Special Services

The Association may arrange for the provision of any special services and facilities for the benefit of such Homeowners and/or occupants as may desire to pay for the same, including, without limitation, cleaning, repair and maintenance of Lots. Fees for such special services and facilities shall be determined by the Board of Managers and may be charged directly to the respective participating Homeowners, or paid from the Maintenance Fund and levied as a special assessment due from the respective participants.

Section 7. No Active Business to be Conducted for Profit

The Association shall have no authority to conduct an active business for profit on behalf of Homeowners or any of them; provided, however, that the Association shall have or lease in accordance with the provisions of the Declaration or these Bylaws.

Section 8. Delegation of Duties

Nothing herein contained shall be construed so as to preclude the Association, through its Board of Managers and officers, 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 of Managers of the Association shall from time to time specify, and to provide for reasonable compensation for the performance of such duties and responsibilities.

Section 9. Applicable Laws

The Association shall be subject to and governed by the provisions of any statute applicable to the Planned Unit Development; provided, however, that all inconsistencies between and among the permissive provisions of any statute and any provisions of the Declaration and these Bylaws, shall be resolved in favor of the Declaration or these Bylaws, and any inconsistencies between any statute applicable to associations generally and to associations formed to administer property within the Planned Unit Development shall be resolved in favor of the latter statute. In the event of any conflict or inconsistency between the provisions of the Declaration and the Bylaws of the Association, the terms and provisions of the Declaration shall prevail, and the Homeowners and all persons claiming under them covenant to vote in favor of such amendments in the Bylaws as will remove such conflicts or inconsistencies.

ARTICLE VIII MAINTENANCE AND REPAIR

Section 1. Maintenance and Repair

- A. The Board or the Management Agent, if one is employed, shall have the authority either to hire permanent employees or to contract specifically for the performance of ordinary repairs and maintenance, or to do both, and to purchase the tools and implements used in repair, maintenance, gardening, and snow removal. The execution of a management agreement with a managing agent or management company which authorizes or requires the managing or management company to perform certain duties shall be deemed to be a delegation and authorization to such managing agent or management company of such duties and of such power and authority necessary to carry out such duties.
- B. Every Owner must perform promptly all maintenance and repair work upon his own Lot, which is not the responsibility of the Association, or which if omitted would negatively affect the PUD.

**ARTICLE IX
COMMON EXPENSES AND PROFITS**

Section 1. Common Expenses

The cost of maintenance and repair of Common Area, landscaping, snow removal, hazard, liability, and other insurance, salaries, and fees of Management Agent and employees, utilities not separately metered to individual Lots, the cost of tools and equipment, bonding fees, and all other charges, deemed necessary or appropriate to the proper functioning of the Planned Unit Development as set forth in the Declaration shall be deemed to be Common Expenses. The cost of such Common Expenses shall be defrayed by assessments levied against the Lots in the manner set forth below.

Section 2. Common Profits

Any revenue derived from the Common Area in excess of the Common Expenses, shall be divided pro rata among the Homeowners, added to a reserve fund, or credited to reduce Assessments, as the Board may determine. The Board is authorized, notwithstanding anything in this Article to the contrary, to adopt any such Planned Unit Development Rules which will permit the Association to qualify for any treatment under the United States Internal Revenue Code, as said Code may be amended from time to time, which in the opinion of the Board shall be advantageous to the Association.

**ARTICLE X
ASSESSMENTS**

Section 1. Obligation of Homeowners to Pay Assessments

It shall be the duty of every Homeowner to pay his proportionate share of the Common Expenses which shall be equal to the share of all Homeowners, as may be adjusted only by option selections of Homeowners as provided in the Declaration. Payment thereof shall be in such amounts and at such times as may be determined by the Board in accordance with these Bylaws.

Section 2. Preparation of Estimated Budget

Developer shall have the exclusive right to fix and establish the budget of the Association until such time as the organizational meeting shall be held. Thereafter, on or before the 15th day of December of each year, the Board shall estimate the total amount necessary to pay the Common Expenses for the next calendar year together with reasonable amounts for reserves if so determined by the Board, and other amounts necessary or required in the operation of the Planned Unit Development as authorized by the Declaration including these Bylaws. On or before December 15 following the organizational meeting and each year thereafter, the Board shall notify each Owner in writing of the amount of such estimate, with reasonable itemization thereof. Said "estimated cash requirement" shall be assessed to the Homeowners as set forth herein and according to the Declaration. On or before January 1 of the ensuing year, and the first of each and every month of said year, each Homeowner shall be obligated to pay to the Association or as it may direct one-twelfth (1/12th) of the Assessment made pursuant to this section.

The failure or delay of the Association to prepare or serve the annual or adjusted estimate on any Homeowner shall not constitute a waiver or release in any-manner of such Homeowner's obligation to pay his share of the Common Expenses, including, without limitation, the maintenance cost and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, each Homeowner shall continue to pay a Monthly Assessment at the then existing monthly rate established for the previous period until the amount of the Monthly Assessment is changed as herein provided.

Section 3. Working Capital Contribution

At closing, each original purchaser from the Developer before title is transferred shall pay to the Developer or to the Homeowners' Association, if formed at that time, an additional working capital contribution in an amount equal to the regular monthly assessment on that Lot. Payment of such initial working capital contribution shall not relieve that purchaser of his obligation to separately pay the full amount of the first monthly installments or any other assessments when due, nor shall he have any right to direct that this amount of working capital be applied against any assessments or be applied for any particular purpose. Any such working capital contributions made to the Developer shall be delivered by the Developer to the Homeowners' Association upon its formation.

Section 4. Reserve Fund

From time to time Developer, and after formation of and holding of the first organizational meeting of the Homeowners' Association, the Board, may determine to levy a special assessment against each Homeowner or subsequent purchaser for the purpose of establishing a reserve for capital improvements. Such assessment shall be maintained in a reserve fund. Upon the sale of a Lot by any Homeowner, such Homeowner shall have no right to any portion of the funds in the reserve account, nor shall such Homeowner have any claim against Developer or the Association with respect thereto. Any funds paid directly to the Developer shall be delivered to the Homeowners' Association upon its formation. Developer is prohibited from using any funds in the reserve account to defray any Developer expenses.

Section 5. Assessments Due Prior to Organizational Meeting

Until such time as the Association shall hold its organizational meeting, each Homeowner shall pay the monthly assessment established with respect to his Lot by the Developer or the initial Board, as the case may be, and such funds shall be used for the benefit of the Association. Notwithstanding anything in these Bylaws to the contrary, the Developer or the initial Board, as the case may be, shall have the right to increase or decrease the monthly assessment at any time and from time to time to reflect increases or decreases in the actual Common Expenses applicable to the Planned Unit Development following the recording of this Declaration by notifying all Homeowners (other than Developer) of such increase or decrease. Any such increase or decrease shall be pro rata in accordance with the percentage of interest in the Common Areas attributable to each Lot in the Planned Unit Development.

Section 6. Status of Funds Collected by Association

All funds collected hereunder shall be held and extended solely for the purposes designated in the Declaration including these Bylaws and (except for special assessments as may be levied hereunder against less than all the Homeowners, and for such adjustments as may be required

to reflect delinquent or Prepaid Assessments) shall be deemed to be held for the use, benefit, and account of all Homeowners.

Section 7. Lien of Unpaid Assessments

Unpaid assessments shall be a lien upon the Lot in the manner specified in the Declaration. The Board may charge interest as provided in the Declaration and collect attorney fees associated with the collection of the assessment from the non-paying Homeowner.

Section 8. Remedies for Failure to Pay Assessments

If a Homeowner is in default in the payment of any charges or assessments for ten (10) days, the Association upon authorization of the Board, or the Developer prior to the first organizational meeting, may bring suit to enforce collection thereof or to foreclose the lien thereof as provided in the Declaration, together with interest as provided in the Declaration, and reasonable attorneys' fees. The amount of any delinquent and unpaid charges or Assessments, and interest, costs, and fees as above provided shall constitute a lien (as set forth above) and may be foreclosed by an action brought by the Association if authorized by the Board or the Developer prior to the first organizational meeting as in the case of foreclosure of liens against real estate. As provided in the Declaration, the Board, acting on behalf of consenting Homeowners, shall have the power to bid in the interest so foreclosing at the foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same.

Section 9. Additions, Alterations, or Improvements by Board

Whenever in the judgment of the Board the Common Areas and facilities shall require additions, alterations, or improvements (as opposed to maintenance, repair, and replacement as set forth in the Declaration) costing in excess of TWO THOUSAND DOLLARS (\$2,000) and the making of such additions, alterations, or improvements shall have been approved by Homeowners entitled to exercise not less than a majority of the voting power, the Board shall proceed with such additions, alterations, or improvements and shall assess all Homeowners for the cost thereof as Common Expense. Any additions, alterations, or improvements costing TWO THOUSAND DOLLARS (\$2,000) or less may be made by the Board without approval of the Homeowners, and the cost thereof shall constitute part of the Common Expense. As long as Developer shall be the Homeowner of ten percent (10%) of the Lots or more in the Planned Unit Development, the Board shall not authorize any addition, alteration, or improvement as set forth in this paragraph without the prior written consent of the Developer. See also Article VII Section 2.

ARTICLE XI MORTGAGES

An Owner who mortgages his Lot shall notify the Association through the Management Agent, if any, or the President of the Board and the Secretary of the Board in the event there is no Management Agent of the name and address of his mortgagee, and the Association shall maintain such information in a book entitled "Mortgagees of Lots."

ARTICLE XII GENERAL PROVISIONS

Section 1. Books and Records

The Homeowners' Association shall keep correct and complete books and records of account, specifying the receipts and expenditures relating to the Common Areas and facilities and other common receipts and expenses, together with records showing the allocation, distribution, and collection of the common profits, losses, and expenses among and from the Homeowners; minutes of the proceedings of the Homeowners and Board of Managers and records of the names and addresses of the Homeowners and their respective percentages of interest in the Common Areas and facilities. The Homeowners' Association shall keep and make available during ordinary business hours to all Homeowners or to any holders, insurers, and guarantors of first mortgages secured by a Lot copies of all project documents, including the Declaration, Bylaws, Articles of Incorporation, and minutes of meetings of the Homeowners' Association.

Section 2. Annual Audit

The books of the Association shall be audited once a year by the Board of Managers, and such audit must be completed prior to each annual meeting of the members. If requested by two members of the Board of Managers, such audit shall be made by a Certified Public Accountant or an independent auditing firm. Upon written request, the statement will be provided to a Homeowner and/or a holder, insurer, or guarantor of a first mortgage secured by a Lot.

Section 3. Rules and Regulations

The Association, by the affirmative vote of the Members entitled to exercise a majority of the voting power of the Association, or the Board, by a vote of a majority of the authorized number of Managers, or the Developer, prior to the first organizational meeting, 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 Bylaws as it or they may deem advisable for the operation, use, maintenance, conservation, and beautification of the Planned Unit Development Property or any portion thereof, or for the health, comfort, safety, and general welfare of the Homeowners and Occupants of the Planned Unit Development Property. Written notice of such Planned Unit Development Rules shall be given to all Homeowners and Occupants, and the Planned Unit Development Property shall at all times be maintained subject to the Planned Unit Development Rules.

Section 4. Fines

The Association, by the affirmative vote of the members entitled to exercise a majority of the voting power of the Association, or the Board, by a majority of the authorized number of managers, or the Developer, prior to the first organizational meeting, may adopt such reasonable fines and from time to time amend the same to be assessed against a Homeowner for a breach of any covenant or restriction contained in the Declaration, the within Bylaws or any additional Rules or Regulations promulgated in accordance therewith. The offending Homeowner shall be notified in writing in accordance with the provisions hereof as to the amount of violation and the amount of the fine. Said Homeowner shall have five (5) business days from the date of receipt of said notice to pay said fine in full. A Homeowner's failure to pay a fine in accordance with this

Section or as otherwise provided in the Declaration and/or Bylaws may result in a collection of the fine as an assessment against said Homeowner in accordance with the Declaration.

Section 5. Developer's Rights Pending First Organizational Meeting

Until such time as the first organizational meeting of the Board is held, the powers, rights, duties, and functions of the Association and the Board, including, without limitation, the power to determine the amount of and levy Assessments and reserves, shall be exercised by the Developer.

Section 6. Severability

The invalidity of any covenant, restriction, condition, limitation, or any other provision of these Bylaws, or of any part of the same, shall not impair or affect in any manner the validity, enforceability, or effect of any other provision contained in these Bylaws or in the Declaration.

Section 7. Ratification

All present or future Homeowners or tenants or their employees or occupants shall be subject to the regulations set forth in the Declaration and in these Bylaws. The mere acquisition or rental of any of the Lots located within the Planned Unit Development Property described in the Declaration, or the mere act of occupancy of any of said Lots will constitute acceptance and ratification of the Declaration and of these Bylaws. In the event of any conflict or inconsistency between any Planned Unit Development Rules and these Bylaws or the Declaration, it is agreed that the provisions of the Bylaws and the Declaration shall apply.

Section 8. Conflict Between Declaration and Bylaws

In the event of conflict or inconsistency between any of the provisions of the Declaration and of these Bylaws, it is hereby agreed that the provisions of the Declaration shall apply.

Section 9. Construction of Provisions

The provisions of these Bylaws shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a first-class Planned Unit Development.

**ARTICLE XIII
FISCAL YEAR**

Unless otherwise changed by the Board, the fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation of this Association.

**ARTICLE XIV
AMENDMENTS**

Any modification or amendment of these Bylaws shall be made only by means of an Amendment to the Declaration, in a manner and subject to the approvals, terms, and conditions set forth therein, and shall be effective from the time a certificate setting forth such modification or amendment is delivered for recording to the Recorder of Stark County, Ohio.

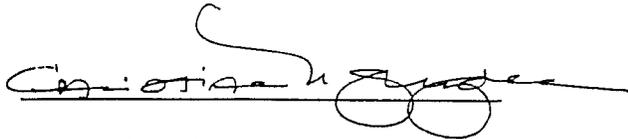
IN TESTIMONY WHEREOF, the undersigned, being the sole Member of the Association, has caused these Bylaws to be duly adopted on or as of the 6th day of August 1998.

Developer

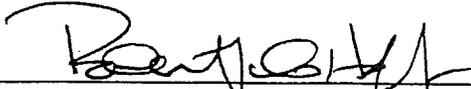
In the Presence of:

STARK INVESTMENT COMPANY, LTD., an Ohio Limited Liability Company

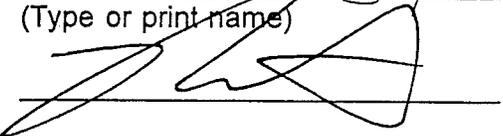
By: DeHoff Agency, Inc., Member



Christine M. Snyder
(Type or print name)

By 

Robert J. DeHoff, President
Duly Authorized

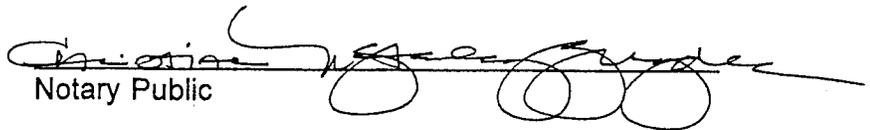


Thomas W. Winkhart
(Type or print name)

STATE OF OHIO, STARK COUNTY, SS:

Before me, a Notary Public in and for said County and State, personally appeared the above-named STARK INVESTMENT COMPANY, LTD., an Ohio Limited Liability Company, by the DeHoff Agency, Inc., by Robert J. DeHoff, its President, and who acknowledged that he did sign the foregoing instrument, and that the same is the free act and deed of said limited liability company, and the free act and deed of him personally and as such officer.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at Canton, Ohio, this 6th day of August 1998.


Notary Public

This instrument prepared by:

Thomas W. Winkhart, Esq.
KRUGLIAK, WILKINS, GRIFFITHS
& DOUGHERTY CO., L.P.A.
4775 Munson Street, N.W.
P. O. Box 36963
Canton, Ohio 44735-6963
Phone: (330) 497-0700
Fax: (330) 497-4020

CHRISTINE M. STALEY
Notary Public, State of Ohio
My Commission Expires Oct. 28, 1998