

BROWNSTONES AT 2ND HOMEOWNERS' ASSOCIATION, INC.

BY-LAWS

These By-Laws are executed and attached to the Declaration pursuant to the Ohio Planned Communities Act, Chapter 5312 of the Ohio Revised Code. Their purpose is to provide for the establishment of an owner's association for the administration of the Common Element and Property in the planned community known as the Brownstones at 2nd residential development in the manner provided by the Declaration and by these By-Laws. All present or future owners or tenants or their guests, invitee, employees, and any other person who might use the facilities of the Property in any manner shall be subject to any restrictions, conditions or regulations hereafter adopted by the Board. The mere acquisition or rental of any of the Dwelling Units located within the Property described in the Declaration or the mere act of occupancy of any of the Dwelling Units will constitute acceptance and ratification of the Declaration and of these By-Laws. The terms used herein shall have the same meaning as defined in the Declaration.

ARTICLE I **THE ASSOCIATION**

1.01 Name of Association. The Association shall be an Ohio corporation, not-for-profit, and shall be called **BROWNSTONES AT 2ND HOMEOWNERS' ASSOCIATION, INC.**, and the principal office of which shall be located in the City of Dayton, Montgomery County, Ohio.

1.02 Membership and Voting Rights. Membership requirements and the voting rights of its Members are set forth in the Declaration.

1.03 Proxies. Votes may be cast in person or by proxy. The person appointed as proxy need not be an Owner. Proxies must be in writing and filed with the Secretary of the Association before the appointed time of each meeting or action taken. Unless otherwise provided, all proxies shall be revocable at any time by delivering written notice of such revocation to the Secretary of the Association, or as therein stated within the written proxy itself. If, by the terms of a First Mortgage, an Owner has designated such mortgagee as his proxy, the presentation to the Secretary of the Association by a representative of such mortgagee of a copy of the mortgage containing such proxy designation shall constitute notice of such proxy designation and if the mortgage so states, notice of the irrevocability of such designation.

1.04 Place of Meetings. Meetings of the Association shall be held at such place upon the Property or at such other place within Montgomery County, Ohio, as may be designated by the Board and specified in the notice of the meeting at 8:00 p.m., or at such other time as may be designated by the Board and specified in the notice of the meeting.

1.05 First Meeting. The first meeting of the Members shall be held within the time limits prescribed by the Declaration and shall be considered the first annual meeting.

1.06 Special Meetings. It shall be the duty of the President of the Association to call a special meeting of the Owners as directed by resolution of the Board or upon a petition signed by a majority of the Owners and having been presented to the Secretary. The notice of any special meeting shall state the date, 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 four-fifths (4/5) of the Owners present, either in person or by proxy.

1.07 Notice of Meetings. It shall be the duty of the Secretary of the Association to mail a notice of each annual or special meeting, stating the purpose thereof, as well as the date, time, and place where it is to be held, to each Owner of record, at the address on record with the Association, at least fourteen (14) calendar days but not more than twenty-eight (28) calendar days prior to such meeting. The Owners of record will be determined as of the day preceding the day on which notice is given.

1.08 Waiver of Notice. Notice of the date, time, place, and purpose of any meeting of Members may be waived in writing, either before or at the commencement of such meeting by any Members, which writing shall be filed with, or entered upon the records of the meeting. The attendance of any Members at any such meeting without protesting, prior to, or at the commencement of the meeting the lack of proper notice, shall be deemed to be a waiver by him of notice of such meeting.

1.09 Action by Unanimous Written Consent of the Owners. Any action which may be authorized or taken at a meeting of the Owners may be authorized or taken without a meeting in a writing or writings signed by all of the Owners. The writing or writings evidencing such action taken by the unanimous written consent of the Owners shall be filed with the records of the Association. Written notice of any action proposed to be taken by the unanimous written consent of the Owners shall be sent to all persons entitled to notice under these By-Laws at least five (5) calendar days prior to the circulation of the action for unanimous written consent among the Owners and shall specify the action proposed to be so taken.

1.10 Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, fifty-one percent (51%) of the votes of membership shall constitute a quorum for any action except as otherwise provided for in the Articles of Incorporation ("Articles"), Declaration, or By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time-to-time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

1.11 Order of Business. The order of business at all meetings of the Owners shall be as follows:

- (a) Roll call
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of minutes of preceding meeting
- (d) Reports of officers
- (e) Report of committees
- (f) Election of inspectors of election
- (g) Election of directors
- (h) Unfinished business
- (i) New business
- (j) Adjournment

ARTICLE II
GENERAL POWERS OF THE ASSOCIATION

2.01 General. The Association shall have the following authority and power

(a) Hire and fire managing agents, attorneys, accountants and other independent contractors and employees that the Board determines are necessary or desirable in the management of the Common Element Property and the Association;

(b) Commence, defend, intervene in, settle or compromise any civil, criminal or administrative action or proceeding that is in the name of, or threatened against, the Association, the Board, or the Property and Common Element, or that involves two (2) or more Owners and relates to matters affecting the Property

(c) Enter into contracts and incur liabilities relating to the operation of the Property and the Association;

(d) Regulate the use, maintenance, repair, replacement, modification, and appearance of the Common Element (including all outdoor parking spaces on the Property even if deemed Limited Common Element or subject to a license) and Property;

(e) Adopt Rules and Regulations that regulate the use or occupancy of Dwelling Units, the maintenance, repair, replacement, modification and appearance of the, buildings Common Elements and Limited Common Elements when the actions regulated by those rules affect Common Elements or other Dwelling Units;

(f) Cause additional improvements to be made as part of the Common Elements;

(g) Purchase, encumber, and convey Dwelling Units and, subject to the requirements set forth in this Declaration, acquire an interest in other real property and encumber or convey that interest. All expenses incurred in connection with the acquisition, encumbrance, use and operation of that interest are common expenses;

(h) Acquire, encumber and convey or otherwise transfer personal property;

(i) Hold in the name of the Association the real property and personal property acquired pursuant to subsections (g) and (h) of this section;

(j) Grant easements, leases, licenses and concessions through or over the Common Elements, and as otherwise provided in the Declaration;

(k) Impose and collect fees or other charges for the use, rental or operation of the Common Elements or for services provided to Owners;

(l) Impose interest and late charges for the late payment of assessments and impose returned check charges;

(m) Promulgate and, pursuant to the provisions of the Organizational Documents, impose reasonable enforcement assessments for violations of the Organizational Documents and Rules and Regulations, and reasonable charges for damage to the Common Elements or other property;

(n) Adopt and amend rules that regulate the collection of delinquent assessments and the application of payments of delinquent assessments;

(o) Impose reasonable charges for preparing, recording or copying Amendments, resale certificates or statements of unpaid assessments and the books and records of the Association;

(p) Enter into a Dwelling Unit for bona fide purposes when conditions exist that involve an imminent risk of damage or harm to Common Elements, another Dwelling Unit, or to the health or safety of the occupants of that Dwelling Unit or another Dwelling Unit;

(q) To borrow funds, as needed, and pledge such security and rights of the Association as may be necessary or desirable to obtain any such loan including, without limitation, the pledge or assignment of the Association's right to future income and the Association's right to levy assessments upon the Members;

(r) Suspend the voting privileges and use of recreational facilities of an Owner or the Occupants, the Owners of which are delinquent in the payment of assessments for more than thirty (30) calendar days;

(s) Purchase insurance and fidelity bonds required by the Underwriters, or such other insurance and fidelity bonds as the directors consider appropriate or necessary;

(t) Invest excess funds in investments that meet standards for fiduciary investments under Ohio law;

(u) Exercise powers that are:

- (1) Conferred by the Organizational Documents, or Ohio law;
- (2) Necessary to incorporate or reincorporate the Association as an Ohio not-for-profit corporation
- (3) Permitted to be exercised in Ohio by a not-for-profit corporation;
- (4) Necessary and proper for the government and operation of the Association.

ARTICLE III **BOARD OF DIRECTORS**

3.01 Number and Qualification. The affairs of the Association shall be governed by a Board composed of three (3) Persons, all of whom must be Owners or spouses of Owners, or if the Dwelling Unit is not owned by an individual, then any principal, member of a limited liability company, partner, director, officer, employee, trustee of such Owner may be nominated and serve on the Board. If, at any one time one (1) Eligible First Mortgagee shall hold mortgages upon more than fifty percent (50%) of the Dwelling Units, such Eligible First Mortgagee may designate its representative who shall be a sixth (6th) member of the Board. Such representative need not be an Owner or spouse of Owner.

3.02 Election of Directors. The required directors shall be elected at each annual meeting of the Members. The Declarant may appoint and remove the initial members of the Board of Directors until such time as the Association is turned over to the Owners, or concurrent with or prior to the expiration of the Development Period, whichever is earlier in time. Only persons nominated as candidates shall be eligible for election as directors and the candidates receiving the greatest number of votes shall be elected. Each Member may vote for as many candidates as there are vacancies in the Board due to the expiration of their terms; provided, however that a vacancy in the position of a representative of an Eligible Holder, if any, shall be filled by such Eligible First Mortgagee.

3.03 Vacancies During the Term. In the event of the occurrence of any vacancy or vacancies on the Board during the term of such director(s), the remaining directors, though less than a majority of the whole authorized number of directors, may, by the vote of a majority of their number, fill any such vacancy for the unexpired term; provided, however that a vacancy in the position of a representative of an Eligible First Mortgagee, if any, shall be filled by such Eligible First Mortgagee.

3.04 Term of Office; Resignation. Each director shall hold office until his term expires or until his earlier resignation, removal from office or death. Any director may resign at any time by oral statement to that effect made at a meeting of the Board, or in a writing to that effect delivered to the Secretary of the Association; such resignation to take effect immediately, or at such other time as the director may specify. At the first annual meeting of the Members the term of office of the three (3) directors shall be fixed so that such terms shall expire one year, two (2) years, and three (3) years respectively, from and after the date of the next following annual meeting of the Members. At the expiration of such initial term of office of each respective director, his successor shall be elected to serve for a term of three (3) years.

3.05 Removal of Directors. At any regular or special meeting duly called, any one or more of the directors may be removed with or without cause by the vote of Members entitled to exercise at least seventy-five percent (75%) of the voting power of the Association, except that a director, if any, acting as a representative of a lending institution may not be removed by such vote. Any director whose removal has been proposed by the Members shall be given an opportunity to be heard at such meeting prior to a vote for removal being taken. In the event that a director is removed by vote, his successor shall then and thereby be elected to fill the vacancy thus created.

3.06 Organization Meeting. Immediately after each annual meeting of the Members the newly elected directors and those directors whose terms hold over shall hold an organization meeting for the purpose of electing officers and transacting any other business. Notice of such meeting need not be given.

3.07 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined by a majority of the directors, but at least four (4) such meetings shall be held during each year.

3.08 Special Meetings. Special Meetings of the Board may be held at any time upon call by the President or any two (2) directors. Written notice of the time and place of each such meeting shall be given to each director either by personal delivery, mail, telegram, facsimile, or telephone, at least two (2) calendar days before the meeting, which notice shall specify the purpose of the meeting; provided, however that attendance of any director at any such meeting without protesting prior to or at the commencement of the meeting the lack of proper notice, shall be deemed to be a waiver by him of notice of such meeting and such notice may be waived in writing, either before, or at the commencement of such meeting. If all the directors are present

at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

3.09 Boards' Quorum. At all meetings of the Board a majority of the directors shall constitute a quorum for the transaction of business and the acts of the majority of the directors 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 the continuation of any such adjourned meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without further notice.

3.10 Electronic Communication. Meetings of the Board may be held by any method of communication, including electronic, videographic, or telephonic communications, provided that each director can hear, or read, participate and respond in real time to every other member.

3.11 Action by Unanimous Written Consent of the Board. Any action which may be authorized to be taken at a meeting of the Board may be taken or authorized without a meeting in a writing or writings signed by all of the members of the Board. The writing or writings evidencing such action taken by the unanimous written consent of the Board shall be filed with the records of the Association.

3.12 Fidelity Bonds. The Board shall require that all officers and employees of the Association handling or responsible for the Association funds shall furnish adequate fidelity bonds. The premiums for such bonds shall be paid by the Association.

3.13 Owner Participation. No Owner other than a Director may participate in any discussion or deliberation of a meeting of the Board at either a regular or special Board meeting unless the Board expressly authorizes that Owner to attend or participate.

3.14 Compliance with Anti-Discrimination Laws. The Board shall comply with all applicable state and federal laws concerning the prohibitions against discrimination on the basis of race, color, religion, sex, military status, national origin, disability, age, or ancestry, including, but not limited to, Chapter 4112 of the Ohio Revised Code. No private right of action additional to those conferred by the applicable state and federal anti-discrimination laws is conferred on any aggrieved individual by the preceding sentence.

ARTICLE IV
POWERS OF THE BOARD

4.01 General. The Board shall exercise all powers and authority, under law, and under the provisions of the Organizational Documents, that are not specifically and exclusively reserved to the Owners by law or by other provisions thereof, and without limiting the generality of the foregoing, the Board shall have the right, power and authority to:

(a) take all actions deemed necessary or desirable to comply with all requirements of law, and the Organizational Documents;

(b) obtain insurance coverage no less than that required pursuant to the Declaration and other Organizational Documents;

(c) enforce the covenants, conditions and restrictions set forth in the Declaration;

(d) repair, maintain and improve the Common Elements;

(e) establish, enforce, levy and collect assessments as provided in the Declaration including for the payment of Common Expenses;

(f) adopt and publish Rules and Regulations:

(i) governing the use of the Common Elements and the personal conduct of Owners, Occupants and their guests and invitees thereon;

(ii) detailing the procedures for discharging the Association's responsibilities with regard to the administration of the Property and Common Elements;

(iii) governing any aspect of the Property and Common Elements that is not required by statute to be governed by the Organizational Documents; and

(iv) establishing penalties for the infraction thereof and the Organization Documents;

(g) suspend the voting rights of an Owner during any period in which such Owner shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) calendar days for each infraction of published Rules and Regulations or of any provisions of the Organizational Documents;

(h) declare the office of a member of the Board to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board;

(i) authorize the officers to enter into one or more agreements necessary or desirable to fulfill the purposes and objectives of the Association and to facilitate the efficient operation of the Property and Common Elements, which includes without limitation, the ability to hire and terminate managing agents, attorneys, accountants, and other independent professionals and employees deemed necessary for such purposes. It shall be the primary purpose of such management agreements and service 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 the Organizational Documents;

(j) cause funds of the Association to be invested in such reasonable investments as the Board may, from time to time, determine;

(k) borrow funds, as needed, and pledge such security and rights of the Association as might be necessary or desirable to obtain any such loan including, without limitation, the pledge of the Association's right to levy assessments upon the Members; and

(l) do all things and take all actions permitted to be taken by the Association by law, or the Organizational Documents not specifically reserved thereby to others.

ARTICLE V
DUTIES OF THE BOARD

5.01 General. 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 Owners at each annual meeting of Owners, or at any special meeting when such statement is requested in writing by Owners representing a Majority of the Owners;

(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 Dwelling Unit and Lot;

(ii) give written notice of each assessment to every Owner 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 Owner(s) personally obligated to pay the same, or both;

(d) issue, or to cause an appropriate representative to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid;

(e) procure and maintain insurance and bonds as provided in the Declaration, and as the Board deems advisable;

(f) cause the property, both real and personal, subject to the Association's jurisdiction to be maintained within the scope of authority provided in the Declaration;

(g) cause the restrictions created by the Declaration to be enforced; and

(h) take all other actions required to comply with all requirements of law and the Organizational Documents.

ARTICLE VI **OFFICERS**

6.01 Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by and from the Board. The offices of Treasurer and Secretary may be filled by the same person.

6.02 Term of Office; Vacancies. The officers of the Association shall hold office until the next organization meeting of the Board and until their successors are elected, except in case of resignation, removal from office or death. The Board may remove any officer at any time, with or without cause, by a majority vote of the directors then in office. Any vacancy in any office may be filled by the Board.

6.03 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. Subject to directions of the Board, the President shall have general executive supervision over the business and affairs of the Association. He may execute all authorized deeds, contracts and other obligations of the Association and shall have such other authority and shall perform such other duties as may be determined by the Board or otherwise provided for in the Organizational Documents.

6.04 Secretary. The Secretary 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. He shall be in charge of sending any notices and shall, in general, perform all the duties incident to the office of Secretary.

6.05 Treasurer. The Treasurer shall have the 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.

ARTICLE VII BOOKS

7.01 General. The Association shall maintain correct and complete books, records and financial statements of the Association, including, without limitation, the Organizational Documents; current Rules and Regulations; names and addresses of the Owners; actions and Board resolutions, minutes of all meetings of Members and the Board, documents relating to its financial condition, all receipts and expenditures, budget, financial statements showing the allocation, distribution and collection of the common profits, common losses and common expenses among and from the Owners and annual audited financial statements when such are prepared.

7.02 Availability. Any Owner, duly authorized agent of any Owner, duly authorized prospective purchaser, Eligible First Mortgagee, insurer or guarantor of a first mortgage on a Dwelling Unit, may examine and copy any of the foregoing books, records and financial statements pursuant to reasonable standards established in the Organizational Documents or by Rules and Regulations which may include, without limitation, standards governing the type of documents that are subject to examination and copying, the times and locations at which those documents maybe examined or copies, and the specification of a reasonable fee for copying the documents.

7.03 Limitations. Notwithstanding the foregoing section, the Association shall not be required to permit the examination and copying of any of the following:

- (a) information that pertains to Property related personnel matters;
- (b) communications with legal counsel or attorney work product pertaining to pending litigation or other Property and Common Elements related matters;

(c) information that pertains to contracts or transactions currently under negotiation, or information that is contained in a contract or other agreement containing confidentiality requirements and that is subject to those requirements;

(d) information that relates to the enforcement of the Organizational Documents or Rules and Regulations of the Association against Owners; or

(e) information the disclosure of which is prohibited by a confidentiality and non-disclosure agreement, state or federal law.

ARTICLE VIII **PURPOSE OF ASSESSMENTS**

8.01 Payments from Maintenance Funds. The Association shall establish and shall pay for out of the maintenance funds, the following:

(a) Utility Services for Common Elements and to Dwelling Units when Measured by Common Meter. The cost of water, sewer services, waste removal, electricity, telephone, heat, power or any other necessary utility service to or for the Common Elements, plus the costs or charges for any utility service to individual Dwelling Units which are being serviced by a common meter, (i.e., water and sewer services which are being supplied to all of the Dwelling Units of a building and measured through one (1) meter). The Association reserves the right to levy additional assessments against any Owner and/or Lot to reimburse it for excessive use, as shall be determined by the Board, by such Owner of any utility service having been charged against or to the maintenance fund.

(b) Care of Common Elements. The cost of landscaping, gardening, snow and ice removal, paving, painting, cleaning, maintenance, decorating, repair and replacement of the Common Elements including all outdoor parking spaces whether the same are deemed Limited Common Element or are assigned by license to a specific Dwelling Unit.

(c) Certain Maintenance of Limited Common Elements and Buildings. The cost of the maintenance and repair of any Limited Common Elements (including all outdoor parking spaces whether the same are deemed Limited Common Element or are assigned by license to a specific Dwelling Unit) and buildings, parts of which include the respective Dwelling Units, if such maintenance or repair is necessary in the discretion of the Association to protect the Common Elements or the Property, or any other portion of a building, and the Owner or Owners of a Dwelling Unit 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 delivered by the Association to said Owner or Owners, provided the Association shall levy a Special Individual Lot Assessment against such Owner(s) and Lot(s) for the cost of said maintenance or repair.

(d) Casualty Insurance. The premium upon a policy or policies of fire insurance with extended coverage, vandalism and malicious endorsements, as provided in the Declaration, the amount of which insurance shall be reviewed annually.

(e) Liability Insurance. The premium upon a policy or policies insuring the Association, the members of the Board and the Owners against any liability to the public or to the Owners, their invites or tenants, incident to the ownership and/or use of the Common Elements, as provided in the Declaration, the limits of which policy shall be reviewed annually.

(f) Wages and Fees for Services. The fees for services of any person or firm employed by the Association, including but not limited to, the services of a person or firm to act as a Managing Agent and legal and/or accounting services necessary or proper in the operation of the Property or the enforcement of the Organizational Documents and for the organization, operation and enforcement of the rights of the Association.

(g) Workmen's Compensation. The costs of workmen's compensation insurance to the extent necessary to comply with any applicable law.

(h) Discharge of Mechanic's Liens. Any amount necessary to discharge any mechanic's lien or other encumbrance levied against the Property or any part thereof, including Common Elements, which may in the opinion of the Association constitute a lien against the entire Property, or a portion thereof, rather than merely against the interests therein of particular Owners, it being understood however, that the foregoing authority shall not be in limitation to any statutory provisions relating to the same subject matter. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it. Any costs incurred by the Association because of said lien or liens shall be specifically assessed to said Owners.

(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 to pay for pursuant to the terms of the Organizational Documents, or which, in its opinion, shall be necessary or proper for the maintenance and operation of the Property as a first class single family residential project, or for the enforcement of the Organizational Documents.

8.02 Delegation of Duties. The Association, through its Board and officers, has the authority to delegate to persons, firms or corporations of its choice, such duties and responsibilities of the Association as the Board shall from time to time specify, and to provide for reasonable compensation for the performance of such duties and responsibilities.

ARTICLE IX
DETERMINATION AND PAYMENT OF ASSESSMENTS

9.01 The Determination and Payment of Assessments. The following shall apply for the determination and payment of assessments:

(a) Each Member is obligated to pay to the Association their share of the costs to upkeep the Property as determined by the decisions of the Board as set forth in the annual estimated budget, which are secured by a continuing lien upon the property against which the assessment is made. If any assessment is not paid within ten (10) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property. Interest, costs, and reasonable attorney's fees and paralegal fees and other expenses incurred of any such action shall automatically be added to the amount of such assessment. No Owner may waive or otherwise escape personal liability for the assessment provided for herein by non-use of the Common Element, the private roadway right-of-way easement or abandonment of his/her Lot.

(b) The Association shall credit any payment from a Lot Owner for an assessment in the following order: (a) to the interest owed on the outstanding balance; (b) to administrative late fees or enforcement assessments owed to the Association; (c) to collection costs, attorney fees, paralegal fees, and recording costs the Association incurred in collecting the assessment; and (d) to the oldest principal amounts the Owner owes to the Association for the Common Expenses, general or special assessments, as the case may be, chargeable against the Dwelling Unit or Lot.

9.02 Preparation of Estimated Budget. The Association shall, on or before December 1st of every year, prepare an estimate of the total amounts necessary to pay the cost of wages, materials, insurance, services and supplies which will be required during the ensuing calendar year for the rendering of all services, together with a reserve for contingencies and replacements. On or before December 15th, each Owner shall be notified in writing as to the amount of such estimate, with reasonable itemization thereto. On or before January 1st of the ensuing year and the 1st of each and every month of said year each Owner shall be obligated to pay to the Association, or as it may otherwise direct, one-twelfth (1/12) of the assessment made pursuant to this Section. On or before the date of the annual meeting, in each calendar year the Association shall supply to all Owners an itemized accounting of the maintenance expenses actually incurred for the preceding calendar year, together with a tabulation of the amounts collected pursuant to the estimate provided, and showing the net amount over or short of the actual expenditures plus reserves.

9.03 Reserve for Contingencies and Replacements. The Association shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual estimate which may be necessary for the year shall be charged first against such reserve, unless the same is waived as provided for in the Organizational Documents and as permitted by Ohio law. If said estimated cash requirement proves inadequate for any reason, including non-payment of any Owner's assessment, the same shall be assessed equally to the Owners according to each Owner's number of Lots with the development, or as otherwise stated in the Declaration. The Association shall serve notice of such further assessment on all Owners by a statement in writing giving the reasons therefore, the amounts and the date or dates when such further assessment may be payable in a lump sum or in installments.

9.04 Periodic Assessments. Notwithstanding any provision in this Article IX, the Board may, at its sole option, elect that certain expenses such as insurance, water and sewer be paid by periodic assessments based on the billing date of such expenses. If the Board so elects, such expenses shall be separately stated in the budget specifying the amount and due date thereof.

9.05 Budget for First Year. When the first Board hereunder takes office after the Association is turned over by the Declarant, the Association shall determine the estimated cash requirement, as hereinabove defined, for the period commencing thirty (30) calendar days after said election and ending on December 31st of the calendar year in which said election occurs. Assessments shall be levied against the Owners during said period as previously provided for.

9.06 Failure to Prepare Annual Budget. The failure or delay of the Association to prepare or serve the annual or adjusted estimate on the Owner shall not constitute a waiver or release in any manner of such Owner's obligation to pay the maintenance costs and necessary reserves as herein provided, whenever the same shall be determined. In the absence of any annual estimate or adjusted estimate the Owner shall continue to pay the monthly maintenance charge at the existing monthly rate established for the previous period until the first monthly maintenance payment which occurs more than ten (10) calendar days after such annual or adjusted estimate shall have been mailed or delivered.

9.07 Assessments. Monthly assessments shall begin as provided for in the Organizational Documents and shall be paid pursuant to the terms thereof.

9.08 Audit. Upon the written request of any Eligible First Mortgagee on over fifty-one percent (51%) of the Dwelling Units, or by any group of Eligible First Mortgagee who in the aggregate hold mortgages on Over fifty-one percent (51%) of the Dwelling Units, or upon written request executed by a majority of Owners, the books of the Association shall be audited, but not more than once every three (3) years by an independent registered or Certified Public Accountant. The results of such audit shall be sent to every Owner of record, and the holder of any duly recorded mortgage against any ownership who requests in writing a copy thereof.

9.09 Remedies for Failure to Pay Assessments. If an Owner is in default in the monthly payment of the aforesaid charges, the Members of the Board may avail themselves of the lien rights and other rights provided for in the Declaration, or as otherwise permitted by law.

ARTICLE X
GENERAL PROVISIONS

10.01 Amending the By-Laws. These By-Laws may be amended at a regular or special meeting of the Members, by a vote of Members exercising seventy-five percent (75%) of the voting power of Members, and if material to the rights of a mortgagee, the approval of all holders of first mortgage liens on Lots has first been obtained. No amendment to these By-Laws shall be deemed effective until Recorded in the office of the Montgomery County Recorder.

10.02 Controlling Documents. In the case of a conflict between the Articles and the By-Laws, the Articles shall control. In the case of a conflict between the Declaration and the By-Laws, the Declaration shall control.

10.03 Dissolution of the Association. Any vote to terminate the applicability of the Declaration, dissolve the Association, or dissolve the planned community shall require the unanimous consent of all Owners.

10.04 Copies of Notices to Eligible First Mortgagee. Upon written request to the Board, Eligible First Mortgagees shall be given a copy of any and all notices and other documents permitted or required by the Organizational Documents to be given to the Owner(s) whose Lot ownership is subject to such mortgage, and a copy of any lien filed by the Association.

10.05 Service of Notices on the Board. Notices required to be given to the Board or to the Association may be delivered to any member of the Board or officer of the Association, either personally or by mail, addressed to such member or officer at his Dwelling Unit.

10.06 Non-Waiver of Covenants. No covenants, restrictions, conditions, obligations or provisions contained in the Organizational Documents shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

10.07 Agreements Binding. All agreements and determinations lawfully made by the Association in accordance with the procedures established in the Condominium Organizational Documents shall be deemed to be binding on all Owners, their successors, heirs, legal representatives, and assigns.

BROWNSTONES AT 2ND HOMEOWNERS' ASSOCIATION, INC.
BY-LAWS

10.08 Severability. The invalidity of any covenant, restriction, condition, limitation or any other provision of these By-Laws, or of any part of the same, shall not impair or affect in any manner the validity, enforceability or effect of the rest of these By-Laws.

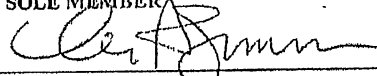
10.09 Gender and Grammar. Any necessary grammatical changes required to make the provisions hereof apply either to corporations, limited liability companies, partnerships, trusts, individuals, male or female, shall in all cases be assumed as in each case fully expressed herein.

EXECUTED on the date set forth in the acknowledgement of the signature below.

BROWNSTONES AT 2ND HOMEOWNERS' ASSOCIATION, INC.

BY: SIMMS BROWNSTONES AT 2ND, LTD.

BY: CHARLES V. SIMMS DEVELOPMENT CORPORATION,
ITS SOLE MEMBER

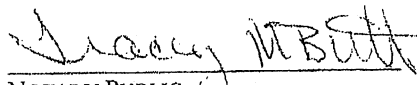
BY: 
CHARLES H. SIMMS, PRESIDENT

STATE OF OHIO)
COUNTY OF MONTGOMERY) SS:

The foregoing instrument was acknowledged before me this 9th day of June, 2015, by CHARLES H. SIMMS, PRESIDENT of CHARLES V. SIMMS DEVELOPMENT CORPORATION, the sole member of BROWNSTONES AT 2ND HOMEOWNERS' ASSOCIATION, INC., an Ohio not-for-profit corporation, on behalf of such corporation.



TRACEY M. BUTT, Notary Public
In and for the State of Ohio
My Commission Expires March 5, 2019


NOTARY PUBLIC

This instrument prepared by: David H. Montgomery, Esq., Pickrel, Schaeffer and Ebeling Co., L.P.A., 2700 Kettering Tower, Dayton, Ohio 45423. 1F44945



DATE	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
06/11/2015	201516118943	DOMESTIC NONPROFIT CORP - ARTICLES (ARN)	125.00	0.00	0.00	0.00	0.00

Receipt

This is not a bill. Please do not remit payment.

PICKREL, SCHAEFER & EBELING CO., L.P.A.
JENNIFER SAMAAAN
2700 KETTERING TOWER
DAYTON, OH 45423

**STATE OF OHIO
CERTIFICATE**

Ohio Secretary of State, Jon Husted
2400742

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

BROWNSTONES AT 2ND HOMEOWNERS' ASSOCIATION, INC.

and, that said business records show the filing and recording of:

Document(s)

DOMESTIC NONPROFIT CORP - ARTICLES

Effective Date: 06/05/2015

Document No(s):

201516118943



United States of America
State of Ohio
Office of the Secretary of State

Witness my hand and the seal of the
Secretary of State at Columbus, Ohio this
11th day of June, A.D. 2015..

Jon Husted

Ohio Secretary of State



From: 9372230339 Page: 3/9 Date: 6/5/2015 11:08:42 AM



Form 532B Prescribed by:
JON HUSTED
OHIO SECRETARY OF STATE

Toll Free: (877) 503-FILE (877-767-3453)
Central Ohio: (614) 464-3910
www.OhioSecretaryofState.gov
hustedj@OhioSecretaryofState.gov
File online or for more information: www.OHBusinessCentral.com

Mail this form to one of the following:

Regular Filing (non expedite)
P.O. Box 670
Columbus, OH 43216
Expedite Filing (five business day processing time;
requires an additional \$100.00)
P.O. Box 1590
Columbus, OH 43216

Initial Articles of Incorporation
(Nonprofit, Domestic Corporation)
Filing Fee: \$125
(114-ARN)

2015 JUN -5 AM 11:43

First: Name of Corporation

Second: Location of Principal office in Ohio

 City State

 County

Effective Date (Optional)
 (The legal existence of the corporation begins upon the filing of the articles or on a later date specified that is not more than ninety days after filing)
 mm/dd/yyyy

Third: Purpose for which corporation is formed

****Note for Nonprofit Corporations:** The Secretary of State does not grant tax exempt status. Filing with our office is not sufficient to obtain state or federal tax exemptions. Contact the Ohio Department of Taxation and the Internal Revenue Service to ensure that the nonprofit corporation secures the proper state and federal tax exemptions. These agencies may require that a purpose clause be provided.

****Note:** ORC Chapter 1702 allows for additional provisions to be included in the Articles of Incorporation that are filed with this office. If including any of these additional provisions, please do so by including them in an attachment to this form.



ORIGINAL APPOINTMENT OF STATUTORY AGENT

The undersigned, being at least a majority of the incorporators of **Brownstones at 2nd Homeowners' Association, Inc.**

hereby appoint the following to be statutory agent upon whom any process, notice or demand required or permitted by statute to be served upon the corporation may be served. The complete address of the agent is

PS&E Corporate Services, Inc.
Name

2700 Kettering Tower, 40 N. Main Street
Mailing Address

Dayton **Ohio** **45423**
City State Zip Code

Must be signed by the incorporators or a majority of the incorporators

[Handwritten Signature]
Signature

Signature

Signature

ACCEPTANCE OF APPOINTMENT

The Undersigned, **PS&E Corporate Services, Inc.**, named herein as the
Statutory Agent Name

Statutory agent for **Brownstones at 2nd Homeowners' Association, Inc.**
Corporation Name

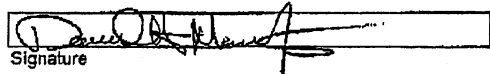
hereby acknowledges and accepts the appointment of statutory agent for said corporation.

Statutory Agent Signature *[Handwritten Signature]*

Individual Agent's Signature, Signature on behalf of Business Serving as Agent

By signing and submitting this form to the Ohio Secretary of State, the undersigned hereby certifies that he or she has the requisite authority to execute this document.

Required
Articles and original appointment of agent must be signed by the incorporator(s).


Signature

If the incorporator is an individual, then they must sign in the "signature" box and print his/her name in the "Print Name" box.

By

David H. Montgomery, Esq., Authorized Representative

Print Name

If the incorporator is a business entity, not an individual, then please print the entity name in the "signature" box, an authorized representative of the entity must sign in the "By" box and print his/her name and title/authority in the "Print Name" box.

Signature

By

Print Name

Signature

By

Print Name

**ADDITIONAL PROVISIONS TO
ARTICLES OF INCORPORATION OF
BROWNSTONES AT 2ND HOMEOWNER'S ASSOCIATION, INC.**

THIRD: Purpose for which corporation is formed:

Forthwith upon the creation of the Association, the undersigned is creating a Planned Community under the provisions of Chapter 5312 of the Ohio Revised Code, known as Brownstones at 2nd ("the Community"). The purposes for which the Association is formed are to be and act as the homeowners association for the Community, to provide for the maintenance, preservation and architectural control of the property, common property and common elements of the Community and to promote the health, safety and welfare of the owners, residents and tenants of the Community, and for these purposes to:

- (a) exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in these Articles of Incorporation, and the Declaration and By-Laws of the Community (the "Articles, the "Declaration" and the "By-Laws", respectively);
- (b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration and By-Laws, and pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association;
- (c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, or otherwise dispose of real or personal property in connection with the affairs of the Association;
- (d) borrow money to fulfill its purposes and to pledge assets of the Association (including, without limitation, the right of the Association to levy assessments) as security for such borrowing;
- (e) administer and enforce terms, conditions, covenants, restrictions and regulations upon, under and subject to which the Community or any part thereof may now or hereafter be used, and fix and provide any such terms, conditions, covenants, restrictions and regulations, and administer, enforce, alter, amend, change, add to, extend, waive or terminate, in whole or in part, any of the same;
- (f) provide the residents, tenants and homeowners of the Community with (i) normal utility services not separately provided to individual Dwelling Units, (ii) services supplemental to municipal services, and (iii) Common Elements maintenance service;

(g) be, function and act as the homeowners association of the Community, under the provisions of Chapter 5312 of the Ohio Revised Code, and delegate such authority as it desires to a managing agent;

(h) have and exercise any and all powers, rights and privileges which a corporation organized under Chapter 1702 of the Ohio Revised Code may now or hereafter have or exercise by law; and

(i) take any action necessary, expedient, incidental, appropriate or convenient to the carrying out of the foregoing purposes.

The Association shall not do any act or enter into any agreement or enter into any transaction in a manner which would violate any provision of Chapter 5312 of the Ohio Revised Code or the provisions of these Articles, the Declaration, or the By-Laws.

FOURTH: Membership

Every person or entity who is a record owner of a fee or undivided fee simple interest in a Lot shall be a member of the Association, and is herein called an "Owner". The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of a Lot, and transfer of a Lot shall automatically transfer membership to the transferee. Voting rights of members shall be as set forth in the Declaration and the By-Laws. (The latter of which shall also be and serve as the Association's Code of Regulations).

FIFTH: Board of Directors

The names and addresses of the persons who are initially to act in the capacity of Directors, until the selection of their successors, (as provided in the Declaration and the By-Laws) are:

Name	Address
Charles H. Simms	2785 Orchard Run Road Dayton, Ohio 45449
Tracey M. Butt	2785 Orchard Run Road Dayton, OH 45449
Robert K. Simms	2785 Orchard Run Road Dayton, OH 45449

The number, qualifications, manner and time of selection of successor Directors, and their terms of office, shall be as set forth in the Declaration and the By-Laws

The Board of Directors shall have all of the powers and all of the duties of the Board of Directors as defined in Chapter 5312 of the Ohio Revised Code and the Board of Directors/Trustees as defined in Chapter 1702 of the Ohio Revised Code, except as such powers may be limited or expanded by the provisions of these Articles, the Declaration or the By-Laws.

SIXTH: Notice and Quorum

Notice and quorum requirements shall be in accordance with the provisions of the By-Laws.

SEVENTH: Indemnification

The Association shall indemnify every person who is or has been a Director, officer, agent or employee of the Association and those persons' respective heirs, legal representatives, successors and assigns, against expenses, including reasonable attorney fees, and judgments, decrees, fines, penalties and amounts paid in settlement actually and reasonably incurred in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether in an action or proceeding by or in the right of the Association, or otherwise in which such person was or is a party or is threatened to be made a party by reason of the fact that person was a Director, officer, employee or agent of the Association, or is or was serving in such capacity at the request of the Association, provided that person: (a) acted in good faith and in a manner that person believed to be in, or not opposed to, the best interests of the Association, and (b) in any matter the subject of a criminal action or proceeding, had no reasonable cause to believe the questioned conduct was unlawful, but provided that in the case of any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor against any such person by reason of that person serving in such capacity, no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of a duty to the Association unless and only to the extent that the court in which such action was brought shall determine upon application that in view of all the circumstances of the case that person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

Unless ordered by a court of competent jurisdiction, the determination of indemnification, pursuant to the foregoing criteria, shall be made: (a) by a majority vote of a quorum of Directors of the Association who were not and are not parties to or threatened with any such action, suit, or proceeding, or (b) if such a quorum is not obtainable, or if a majority of a quorum of disinterested Directors

so direct, in a written opinion by independent legal counsel other than an attorney, or a firm having associated with it an attorney, who has been retained by or who has performed services for the Association or any person to be indemnified within the past five years, or (c) by the Unit Owners, or (d) by the court of competent jurisdiction in which such action, suit or proceeding was brought.

Any such indemnification shall not be deemed exclusive of any other rights to which such person may be entitled under law, any agreement, or any insurance purchased by the Association, or by vote of Owners, or otherwise.

EIGHTH: Duration

The Association shall exist so long as the Planned Community regime of the Community exists, and no longer.

NINETH: Dissolution

The Association may be dissolved only with the same consents as are required to terminate the Planned Community regime, as provided in the Declaration or By-Laws.

TENTH: Definitions

All terms used herein shall have the same meanings as set forth in the Declaration.

ELEVENTH: Amendments

The Articles may be amended only under the same terms and conditions, and with the same approvals, as are provided in the Declaration for its amendment, unless otherwise specifically set forth with the Declaration or By-Laws.

EXHIBIT D
DESIGN STANDARDS

1. General.

1.1 The capitalized terms herein, unless otherwise specified, shall mean, and be defined as, those terms set forth in the Declaration of Covenants, Conditions and Restrictions for Brownstones at 2nd Homeowner's Association, Inc. (the "Declaration").

1.2 The purpose of these Design Standards is two-fold. First, to establish certain criterion and guidelines for a Dwelling Unit and other improvements on the Property; and secondly, to establish a procedure and requirement for the plans and specifications to be submitted to the Design Review Committee.

2. Dwelling Unit Requirements.

2.1 All Dwelling Units shall be maintained aesthetically, to be of an attractive first class and character for a single family residential planned community. All exterior surfaces of a Dwelling Unit shall be maintained in harmony with other Dwelling Units within the Development, and shall have a uniform and consistent appearance of other Dwelling Units located on the Property.

2.2 Any changes to the exterior of any Dwelling Unit in any building must have prior approval of the Design Review Committee.

2.3 The Board of Directors shall have the ability to establish Rules and Regulations and modifications to these Design Standards from time to time.

3. Walkways.

3.1 All walkways located on a Lot shall be constructed of concrete, stamped concrete, or brick, and shall be a minimum of three feet (3') wide. Walkways shall be kept free and clear of weeds, and shall be maintained in a sightly manner at all times.

4. Windows.

4.1 Shall be vinyl. The exterior color shall be subject to design review on all Lots, but shall be consistent with all Dwelling Units located within any one building. Any replacement or new windows installed after the initial construction of the Dwelling Unit shall be preapproved by the Design Review Committee.

5. Exterior Doors.

5.1 All exterior doors to a Dwelling Unit shall be natural wood, fiberglass, or metal, and shall reasonably match and conform to the exterior doors of the other Dwelling Units located within a building, all of which shall create a reasonably uniform appearance throughout the Development.

6. Garage Doors.

6.1 All garage doors shall be natural wood or paneled metal. Garage doors may be insulated, and may be with or without glass windows. Any replacement or new garage door installed after the initial construction of the Dwelling Unit shall be preapproved by the Design Review Committee.

7. Exterior Lighting.

7.1 Submitted specifications must be shown to the Design Review Committee prior to installation, identifying the location, model, and design of exterior lighting fixtures.

8. Fencing.

8.1 Fences will be constructed by Builder on each Lot with a Dwelling Unit at the time of initial construction. Any additional fencing must be preapproved by the Design Review Committee.

9. Landscaping.

9.1 Any landscaping/vegetation installed on a Lot that has become diseased, or has subsequently died shall be removed by the Owner, and replaced within a reasonable time with a similar species. In the event it is determined by the Board that the landscaping died as a result of an action or failure to act by the Lot Owner, then in such instance the Owner shall be responsible, at its cost, to replace the landscaping/vegetation as provided herein.

9.2 The Design Review Committee may require certain minimal requirements for additional or replacement landscaping, including the planting of trees or shrubs as reasonably determined.

9.3 Window planting boxes are prohibited, except on rear deck railings of Dwelling Unit.

10. Satellite Dishes.

10.1 Satellite dish locations must be preapproved by the Design Review Committee, prior to installation. When possible and practical, satellite dishes shall not be mounted on the front (facing street) side of a Dwelling Unit. Irrespective of any other language contained in the Declaration, should an Owner attach a satellite dish to the exterior façade of a Dwelling Unit, the Owner shall be responsible for the cost of any maintenance, repair, or replacement required as a result of such installation, to either the exterior or interior of a Dwelling Unit, however, the Association shall repair the exterior of the Dwelling Unit and assess the cost thereof to the Owner. In no event shall any satellite dish be installed on the roof of a Dwelling Unit.

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