

CODE OF REGULATIONS OF
BRANDY MILL ESTATES HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I
THE ASSOCIATION

Section 1.1. Name and Location. The name of the corporation is Brandy Mill Estates Homeowners' Association, Inc. ("Association"). The initial principal office of the Association shall be located at the offices of Maronda Homes, Inc. of Ohio, which is the developer of the Brandy Mill Estates Subdivision (hereinafter referred to as "Declarant"), whose address is 3811 Twin Creeks Drive, Columbus, Ohio 43204. However, such principal office of the Association may be changed by the Board of Trustees, and meetings of Members (hereinafter defined) and Trustees (hereinafter defined) may be held at such places as may be designated by the Board of Trustees as well.

ARTICLE II
MEMBERSHIP

Section 2.1. Member. "Member" shall mean any person or entity who or which is a record owner of any Lot which is subject to the Declaration for Brandy Mill Estates Subdivision, which is recorded in the official records of Licking County, Ohio, and any amendments thereto (the "Declaration").

Section 2.2. Annual Meeting. The first annual meeting of the Members of the Association shall be held at such time as determined by Declarant but not later than within sixty (60) days after the earlier to occur of (i) the date that the Declarant surrenders its preferential voting rights in relation to Association, or (ii) the date that the Declarant no longer owns a Lot in the Subdivision. Each additional annual meeting of the Members shall be held in the same month of subsequent years, on a date and time fixed by the Board of Trustees at such other time and date as may be determined by the Board of Trustees.

Section 2.3. Special Meetings. Prior to the first annual meeting, special meetings of the Members may be called at any time by the Declarant. After the first annual meeting, special meetings of the Members may be called at any time by the President, by a majority vote of the Board of Trustees, or upon written request of the Members who are entitled to vote at least one-third (1/3) of all the votes of the Declaration.

Section 2.4. Notice of Meetings. Except as otherwise provided in the Declaration, written notice of each meeting of the Members shall be given by, or at the direction of the Secretary or person authorized to call the meeting, by mailing or delivering a copy of such notice, at least fifteen (15) days before such meeting, to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied in writing by each Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in case of a special meeting, the purpose of the meeting.

Section 2.5. Quorum. The presence at the meeting of Declarant and/or Members entitled

to cast, and of proxies entitled to cast, fifty percent (50%) of the votes of the membership shall constitute a quorum for any action except as otherwise provided herein. 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 be represented.

Section 2.6. Adjourned Meetings. If, at any regular or special meeting of the Members of the Association, there shall be less than a quorum present, a majority of those Members present and entitled to vote may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called, at which time the quorum requirement shall be one-third (1/3) of the votes of the membership of the Association, and any business which might lawfully have been transacted at the meeting as originally called may be transacted without further notice.

Section 2.7. Proxies. At all meetings of the Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable upon providing written notice to the Secretary of such revocation and shall automatically cease upon conveyance by the Member of his Lot.

Section 2.8. Voting. Subject to Declarant's preferential voting rights set forth hereafter, the owner of each Lot will have one (1) vote as a Member of the Association. To the extent that the ownership rights in a Lot are divided, each owner will hold the same percentage of right to cast one (1) vote as it has a percentage interest in a Lot. If an owner owns more than one (1) Lot, it will have as many votes as it has Lots. A majority of the voting rights of those present, either in person or by proxy, shall decide any questions brought before the meeting, unless the question is one upon which a different vote is required by provision of the laws of Ohio or the Code of Regulations.

Section 2.9. Declarant's Voting Rights. At any time that Declarant owns one or more Lots in the Subdivision, Declarant shall be entitled to cast a total number of votes equal to the number of all of the Lots located in the Subdivision. This shall be in addition to the votes that Declarant is entitled to as an owner of its Lot.

Section 2.10. Suspension of Voting Privileges. No Member shall be eligible to vote or to be elected to the Board of Trustees if any assessment owed by said Member to the Association remains outstanding thirty (30) days after the billing date for such assessment on the books of the Association.

Section 2.11. Actions Without a Meeting. Prior to the first annual meeting, Declarant may take any action that could be taken at a meeting of the Members of the Association without a meeting, in a writing or writings, signed by an officer of Declarant.

ARTICLE III BOARD OF TRUSTEES; SELECTION; TERM OF OFFICE

Section 3.1. Number. The affairs of this Association shall be managed by a Board of Trustees, who need not be Members of the Association. The original number of Trustees shall be three (3). Thereafter, the number of Trustees shall be not fewer than three (3) nor more than seven (7), as may be determined from time to time by the Association.

Section 3.2. Selection, Term of Office. Declarant shall appoint the initial members of the Board of Trustees. The Declarant reserves the right to control and direct the Board of Trustees (including the making of all appointments thereto and removing any member thereof) until the earlier to occur of (i) the date that the Declarant surrenders its preferential voting rights in relation to Association pursuant to the terms and conditions set forth in the Declaration, or (ii) the expiration of the Development Period. At such time, those homebuyer/Members shall then have the right to appoint two (2) of five (5) members of the Board of Trustees and Declarant shall retain the right to control three (3) members of the Board of Trustees until it no longer owns any portion of the Property. Should the Declarant decide to relinquish control of the Board of Trustees prior to the expiration of the control period stated above, it may do so by causing all its members to resign by providing written notice to the Association.

Section 3.3. Removal. Any Trustee may be removed from the Board of Trustees, with or without cause, by an affirmative vote in excess of sixty-six percent (66%) of the voting rights of the membership of the Association. In the event of death, resignation or removal of a Trustee, his successor shall be selected by the remaining members of the Board of Trustees and shall serve for the unexpired term of his predecessor. The provisions of this Section 3.3 shall not apply to members of the Board of Trustees appointed by the Declarant.

Section 3.4. Compensation. Members of the Board of Trustees shall serve without compensation. However, any Trustee may be reimbursed for his reasonable expenses incurred in the performance of his duties.

Section 3.5. Action Taken Without a Meeting. The Trustees shall have the right to take any action in the absence of a meeting that they could take at a meeting by obtaining the written approval of all the Trustees. Any action so approved shall have the same effect as though taken at a meeting of the Trustees.

ARTICLE IV NOMINATION AND ELECTION OF TRUSTEES

Section 4.1. Nomination. Nomination for election of any members of the Board of Trustees to be appointed by the Members shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Trustees, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Trustees at least sixty (60) days prior to each annual meeting of the Members, to serve from the time of appointment until the close of the next annual meeting, and such appointment shall be announced at the next regular Board meeting. The Nominating Committee shall make as many nominations for election to the Board of Trustees as it shall in its discretion determine, but

not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

Section 4.2. Election. Election to the Board of Trustees shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise herein. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 4.3. Declarant Appointments. The provisions of this Article IV shall not apply to members of the Board of Trustees appointed by the Declarant.

ARTICLE V MEETINGS OF TRUSTEES

Section 5.1. Regular Meetings. The Board of Trustees shall meet annually within ten (10) days after the annual meeting of Members and, in addition to the annual meeting, shall meet at regular meetings established as to time and place by resolution of the Board of Trustees. Should any regular meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day that is not a legal holiday.

Section 5.2. Special Meetings. Special meetings of the Board of Trustees shall be held when called by the President of the Association or by a majority vote of the Board of Trustees, after not less than three (3) days notice to each Trustee. Members of the Association shall not be entitled to attend such special meetings.

Section 5.3. Quorum. A majority of the number of Trustees shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Trustees present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Trustees.

Section 5.4. Telephonic Meetings. The Trustees may participate in and act at any meeting of the Board of Trustees through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating.

ARTICLE VI POWERS AND DUTIES OF THE BOARD OF TRUSTEES

Section 6.1. Powers. The Board of Trustees shall have power to:

(a) adopt and publish rules and regulations governing the use of the amenities, common areas and easements, the personal conduct of the Members, their family members, guests and invitees thereon, enforcement of the provisions contained in the Declaration and to establish and levy penalties and fees for the infraction thereof;

(b) suspend the voting rights and right to use of the common areas and common easements (except the right to ingress and egress to a Lot) by a Member, the Member's family members, guests and invites, during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed thirty (30) days beyond the cure of such a default;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association by the Declaration, the Code of Regulations and/or the laws of the State of Ohio which are not reserved to the membership by other provisions of the Code of Regulations or the Articles of Incorporation;

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

(e) enforce the provisions of the Declaration on behalf of the Association and to establish and levy such fees and penalties against any Member for non-payment of assessments, delinquent assessments or breach of any provision contained in the Declaration;

(f) cause all the common areas and common easements, and any improvements thereon, to be maintained;

(g) employ such independent contractors, managers, and other employees as the Board of Trustees deems appropriate, and to prescribe their duties; and

(h) procure and maintain adequate insurance for the Association as set forth in the Declaration.

Section 6.2. Duties. It shall be the duty of the Board of Trustees to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by two-thirds (2/3) of Members who are entitled to vote;

(b) oversee all officers, managers, agents and employees of this Association;

(c) as more fully provided hereafter and in the Declaration, to:

(1) fix the amount of the general assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every owner subject thereto at least thirty (30) days after fixing the amount of the general assessment; and

(3) foreclose a lien against any Lot for which assessments are not paid within sixty (60) days after the due date or bring an action at law against the owner personally obligated to pay the same, if the Board of Trustees deems foreclosure or other action necessary.

(d) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge not to exceed twenty-five dollars (\$25.00) may be made by the Board of Trustees for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

ARTICLE VII OFFICERS AND THEIR DUTIES

Section 7.1. Enumeration of Officers. The officers of this Association shall be a President, who shall at all times be members of the Board of Trustees, a Secretary, and a Treasurer, and such other officers as the Board of Trustees may from time to time by resolution create.

Section 7.2. Election of Officers. While the Declarant retains all of the voting rights of the Association, the Declarant shall appoint the officers of the Association. After such time, the election of officers shall take place at the first meeting of the Board of Trustees following each annual meeting of the Members.

Section 7.3. Term. The officers of this Association shall be elected annually by the Board of Trustees and each shall hold office for one (1) year and until his or her successor is elected and qualified, unless he shall sooner resign, or shall be removed or otherwise disqualified to serve.

Section 7.4. Special Appointments. The Board of Trustees may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board of Trustees may, from time to time, determine.

Section 7.5. Resignation and Removal. Any officer may be removed from office with or without cause by a majority vote of the Board of Trustees. Any officer may resign at any time by giving written notice to the Board of Trustees, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Trustees. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7.7. Multiple Offices. The same person may hold the office of Secretary and Treasurer. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 7.4 of this Article.

Section 7.8. Duties. The duties of the officers are as follows:

(a) President - The President shall preside at all meetings of the Board of Trustees; shall see that orders and resolutions of the Board of Trustees are carried out; and shall act as chief executive officer.

(b) Secretary - The Secretary shall cause the record the votes and keep the minutes of all meetings and proceedings of the Board of Trustees and of the Members; serve notice of meetings of the Board of Trustees and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board of Trustees. In addition, it shall be the duty of the Secretary to see that the Notice of Continued Existence for the Association is regularly filed with the Secretary of the State of Ohio, to guarantee that the corporate charter shall remain in good standing.

(c) Treasurer - The Treasurer shall receive and deposit in appropriate bank or savings and loan accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Trustees; keep proper books of accounts; cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Members at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE VIII COMMITTEES

The Board of Trustees shall appoint a Nominating Committee, as provided herein. In addition, the Board of Trustees shall appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE IX INDEMNIFICATION OF TRUSTEES AND OFFICERS

The Association shall indemnify each person, and the heirs, legal representatives, executors, and administrators of such person, who is or was a Trustee or officer of this Association, or of any other corporation if serving as such at the request of this Association, against all costs and expenses reasonably incurred by him or her or imposed upon him or her in connection with or arising out of any claim, action, suit, proceeding, or investigation, civil, criminal, or administrative, of whatever nature, to which he or she is made or threatened to be made a party or in which he or she is necessarily involved, by reason of his being or having been a Trustee or officer of this Association or such other corporation (whether or not he continues to

be a Trustee or officer at the time of incurring such expenses), or in connection with any negotiation or settlement thereof or appeal therein, except in relation to matters as to which he or she shall be finally adjudged liable for negligence or guilty of misconduct in the performance of his duties as such Trustee or officer, and provided that indemnification shall be made only if such Trustee or officer is determined in the manner hereinafter provided to have been acting in good faith in which he reasonably believed to be the best interests of the Association and, in any matter the subject of a criminal action, suit, or proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

There shall be included in such indemnification, together with all other costs and expenses, attorneys' fees and disbursements, judgments (other than amounts paid or required to be paid to the Association itself), fines, and penalties and amounts paid in settlement (other than amounts paid or agreed to be paid to the Association itself), provided that, in the case of amounts paid in settlement, the amount thereof shall have been approved by a judicial or administrative adjudication or by the disinterested Trustees or independent counsel, as hereinafter provided.

Entry of a judgment by consent as part of a settlement or, in the case of a criminal action, suit, or proceeding, the entering of a plea of nolo contendere, or its equivalent, shall not of itself be deemed an adjudication or determination that the person consenting to such judgment or entering such plea has been negligent or guilty of misconduct in the performance of his duties as such Trustee or officer, or that the action complained of was not taken in good faith in the reasonable belief that it was in the best interests of this Association, or that such person had reasonable cause to believe that his conduct was unlawful.

In the case of an adjudication in which the Trustee or officer involved is successful, he or she shall be entitled to indemnification as of right. In all other cases in which the Trustee or officer involved may be entitled to indemnification by reason of the provisions of this Article IX, indemnification shall be made only upon either (a) the determination in writing of a majority of the disinterested Trustees of the Association, where all of the disinterested Trustees constitute a majority of the whole Board of Trustees, that the Trustee or officer in question was not negligent or guilty of misconduct in the performance of his or her duties and that he or she was acting in good faith in what he or she reasonably believed to be the best interests of the Association and, in any matter the subject of a criminal action, suit, or proceeding, had no reasonable cause to believe that his or her conduct was unlawful, or (b) if one-half or more of the members of the Board of Trustees of the Association are parties to the claim, action, suit, proceeding, or investigation in question or for any other reason are not disinterested, a determination to the same effect as that set forth in the foregoing clause made by and set forth in a written advice of independent counsel, who may be the regular counsel of the Association, concurred in writing by a majority of the disinterested Trustees of the Association if there shall be any such. In making the foregoing determination, a disinterested Trustee shall be entitled to place conclusive reliance upon the written advice of such counsel. For purposes of this Article, a Trustee shall be considered disinterested unless he or she has, or at any time has had, an interest adverse to the Association in the claim, action, suit, proceeding, or investigation, or the subject matter or outcome thereof, in which event he or she shall not be considered disinterested. Anything in this

Article to the contrary notwithstanding, if a judicial or administrative body determines as a part of the settlement of any claim, action, suit, proceeding, or investigation that the Association should indemnify a Trustee or officer for the amount of the settlement, the Association shall indemnify the Trustee or officer for the amount of the settlement in accordance with such determination.

Expenses incurred with respect to any claim, action, suit, proceeding, or investigation of the character described in this Article may be advanced by the Association prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the Trustee or officer to repay such amount if it is ultimately determined, under the procedure set forth in this Article, that he or she is not entitled to indemnification or, where indemnification is granted, to the extent the expenses so advanced exceed the indemnification to which he or she is entitled.

The foregoing right of indemnification shall not be exclusive of any other rights which any Trustee or officer may be or become entitled to by law or be lawfully granted by contract with the Association, by vote of the Members or otherwise.

In the discretion of the Board of Trustees, any other employee of the Association who is not a Trustee or officer thereof may be indemnified by the Association under the circumstances and to the extent that such indemnification of a Trustee or officer would be required or authorized under this Article.

ARTICLE X MISCELLANEOUS

Section 10.1. Books and Records. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member, and any holder, insurer or guarantor of a first mortgage on a Lot. The Articles of Incorporation and the Code of Regulations of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

Section 10.2. Fiscal Year. The fiscal year shall be the calendar year, except that the first fiscal year of the Association shall begin on the date of incorporation. The commencement date of the fiscal year herein established may be changed by the Board of Trustees should corporate practice subsequently dictate.

Section 10.3. Execution of Association Documents. All notes, contracts, other documents, checks, and other drafts shall be executed on behalf of the Association by such officers, agents or other persons as are from time to time designated by the Board of Trustees.

Section 10.4. Amendments. The Code of Regulations and/or the Articles of Incorporation for the Association may be amended by a vote of at least seventy-five percent (75%) of the voting rights of the membership entitled to vote at a regular or special meeting of the Members.

Section 10.5. Definitions. Any capitalized terms used in the Code of Regulations that are not defined herein shall have the same meaning set forth in the Declaration.

Section 10.6. Conflict. In the case of any conflict between the Code of Regulations and the Articles of Incorporation or the Code of Regulations and the Declaration, the Declaration shall control.

EXHIBIT A

LEGAL DESCRIPTION

(Section 1)

Being Lot Numbers One through Thirty-Six (1-28) in BRANDY MILL ESTATES SECTION 1, as the same is numbered and delineated upon the recorded plat thereof, of record in Plat Book 17, Page 184 of the Licking County, Ohio Recorder's Office (Lots 13, 14, 15, 16 and 17 were re-platted by instrument number 200509130028679 and Lots 9, 10, 11, 12, 18 and 19 were re-platted by instrument number 200603240008375).

(Section 2)

Being Lot Numbers Twenty-Nine through Ninety-Two (29-92) in BRANDY MILL ESTATES SECTION 2, as the same is numbered and delineated upon the recorded plat recorded as Instrument Number 200603080006553 of the Licking County, Ohio Recorder's Office (Lots 29, 30, 31, 32, 33, 83 and 84 were re-platted by instrument number 200603240008375).