

AMENDMENT NO. 1

DECLARATION
OF COVENANTS, CONDITIONS, RESTRICTIONS,
EASEMENTS AND CHARGES AND LIENS OF
CEDAR RIDGE CLUSTER HOME OWNERS' ASSOCIATION,
PHASE I, A NOT FOR PROFIT CORPORATION

Pursuant to the authority contained in Section 3 of ARTICLE XI of the Declaration, Section 3 of ARTICLE V of said Declaration is hereby amended to read as follows:

Section 3. Basis and Maximum of Annual Assessments.

- (a) For all years ending prior to November 1, 1994 the maximum annual assessment shall be Two Hundred Forty Dollars (\$240.00) per Lot or Living Unit following the conveyance of the first Lot or Living Unit to an Owner. The annual assessments will be based on the year November 1 to October 31.
- (b) For the year commencing on November 1, 1994 and ending on October 31, 1995 the maximum annual assessment shall be Three Hundred Dollars (\$300.00) per Lot or Living Unit following the conveyance of the first Lot or Living Unit to an Owner.
- (c) For all years commencing on and after November 1, 1995 the maximum annual assessment shall be Four Hundred Eighty Dollars (\$480.00) per Lot or Living Unit following the conveyance of the first Lot or Living Unit to an Owner.
- (d) For all years commencing on and after November 1, 1996 the maximum annual assessment per Lot or Living Unit may be increased by a vote of the members at the appropriate annual meeting provided that such change shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at such annual meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.
- (e) After consideration of current maintenance cost and future needs of the Association, the Board of Directors may fix the annual assessment at an amount not to exceed the maximum.

This amendment has been approved by the following members who represent at least 90% of the membership of the Association:

CEDAR RIDGE CLUSTER HOME OWNERS' ASSOCIATION, PHASE I

The amendments to ARTICLES V, VI, XI and XII of the By-Laws of the Cedar Ridge Cluster Home Owners' Association, Phase I as attached hereto, were approved by the members of said Association in a meeting held on October 3, 1995 in accordance with the provisions of said By-Laws.

Amendment to ARTICLE V of the By-Laws of the Cedar Ridge Cluster Home Owners' Association, Phase I.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed and governed by a Board of Directors (the Board), consisting of the following:

- (a) Three (3) directors who are elected in accordance with the provisions of Section 2 (a) ARTICLE V of the By-Laws of the Association (the By-Laws) and whose term of office shall be as provided under such section. These directors are known as Elected Directors.
- (b) Each officer who is elected pursuant to the provisions of Section 2 of ARTICLE XI of the By-Laws shall be a Director. These Directors shall be known as Officer Directors.

Section 2. Election

- (a) Elected Directors

At the first annual meeting the members shall elect one (1) Elected Director for the term of one year and one Elected Director for a term of two years and one Elected Director for a term of three years and at each annual meeting thereafter, an Elected Director whose tenure expires on that date for a term of three (3) years.

- (b) Officer Directors

The term of office for each Officer Director shall be determined in accordance with provisions of Section 3 of ARTICLE XI of the By-Laws.

Section 3. Removal

- (a) Elected Directors

Any Elected Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a Elected Director, his successor shall be selected by the remaining members of the Board and shall serve for the expired term of his predecessor.

- (b) Officer Directors

Any Officer Director may be removed from office as provided in Section 5 of ARTICLE XI of the By-Laws.

Section 4. Compensation. No Elected Director or Officer Director shall receive compensation for any service he may render to the Association. However, any Elected Director or Officer Director may be reimbursed for his actual expense incurred in the performance of his duties.

Section 5. Action taken Without a Meeting. The directors shall have the right to take action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of directors.

Amendment to ARTICLE VI of the By-Laws of the Cedar Ridge Cluster Home Owners' Association, Phase I

ARTICLE VI
NOMINATION AND ELECTION OF DIRECTORS AND OFFICERS

Section 1. Nomination. Nomination for election as an Elected Director and as an Officer 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 the Chairman, who shall be a member of the Board of Directors, and two more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election. Election as an Elected Director and as an Officer shall be by secret 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 under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Amendment to ARTICLE XI of the By-Laws of the Cedar Ridge Cluster Home Owners' Association, Phase I

ARTICLE XI
OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president, vice-president, a secretary and a treasurer.

Section 2. Election of Officers. The nomination and election of officers shall be in accordance with the provisions of ARTICLE VI of the By-Laws.

Section 3. Term. The officers of this Association shall be elected annually by the members as provided under ARTICLE VI of the By-Laws and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed or otherwise disqualified to serve.

Section 4. Special Appointments. The members may elect at the annual meeting or a special meeting 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 majority members may from time to time elect.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by a vote of the majority of the members. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later date specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Officers. The offices of secretary and treasurer may be held by the same person. 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 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissary notes.

Vice-President

(b) The vice-president shall preside at all meetings when the president is absent and have the same powers, responsibilities and duties as the president.

Amendment to ARTICLE XI of the By-Laws of the Cedar Ridge Cluster Home Owners'
Association, Phase I (continued)

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board to 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.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a committee appointed by the Board of Directors 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 membership at its regular meeting, and deliver a copy of each to the members.

Amendment to ARTICLE XII of the By-Laws of the Cedar Ridge Cluster Home Owners' Association, Phase I

ARTICLE XII - ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. By the Declaration each member is deemed to covenant and agree to pay to the Association: (1) annual assessments and charges, and (2) special assessments for capital improvements. The annual and special assessments, together with such interest thereon and cost of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such interest, costs, and reasonable attorney's fee shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due and shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, and welfare of the residents in the Properties and in particular for the improvement and maintenance of the Properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, and of the homes situated upon the properties.

Section 3. Basis and Maximum of Annual Assessments. The basis and maximum of annual assessment shall be as established by the Board pursuant to all the terms, covenants, methods and conditions as set forth in ARTICLE V of the Declaration of Covenants, Conditions, Restrictions, Easements and Charges and Liens of Cedar Ridge Cluster Home Owners' Association, Phase I which are made a part hereof by reference.

Sections 4, to and including 11 of ARTICLE XII are hereby revoked.