


201500004958
Filed for Record in
FAIRFIELD COUNTY, OH
GENE WOOD, COUNTY RECORDER
03-30-2015 At 09:19 am.
DECLARATION 296.00
OR Book 1680 Page 4326 - 4360

BYLAWS
OF
HEATHER LAKE ASSOCIATION

PLEASE CROSS MARGINAL REFERENCE WITH THE DECLARATION OF COVENANTS, EASEMENTS, RESTRICTIONS AND ASSESSMENT LIENS FOR HEATHER GLEN HOMEOWNERS' ASSOCIATION A.K.A. HEATHER LAKE ASSOCIATION RECORDED AT VOLUME 651, PAGE 729, ET SEQ. OF THE FAIRFIELD COUNTY RECORDS.



BYLAWS OF
HEATHER LAKE ASSOCIATION

WHEREAS, on or about August 23, 1996, Countrytyme Incorporated, an Ohio Corporation ("Declarant"), filed the Declaration of Covenants, Easements, Restrictions and Assessment Lien for Heather Glen Subdivision a.k.a. Heather Lake Association (the "Declaration") at Fairfield County Records, Volume 651, Page 729 et seq., and

WHEREAS, the Declaration subjected the real estate described in the Declaration (the "Property") to the easements, covenants, and restrictions contained in the Declaration; and

WHEREAS, the Heather Lake Association (the "Association") is a corporation consisting of all Owners in Heather Lake and as such is the representative of all Owners, and

WHEREAS, Ohio Revised Code Section 1702.10 authorizes Bylaws to be drafted, voted on, and adopted by a majority of the Owners at a meeting, and

WHEREAS, a meeting of the Association's Owners was held, and, at such meeting and any adjournment thereof, Owners representing at least a majority of the voting power of the Association executed, in person or by proxy, an instrument in writing setting forth specifically the matter to be modified (the "Bylaws"), and

WHEREAS, the Association has in its records the signed, written consents to the Bylaws signed by Owners representing a majority of the Association's voting power, and

WHEREAS, the Association has in its records the power of attorney signed by Owners representing a majority of the Association's voting power authorizing the officers of the Association to execute the Bylaws on their behalf, and

WHEREAS, the proceedings necessary to adopt the Bylaws have in all respects been complied with.

NOW THEREFORE, the Bylaws of Heather Lake Association is adopted by the following (including the attached document):

A) ADOPT BYLAWS PAGES 1 through 27 as attached hereto as if fully re-written hereon.

The Heather Lake Association has caused the execution of this instrument this 19th day of MARCH, 2015.

HEATHER LAKE ASSOCIATION

By: Tara Jones
TARA JONES, its Secretary

By: Mike Smith
MIKE SMITH, its Treasurer

**TRANSFER
NOT NECESSARY**

MAR 30 2015

STATE OF OHIO)
COUNTY OF Fairfield)

SS

Jim A. Slater, Jr.
County Auditor, Fairfield County, Ohio

BEFORE ME, a Notary Public, in and for said County, personally appeared the above named Heather Lake Association, by its Secretary and its Treasurer, who acknowledged that they did sign the foregoing instrument and that the same is the free act and deed of said corporation and the free act and deed of each of them personally and as such officers.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal in Lancaster, Ohio, this 19 day of March, 2015.

Neva Hornbeck
NOTARY PUBLIC

This instrument prepared by:
KAMAN & CUSIMANO, LLC
Attorneys at Law
OfficePointe at Polaris
470 Olde Worthington Road
Suite 460
Columbus, Ohio 43082
(614) 882-3100
ohiocondolaw.com

Place notary stamp/seal here:

NEVA HORNBECK
NOTARY PUBLIC
STATE OF OHIO
Comm. Expires
November 12, 2018
Recorded in
Fairfield County

**BYLAWS
OF
HEATHER LAKE ASSOCIATION**

BYLAWS OF HEATHER LAKE ASSOCIATION

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>PAGE</u>
ARTICLE I	NAME AND LOCATION 1
Section 1 – Name of the Association	1
Section 2 – Location of Office	1
ARTICLE II	THE ASSOCIATION 2
Section 1 – Membership	2
Section 2 – Voting Rights	2
Section 3 – Proxies	2
Section 4 – Association	3
(A) Annual Meeting	3
(B) Special Meetings.....	3
(C) Notice of Meetings	3
(D) Quorum and Adjournment	4
(E) Conduct and Order of Business at Annual Meetings	4
(F) Minutes of the Meetings.....	4
Section 5 – Actions Without a Meeting.....	5
ARTICLE III	BOARD OF DIRECTORS..... 5
Section 1 – Board of Directors	5
Section 2 – Number and Qualifications	5
Section 3 – Nomination	5
Section 4 – Election of Directors	5
Section 5 – Term; Resignations; Vacancies.....	6
ARTICLE IV	BOARD MEETINGS AND OTHER ISSUES 6
Section 1 – Board Meetings	6
(A) Organization Meetings	6
(B) Regular Meetings.....	6
(C) Special Meetings.....	7
(D) Executive Sessions.....	7
(E) Conduct of Board Meetings	7
(F) Notices.....	7
(G) Voting Power.....	8

<u>ARTICLE</u>	<u>PAGE</u>
(H) Quorum; Adjournment	8
(I) Minutes of Board Meetings	8
(J) Actions Without a Meeting.....	8
Section 2 – Compensation	8
Section 3 – Removal of Directors.....	9
ARTICLE V POWERS AND DUTIES	9
Section 1 – Powers	9
Section 2 – Committees	12
ARTICLE VI OFFICERS.....	13
Section 1 – Election and Designation of Officers.....	13
Section 2 – Term of Office.....	13
Section 3 – Resignation and Removal.....	13
Section 4 – Duties	13
(A) President.....	13
(B) Vice President.....	14
(C) Secretary	14
(D) Treasurer	14
Section 5 – Assistants and Other Officers	14
Section 6 – Delegation of Duties.....	14
Section 7 – No Compensation to Officers.....	15
Section 8 – Fidelity Bonds/Employee Dishonesty Insurance	15
ARTICLE VII INDEMNIFICATION	15
Section 1 – In General	15
Section 2 – Advance of Expense	16
Section 3 – Indemnification Not Exclusive; Insurance.....	16
Section 4 – Directors, Committee Members, and Officers Liability.....	16
Section 5 – Cost of Indemnification.....	17
ARTICLE VIII FISCAL YEAR.....	17
ARTICLE IX GENERAL POWERS OF ASSOCIATION	17
Section 1 – Payments as Common Expense.....	17
(A) Utilities and Related Facilities	17
(B) Casualty Insurance.....	18

<u>ARTICLE</u>	<u>PAGE</u>
(C) Liability Insurance	18
(D) Other Insurance.....	18
(E) Workers' Compensation.....	18
(F) Wages and Fees for Services	18
(G) Reasonable Care of Common Elements	18
(H) Certain Maintenance of Lots.....	18
(I) Discharge of Mechanic's Liens	19
(J) Additional Expenses	19
Section 2 – Association's Rights to Enter Lot owners' Lots	19
Section 3 – Acquisition, Sale, or Exchange of Real Property	20
Section 4 – No Active Business to be Conducted for Profit	20
Section 5 – Special Services.....	20
Section 6 – Utility Contacts.....	20
Section 7 – Insured Contractors.....	20
Section 8 – Applicable Laws	21
ARTICLE X ASSESSMENTS	21
Section 1 – Determination of Assessments	21
Section 2 – Notice and Payment of Assessments.....	22
Section 3 – Obligation to Pay Assessments	22
Section 4 – Preparation of Budget; Annual Assessments	23
Section 5 – Reserve for Contingencies and Replacements	23
Section 6 – Special Assessments for Capital Improvements.....	24
Section 7 – Failure to Prepare Annual Budget or Make Current Assessments.....	24
Section 8 – Books and Records	24
Section 9 – Status of Funds Collected by Association	26
Section 10 – Annual Review	26
ARTICLE XI REMEDIES.....	26
Section 1 – Cost of Enforcement.....	26
Section 2 – Cost of Collection	27
ARTICLE XII AMENDMENTS	27
ARTICLE XIII GENERAL PROVISIONS	27

<u>ARTICLE</u>	<u>PAGE</u>
Section 1 – Mortgagees	27
Section 2 – Service of Notices on Devisees and Personal Representatives	28
Section 3 – Notices	28
Section 4 – Use of New Technology	28
Section 5 – Non-Waiver of Covenants	29
Section 6 – Agreements Binding	29
Section 7 – Severability	29
Section 8 – Validity	29
Section 9 – Construction	29
Section 10 – Definitions	29
Section 11 – Captions	30
Section 12 – Interpretation	30
Section 13 – Scrivener Errors	30
Section 14 – Perpetuities and Restraints on Alienation	30

BYLAWS
OF HEATHER LAKE ASSOCIATION

These Bylaws of Heather Lake Association, ("Bylaws") are executed and incorporated in the Declaration of Covenants, Easements, Restrictions and Assessment Lien for Heather Glen Subdivision ("Declaration"). Certain terms have been defined in the Declaration and, when used in these Bylaws, have the same meaning as set forth in the Declaration. These Bylaws' purpose is to provide for the establishment of a Lot owners' Association for the government of the Subdivision in the manner provided by the Declaration and by these Bylaws. All present or future Lot owners, Occupants, guests, or tenants or their employees, or any other Person who might use the facilities of the Subdivision in any manner, is subject to the covenants, provisions, and regulations contained in the Declaration and these Bylaws and will be subject to any restriction, condition, or regulation hereafter adopted by the Association, through its Board of Directors. The mere acquisition or rental of any of the Lots or residences located within the Subdivision described in the Declaration or the mere act of occupancy of any of the residences will constitute acceptance and ratification of the Declaration and these Bylaws.

ARTICLE I

NAME AND LOCATION

Section 1 – Name of the Association. The name of the Association will be the "Heather Lake Association," an Ohio nonprofit corporation, created pursuant to the provisions of Ohio Revised Code Chapter 1702 (the "Association").

Section 2 – Location of Office. The Association's office is located in the Township of Bloom, County of Fairfield, State of Ohio, or at any such other place as may be designated by the Board of Directors ("Board" or "Directors"), including, but not limited to, the office of a managing agent, if any, or the residence of a Director. All of the Association's books and records will be kept at the office that the Board designates. If the principal office is a Director's residence, upon the expiration of the Director's term, whether by resignation, removal, or otherwise, such Director has an affirmative duty and responsibility to contact the succeeding Director to arrange for the delivery of all Association books and records from the outgoing Director's residence to the respective incoming or succeeding Director's residence within ten business days of such change of the Board position.

ARTICLE II

THE ASSOCIATION

Section 1 – Membership. Each Lot owner, upon acquisition of title to a Lot, is an Association member, provided that any such Person or entity who holds such interest merely as a security for the performance of an obligation is not a member. Such membership will terminate upon the sale or other disposition by such Lot owner of his/her Lot, at which time the new Lot owner of such Lot automatically becomes an Association member.

Section 2 – Voting Rights. Subject to Article V, Section 1(S) below, there will be one vote for each of the Lots comprising the Subdivision. If more than one Person owns a Lot, they will be entitled collectively to cast only one vote exercising the voting power of such Lot as such voting power may not be divided among plural Lot owners, and in the case of plural ownership of a Lot, or in the case of the Lot owned or held in the name of a corporation, partnership, fiduciary, or nominee, a Certificate signed by the Lot owners will be filed with the Association's Secretary naming the Person authorized to cast votes for such Lot, which Certificate will be conclusive until a subsequent substitute Certificate is filed with the Secretary. If such Certificate is not on file, the vote of such corporation, partnership, fiduciary, or nominee will neither be considered nor will the presence of such Lot owner at a meeting be considered in determining whether the quorum requirements for such meeting have been met. If a Lot is owned by Lot owners as tenants in common, joint tenants, or tenants by the entireties, no Certificate need be filed with the Secretary naming the Person authorized to cast votes for such Lot, and either Person, but not both, may vote in person or by proxy and be considered in determining whether the quorum requirement has been met at any Association meeting, unless prior to such meeting, either Person has notified the Secretary in writing that there is a disagreement as to who represents their Lot at the meeting, in which case the Certificate requirement set forth above applies, and, if no Certificate is filed with respect to such Lot and they are unable to agree upon their ballot on any subject at any meeting, they lose their right to vote on such subject.

Section 3 – Proxies. At any Association meeting of the Lot owners, Lot owners may vote, act, or execute consents, waivers, or releases in person or by proxy. The Person(s) appointed as proxy need not be a Lot owner. Designation by a Lot owner(s) of a proxy to vote, act, or execute on his/her or their behalf, must be made in writing and signed by such Lot owner(s) or appointed in any other manner permitted by Ohio law, must be filed with the Secretary at or before the meeting, and is revocable at any time by actual notice to the Board by the Lot owner(s) making such designation. Without affecting any vote, act, or execution previously taken or authorized, the Lot owner(s) appointing a proxy may revoke a proxy by a later dated appointment of proxy

received by the Association or by giving notice of revocation to the Association in writing or in an open meeting. The mere presence at a meeting of the Lot owner(s) appointing a proxy does not revoke the appointment.

Section 4 – Association Meetings.

(A) **Annual Meeting.** The Association's Annual Meeting will be held for the election of members to the Board of Directors, the consideration of reports to be laid before such meeting, and the transaction of such other business as may properly be brought before such meeting. The Annual Meeting must be held during the first quarter of each year on a date and at an hour and location as the Board determines and be specified in the notice of such meeting.

(B) **Special Meetings.** Special meetings of the Association may be called at any time by the President, by a majority of the Board of Directors acting with or without a meeting, or upon written request of Lot owners entitled to exercise at least a majority of the Association's total voting power. Upon request in writing delivered either in person or by certified mail to the President or the Secretary by any Person(s) entitled to call a meeting of the members, such officer will cause to be given to the Lot owners entitled to notice of a meeting in accordance with Section 4(C) below. If such notice is not given within thirty days after the delivery or mailing of such request, the Person(s) requesting the meeting may fix the time of the meeting and give notice of such meeting. Calls for such meetings must specify the purpose for which such meeting is requested. No business other than that specified in the call and set forth in the notice will be considered at any special meeting. The order of business at each special meeting must be specified in the notice or agenda for the special meeting.

(C) **Notice of Meetings.** Not less than seven days before the day fixed for an Association meeting, written notice stating the time, place, and purpose of such meeting must be given by or at the direction of the Secretary or any other Person(s) required or permitted by these Bylaws to give such notice. Such notice must be given to each Association member who is a Lot owner of record as of the day preceding the day on which notice is given. If mailed, the notice will be addressed to the Lot owners at their respective addresses as they appear on the Association's records. Notice of the time, place, and purpose(s) of any meeting of the Lot owners may be waived in writing, either before or after the holding of such meeting, by any Lot owner(s), which writing will be filed with or entered upon the records of the meeting. The attendance of any Lot owner at any such meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice will be deemed to be a waiver by the Lot owner of notice of such meeting.

(D) **Quorum and Adjournment.** Except as may be otherwise provided by law or by the Declaration, at any Association meeting, the Lot owners present, in person or by proxy, constitutes a quorum for such meeting. If any meeting is adjourned or continued, notice of such adjournment or continuation need not be given if the date, time, and place to which such meeting is adjourned or continued are fixed and announced at such meeting.

(E) **Conduct and Order of Business at Annual Meetings.** The Board may adopt Rules for the conduct of all Association meetings and the order of business at all Association Annual Meetings will be as follows:

- (1) Calling of meeting to order;
- (2) Proof of notice of meeting or waiver of notice;
- (3) Approval of minutes of preceding meeting;
- (4) Reports of Officers;
- (5) Reports of Committees;
- (6) Election of Inspectors of Election;
- (7) Election of Directors;
- (8) Unfinished and/or old business;
- (9) New Business; and
- (10) Adjournment.

(F) **Minutes of the Meetings.** Minutes must be taken at all Association meetings at which a quorum is present. Copies of the approved minutes must be available for inspection by Lot owners upon reasonable request, at the Association office or as kept by the Secretary.

Section 5 – Actions Without A Meeting. Any actions, except an action for the removal of a Director, which may be taken at a meeting of the Association, may be taken without a meeting with the approval of, in writing(s) signed by Lot owners having the percentage of voting power required to take such action as if the same had been taken at a meeting. Such writing(s) must be filed with the Secretary.

ARTICLE III

BOARD OF DIRECTORS

Section 1 – Board of Directors. The Board constitutes for all purposes the Board of Directors as provided for under Ohio Revised Code Chapter 5312 and Chapter 1702.

Section 2 – Number and Qualification. The Board of Directors will consist of six Persons, each of whom must be a Lot owner or the spouse of a Lot owner, except in

the case of a Lot held by a corporation, partnership, limited liability company, trust, fiduciary, or nominee, the designated representative of such Lot is eligible to serve as a Director. All candidates for the Board must be in good standing with the Association at the time of the Annual Meeting or special meeting held for the election of Directors. Good standing requires that the member not be more than thirty days delinquent in the payment of any fees and/or Assessments owed to the Association. If a Director ceases to meet such good standing qualifications during his/her term, he/she will automatically and without notice cease to be a member of the Board and his/her place on the Board will be deemed vacant. No single Lot may be represented on the Board by more than one Director.

Section 3 – Nomination. Nominations for the election of Directors will be made from the floor at the Annual or special meeting. If a candidate is not in good standing, as defined in Article III, Section 2, he/she immediately fails to qualify for the Board and he/she is not be eligible for election. A candidate need not be present at the meeting to be nominated, but if the candidate is not present he/she must submit a letter to the Association prior to the meeting volunteering to be placed on the ballot.

Section 4 - Election of Directors. Except as otherwise provided in these Bylaws, the Directors are elected at the Annual Meeting, but when the Annual Meeting is not held or Directors are not elected, they may be elected at a special meeting called and held for that purpose. Such election is by written secret ballot whenever requested by any member; but unless such request is made, the election may be conducted in any manner approved at such meeting. Each Lot owner may vote for as many candidates as there are vacancies in the Board. Candidates receiving the greatest number of votes will be elected Directors. If electing multiple Directors for varied terms, the candidate receiving the greatest number of votes will be elected to the longest term. Ties, whether for position or term, may be determined by any method approved at such meeting, including but not limited to, by lot, run-off election, and mutual agreement of the candidates. Cumulative voting is prohibited.

Section 5 - Term; Resignations; Vacancies. Directors are to be elected to serve staggered, three year terms, thereby establishing and maintaining at all times a 2-2-2 rotation. Except as otherwise provided, each Director will be a Director until the expiration of his/her designated term and until his/her successor is elected, or until his/her earlier resignation, removal from office, ceases to be a member in good standing, or death. Any Director may resign at any time by oral statement to the effect made at a Board meeting or in writing to that effect delivered to the Secretary; such resignation takes effect immediately or at such other time as the resigning Director may specify. The remaining Directors, though less than a majority of the authorized number of Directors, must within a reasonable time, by a vote of a majority of their number, fill any vacancy for the unexpired term.

ARTICLE IV

BOARD MEETINGS AND OTHER ISSUES

Section 1 – Board Meetings.

(A) **Organization Meetings.** After the Annual Meeting or special meeting held in lieu of the Annual Meeting, the newly elected Directors and those Directors whose terms hold over will hold an organizational meeting for the purpose of electing officers and transacting any other business. Notice of such meeting need not be given.

(B) **Regular Meetings.** Regular meetings of the Board may be held periodically on such dates as the Directors may designate. Unless the Board authorizes the attendance of members at a meeting, no member other than a Director may attend or participate in any discussion or deliberation of a meeting of the Board of Directors. Association members do not have the right to vote on any issue before the Board. If the Board permits members to attend meetings, nothing herein requires that meetings be held in a place large enough to accommodate all the members. Association members will be granted the right to be heard at any meeting of the Board, subject to rules established by the Board for such hearings.

(C) **Special Meetings.** Special meetings of the Board may be held at any time upon call by the President or majority of the other Directors. Notice of the time, place, and purpose(s) of each special meeting must be given to each Director. Such notice may be given in any manner or method permitted by Ohio law and at such time so that the Director receiving it may have reasonable opportunity to attend the meeting. Such notice will, in all events, be deemed to have been proper if given as outlined in Section 1(F) below. The giving of notice is deemed to have been waived by any Director who attends and participates in such meeting and may be waived, in writing or electronic mail, by any Director either before or after such meeting. Unless otherwise indicated in the notice for the meeting, any business may be transacted at any special meeting.

(D) **Executive Sessions.** At any regular or special meeting of the Board, the Board may, by the majority vote of the Directors, adjourn to an executive session for purposes of discussing and/or taking action on matters of confidentiality, including, but not limited to: personnel issues/discipline, open contract bid solicitation, pending litigation, other matters protected under attorney-client privilege or enforcement of the Declaration, these Bylaws, or rules against any Lot owner.

(E) **Conduct of Board Meetings.** In accordance with Ohio Revised Code Section 5312.04 or its successor statute, the Board may hold a meeting by any method of communication, including electronic or telephonic communication, provided that each Director can hear or read in real time and participate and respond to every other Director.

(F) **Notices.** Written notice of the time and place of any Board meeting must be given to each Director either by personal delivery or by mail, fax, email, or telephone at least forty-eight hours before the meeting, which notice need not specify the purposes 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 will be deemed to be a waiver by him/her of notice of such meeting. Such notice may be waived in writing either before or after the holding of such meeting, by any Director, which writing must be filed with or entered upon the records of the meeting. Unless otherwise indicated in the notice, any business may be transacted at any organizational or regular meeting.

(G) **Voting Power.** Each Director has one vote. Vote of a majority of the Directors voting on any matter that may be determined by the Board at a duly called and noticed meeting at which a quorum is present is sufficient to determine any matter. All questions and business will be determined by a majority vote of those present. In the event of a tie, the matter is deemed to have failed.

(H) **Quorum; Adjournment.** A quorum of the Board consists of a majority of the Directors then in office. At each meeting of the Board at which a quorum is present, all questions and business will be determined by a majority vote of those present, except as may be otherwise expressly provided in the Declaration or in these Bylaws. A majority of the Directors present at a meeting duly held may adjourn such meeting from time to time, if any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting.

(I) **Minutes of Board Meetings.** Minutes must be taken at or for all Board meetings. Copies of the Board-approved minutes, except for those taken during closed executive sessions, will be available for inspection by Lot owners, upon reasonable request, at the office of the Association, or as kept by the Secretary.

(J) **Actions Without A Meeting.** Except for removal of officers, in lieu of conducting a meeting, the Directors may take an action with the unanimous written consent of the Directors, which written consent may be in electronic form, including by email or similar mode of communication permitted by Ohio law. Written confirmation

signed or authenticated by each Director of the action taken without a meeting must be filed with the minutes of the Board.

Section 2 – Compensation. While serving on the Board, the Directors will not receive any salary or compensation for their services. Any Director, however, may be reimbursed for his/her actual expenses incurred in the performance of his/her duties, as solely determined by the remaining Directors. If any Director, Director's spouse, life partner, or immediate family member (defined as any parent, child or sibling of the Director), seeks to be retained to perform services for the Association for compensation, the respective Director must disclose the conflict of interest and completely abstain from the Board's decision making process. If a majority of the Directors have a financial interest in the particular matter, the matter must be submitted to the Lot owners for approval by a majority of the disinterested Lot owners.

Section 3 – Removal of Directors. Except as otherwise provided in these Bylaws, the Board may remove any Director and create a vacancy in the Board, if by order of court such Director has been found to be of unsound mind, or is physically incapacitated, files for bankruptcy or is adjudicated bankrupt, not a member in good standing as defined in Article III, Section 2, involved in any legal action against the Association, or fails to attend three consecutive Board meetings. The remaining Directors, though less than a majority of the authorized number of Directors, will, by a vote of a majority of their number, fill any vacancy for the unexpired term. At any Annual Meeting or special meeting duly called at which a quorum is present, any one or more of the Directors may be removed with or without cause by the vote of Lot owners entitled to exercise at least seventy-five percent of the voting power of the Association, and a successor(s) to such Director(s) so removed may be elected at the same meeting for the unexpired term of each such removed Director. Any Director, whose removal has been proposed, must be given an opportunity to be heard at such meeting prior to the vote on his/her removal.

ARTICLE V

POWERS AND DUTIES

Section 1 – Powers. Except at otherwise provided by law, the Declaration or these Bylaws, the Board of Directors, under law, has the right, power, and authority to:

(A) Exercise for the Association all powers, duties, and authority vested in or delegated to this Association pursuant to the Declaration, these Bylaws, and Ohio

Revised Code Chapter 5312 and Chapter 1702, unless expressly reserved to the membership by other provisions of these Bylaws or the Declaration:

(B) Take all actions deemed necessary or desirable to comply with all requirements of law, Declaration and these Bylaws;

(C) Hire and fire managing agents, attorneys, accountants, and other independent professionals and employees to perform such duties and services as the Board may authorize;

(D) 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 of Directors, or the Subdivision, or that involves two or more Lot owners and relates to matters affecting the Subdivision;

(E) Enter into contracts and incur liabilities relating to the operation of the Subdivision;

(F) Enforce all provisions of the Declaration, Bylaws, covenants, conditions, restrictions, and Articles of Incorporation governing the Lots, residences, Common Elements, and Subdivision;

(G) Adopt and promulgate rules, by written notice to the Lot owners, as the Board deems advisable, for:

- (i) the maintenance, conservation, and beautification of the Subdivision;
- (ii) the health, comfort, safety, and general welfare of the Lot owners and Occupants;
- (iii) governing the operation and use of the Subdivision or any portion thereof;
- (iv) regulating the maintenance, repair, replacement, modification, architecture, and appearance of residences, Lots, and Common Elements; and
- (v) establishing a procedure for levying and collecting reasonable enforcement Assessments for any infractions of the Rules, or any covenant, condition, restriction, or responsibility of the Declaration or these Bylaws.

In the event such Rules conflict with any provisions of the Declaration or these Bylaws, the provisions of the Declaration and these Bylaws will govern:

(H) Acquire, encumber, and convey or otherwise transfer personal property, subject to Bylaws Article IX, Section 3;

(I) Hold in the name of the Association real property and personal property acquired in accordance with these Bylaws;

(J) Grant easements, leases, licenses, and concessions through, under, or over the Common Elements;

(K) Purchase or otherwise acquire, lease as lessee, invest in, hold, use, encumber, sell, exchange, transfer, and dispose of property of any description or any interest therein subject to Bylaws Article IX, Section 3;

(L) Levy and collect fees or other charges for the use, rental, or operation of the Common Elements or for services provided to Lot owners;

(M) Impose interest and administrative late fees for the late payment of Assessments, impose returned check charges, and, pursuant to the requirements of the Declaration and Ohio law, impose reasonable enforcement Assessments for violations of the Declaration, these Bylaws, and the Rules, and reasonable charges for damage to the Common Elements or other property;

(N) Establish, enforce, levy, and collect Assessments against Lot owners;

(O) Adopt and amend rules that regulate the collection of delinquent Assessments and the application of payments of delinquent Assessments;

(P) Impose reasonable charges to the Lot owner for preparing, recording, or copying the Declaration, Bylaws, or amendments, or meeting minutes as well as reasonable charges for the handling of refinancing and/or resale certificates, documentation and/or statements of unpaid Assessments;

(Q) Authorize entry to any portion of the Subdivision by designated individuals when conditions exist that involve an imminent risk of damage or harm to Common Elements, another residence, or to the health or safety of the Lot owners or Occupants of that residence or another residence;

(R) Borrow funds, assign, without limitation, the Association's right to future income, including the right to receive common Assessments and insurance proceeds, and issue, sell, or pledge notes, bonds, or other evidences of indebtedness of the Association as collateral for any monies borrowed, and execute related documents, provided that if such borrowing is in excess of \$25,000.00, the prior approval of the Association members entitled to exercise a majority of the voting power of the Association must be obtained at a special meeting duly held for such purpose;

(S) Establish, in the Board's sole determination, standards, and/or procedures for the suspension of the voting rights of a Lot owner and/or right of the Lot owner and/or Occupant to use any amenities during any period in which such Lot owner is in default. Default means that the Lot owner is more than thirty days delinquent in the payment of any Assessment levied by the Association;

(T) Obtain insurance coverage no less than that required in the Declaration and fidelity bonds the Board consider appropriate and necessary;

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

(V) Pay the taxes and assessments levied against the property owned by the Association before they become delinquent; and

(W) Do all things permitted by law and exercise all power and authority within the purposes stated in the Declaration or incidental thereto.

Section 2 – Committees. The Board may, by resolution, provide for standing or special committees as it deems desirable, and discontinue the same at its discretion. All committee members must be members in good standing as defined in these Bylaws Article III, Section 2. Each committee, consisting of not less than three members, has such powers and may perform such duties, not inconsistent with law, as may be delegated to it by the Board. Each committee must keep full records and accounts of its proceedings and transactions. All action by any committee will be reported to the Board at its meeting next succeeding such action and is subject to control, revision, and alteration by the Board; provided that no rights of third Persons will be prejudicially affected. Each committee will fix its own rules of procedure and will meet as provided by such rules as determined by the Board, and it will also meet at the call of the President or of any two members of the committee. Unless otherwise provided by such rules or by resolutions, the provisions of Section 1(F) of Article IV relating to the notice required to be given of special meetings of the Board also apply to meetings of each committee. A majority of the members of a committee constitutes a quorum. Each committee may act in writing or by telephone with written confirmation, without a meeting, but no such

action is effective unless unanimous written consent by all committee members is obtained. Vacancies in a committee will be filled by the Board as it may provide.

ARTICLE VI

OFFICERS

Section 1 – Election and Designation of Officers. The Board will elect a President, Vice President, Secretary, and Treasurer, each of whom must be a Director. Any two of such officers, other than that of the President may be held by the same Person, but no officer will execute, acknowledge, or verify any instrument in more than one capacity.

Section 2 – Term of Office. The Association's officers will hold office at the pleasure of the Board, unless sooner removed by the Board, until the organizational meeting of the Board following the next Annual Meeting of the Association and until their successors are chosen and qualified. The remaining Board will fill a vacancy in any office, however created.

Section 3 – Resignation and Removal. Any officer may be removed from office, with or without cause, by a majority vote of the Directors then in office. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation takes effect on the date of receipt of such notice or at any later time specified, and the acceptance of such resignation is not necessary to make it effective.

Section 4 – Duties. Unless the Board otherwise determines, the duties of the officers are as follows:

(A) **President.** The President is the Association's chief executive officer. He/She presides at all Board of Directors' meetings. Subject to the directions of the Board, the President has general executive supervision over the Association's business and affairs. He/She may execute all legal instruments on the Association's behalf and other Association obligations and has such other authority and may perform such other duties as may be determined by the Board or otherwise provided for in the Declaration or in these Bylaws.

(B) **Vice President.** The Vice President will perform all the duties of the President whenever the President is unable to act and has such other authority and perform such other duties as may be determined by the Board. At the request of the President, or in his absence or disability, the Vice President will perform all the

duties of the President, and when so acting, has all the power of the President with like authority of the President.

(C) **Secretary.** The Secretary will keep the minutes, proceedings of meetings, and record the votes of the Board and of the Lot owners, will serve notice of meetings of the Board and of the Lot owners, as required by law or by these Bylaws, has authority to execute all deeds, contracts and other Association obligations requiring his/her signature, and will perform such other duties as may be determined by the Board.

(D) **Treasurer.** The Treasurer will have general supervision of all finances, assume responsibility for the receipt and deposit of, in appropriate bank accounts, all monies of the Association, the disbursements of such funds as directed by resolution of the Board, the keeping of proper financial books of account, the keeping of appropriate current records showing the names of Lot owners and Occupants together with their addresses, the preparation of an annual budget, and a statement of income and expenditures to be presented to the Lot owners at the annual meetings. The Treasurer will turn over to his/her successor or to the Board all property, books, documents, and money of the Association in his/her possession, and will perform such other duties as may be determined by the Board.

Section 5 – Assistants and Other Officers. The Board may appoint such assistant and subordinate officers as it may deem desirable. Each such assistant(s) or officer(s) will hold office during the pleasure of the Board, and perform such duties as the Board may prescribe; however such assistant(s) and officer(s) do not have any voting power.

Section 6 - Delegation of Duties. Nothing contained in these Bylaws will be construed so as to preclude the Association, through its Board and officers, from delegating to Persons, firms, or corporations of its choice, including any manager or managing agent, such Association duties and responsibilities as the Board, from time to time, specifies and provides for reasonable compensation for the performance of such duties and responsibilities.

Section 7 – No Compensation to Officers. None of the officers of the Association will receive compensation for his/her services as such.

Section 8 – Fidelity Bonds/Employee Dishonesty Insurance. The Association must obtain and maintain adequate insurance or fidelity bonding of all Persons who control or disburse Association funds against theft, embezzlement, misappropriation, or any other unauthorized taking or loss of Association funds. The Board will determine the appropriate amount of such bond/insurance taking into account the cost

of the bond/insurance, the maximum amount of funds held by the Association during the fiscal year, and the requirements of the federal national mortgage association, the federal home loan mortgage corporation, the federal housing administration, the veterans administration, and/or similar institutions. As used in this paragraph, the term "Persons who control or disburse funds of the Association" refers to any individual with authority and/or access to sign checks, conduct electronic transfers, or otherwise withdraw funds from any Association account or deposit, including, but not limited to, the management company's principals and employees, and the Association's President, Secretary, and Treasurer. Any Person who controls or disburses Association funds must be able to be bonded or else he/she cannot serve in that capacity.

ARTICLE VII

INDEMNIFICATION

Section 1 – In General. The Association must indemnify: (1) any current or former Director, (2) any current or former committee member, (3) any current or former officer of the Association, and/or (4) any of said Director's, committee member's, or officer's respective heirs, executors, and administrators; against reasonable expenses, including attorneys' fees, judgments, decrees, fines, penalties, or amounts paid in settlement, actually and necessarily incurred by him/her in connection with the defense of any pending or threatened action, suit, or proceeding, criminal or civil, to which he/she is or may be made a party by reason of being or having been such Director, committee member, or officer, provided it is determined, in the manner set forth below, that (1) such Director, committee member, or officer was not and is not adjudicated to have been grossly negligent or guilty of misconduct in the performance of his/her duty to the Association; (2) such Director, committee member, or officer acted in good faith in what he/she reasonably believed to be in, or not opposed to, the Association's best interest; (3) in any criminal action, suit, or proceeding, such Director, committee member, or officer had no reasonable cause to believe that his/her conduct was unlawful and is not convicted of theft or other theft related crime, including but not limited to larceny, forgery, false pretenses, fraud, embezzlement, conversion, and/or any conspiracy related to any such theft related crime; and (4) in case of settlement, the amount paid in the settlement was reasonable.

The above determination required will be made by written opinion of independent legal counsel the Board chooses. Notwithstanding the opinion of legal counsel, to the extent that a Director, committee member, or officer is successful in

defense of any action, suit, or proceeding, or in the defense of any claim, issue, or matter, he/she must, in that event, be indemnified.

Section 2 - Advance of Expenses. The Association may advance funds to cover expenses, including attorneys' fees, with respect to any pending or threatened action, suit, or proceeding prior to the final disposition upon receipt of a request to repay such amounts.

Section 3 - Indemnification Not Exclusive; Insurance. The indemnification provided for in this Section is not exclusive, but is in addition to any other rights to which any Person may be entitled under the Articles of Incorporation, the Declaration, these Bylaws, or Rules of the Association, any agreement, any insurance provided by the Association, the provisions of Ohio Revised Code Section 1702.12(E) and its successor statutes, or otherwise. The Association must purchase and maintain insurance on behalf of any Person who is or was a Director, committee member, or officer against any liability asserted against him/her or incurred by him/her in such capacity or arising out of his/her status as a Director, committee member, or officer.

Section 4 - Directors, Committee Members, and Officers Liability. The Association's Directors, committee members, and officers are not personally liable to the Lot owners for any mistake of judgment, negligence, or otherwise, except for their own willful misconduct or bad faith. The Association's indemnification includes, but is not limited to, all contractual liabilities to third parties arising out of contracts made on behalf of the Association and every contract or agreement made by any Director, committee member, or officer will mean that such Director, committee member, or officer is acting only as a representative of the Association and will have no personal liability, except with respect to any such contracts made in bad faith or contrary to the provisions of the Declaration or these Bylaws and/or as a Lot owner.

Section 5 - Cost of Indemnification. Any sum paid or advanced by the Association under this Section constitutes a Common Expense. The Board has the power and the responsibility to raise, by Special Assessment or otherwise, any sums required to discharge the Association's obligations under this Section; provided, however, that the liability of any Lot owner arising out of the contract made by any Director, committee member, or officer, or out of the aforesaid indemnity in favor of such Director, committee member, or officer, is limited to such proportion of the total liability as said Lot owner's pro rata share bears to the total percentage interest of all the Lot owners as members of the Association.

ARTICLE VIII

FISCAL YEAR

The Association's Fiscal Year ends on the 31st day of December of each year or on such other day as may be fixed from time to time by the Board.

ARTICLE IX

GENERAL POWERS OF ASSOCIATION

Section 1 – Payments as Common Expenses. The Association, for the benefit of all the Lot owners, will acquire, and will pay for out of the Association's funds all Common Expenses arising with respect to, or in connection with, the Subdivision. The expenses of the Association may include the following:

(A) **Utilities and Related Facilities.** The cost of water, waste removal, electricity, gas, heat, or any other utility service for the Common Elements and/or residences that are not separately metered or otherwise directly charged to Lot owners. The Board has the further right and authority to set standards as to the reasonable amount of use of any utility service assessed as a Common Expense that may be applied equally to all Lot owners as set forth in the Declaration, and to then levy additional Assessments against any Lot owner to reimburse the Association for excessive use of any utility service by such Lot owner in such amounts determined by the Board.

(B) **Casualty Insurance.** Premiums upon a policy(ies) of hazard and fire insurance, with extended coverage, vandalism and malicious mischief endorsements, as provided in the Declaration, in an amount equal to full insurable replacement value subject to such deductible as the Board may determine, the amount of which insurance will be reviewed annually by the Board.

(C) **Liability Insurance.** Premiums upon a policy(ies) insuring the Association, the Directors and officers, the manager or managing agent, and the Lot owners and Occupants against any liability to the public or to the Lot owners, their tenants, invitees and licensees, incident to the ownership and/or use of the Common Elements, as provided in the Declaration, the limits of which policy(ies) will be reviewed annually by the Board.

(D) **Other Insurance.** Premiums for other insurance, including fidelity bonds or insurance, effected in accordance with the provisions of the Declaration or these Bylaws.

(E) **Workers' Compensation.** The cost(s) of workers' compensation insurance to the extent necessary to comply with any applicable laws.

(F) **Wages and Fees for Services.** The wages and fees for services of any Person(s) or firm employed by the Association, including, without limitation, the services of any Person(s) or firm to act as a manager or managing agent for the Subdivision, the services of any Person(s) required for the maintenance or operation of the Subdivision, and legal and/or accounting services necessary or proper in the operation of the Subdivision and the administration of the Association, or the enforcement or interpretation of the Declaration, these Bylaws, and Rules and for the organization, operation and enforcement of the rights of the Association.

(G) **Reasonable Care of Common Elements.** The cost of reasonable landscaping, gardening, snow removal, painting, cleaning, maintenance, decorating, repair, and replacements of the Common Elements and such furnishings and equipment for such portions of the Common Elements, all as the Board determines are reasonably necessary and proper, and the Board has the exclusive right and duty to acquire the same for such portions of the Common Elements.

(H) **Certain Maintenance of Lots.** In addition to the provisions and requirements contained in the Declaration, the cost of the maintenance, repair, or replacement of any Lot or other item of Lot owner responsibility as defined in the Declaration, including the costs of correction for any violation of the Declaration or Rules, if such maintenance, repair, or replacement is necessary, in the Board's sole discretion, for safety, aesthetics, uniformity or to protect the Common Elements, Subdivision, or any Lot or residence, and the Lot owner so responsible has failed or refused to perform such maintenance, repair, or replacement within a reasonable amount of time, as determined by the Board, after written notice of the necessity has been hand delivered or mailed to such Lot owner; the Board will levy a Special Assessment against such Lot owner for the cost of such maintenance or repair, unless otherwise provided for in the Declaration.

(I) **Additional Expenses.** The cost and expense of any other materials, supplies, furniture, labor, services, maintenance, repairs, insurance, or assessments that the Association is required or permitted to secure or pay for pursuant to the terms of the Declaration and these Bylaws or by law or which, in the Board's opinion, are necessary or proper for the reasonable maintenance and operation of the Subdivision as a first class property or for the enforcement or interpretation of the Declaration, these Bylaws, and/or the Rules.

Section 2 – Association’s Rights to Enter Lot owners’ Lots. The Association, through its Board or duly authorized agent(s), may enter any Lot, when necessary, in connection with any maintenance, repair, or replacement for which the Association is responsible or if a Lot or residence becomes impaired, in a neglected state or otherwise in need of repair or restoration, as solely determined by the Board, and the Association, its Directors and officers, and/or agents will not be deemed guilty in any manner of trespass. Pursuant to the provisions and terms of the Declaration, if the Lot owner fails to repair, restore, or otherwise correct the condition after notice from the Association, the Association may, but is not obligated to, repair, restore, or otherwise correct the condition provided that the Association will levy a Special Assessment against such Lot owner for the cost of such maintenance, repair, or replacement.

Section 3 – Acquisition, Sale, or Exchange of Real Property. Whenever the Board determines to acquire, sell, or exchange real property or any interest therein, the Board must submit such acquisition, sale, or exchange to a vote of the Lot owners and, upon the affirmative vote of the Lot owners entitled to exercise not less than seventy-five percent of the Association’s total voting power, the Board may proceed with such acquisition, sale, or exchange, in the name of the Association and on behalf of all Lot owners, and the costs and expenses incident to such acquisition, sale, or exchange constitutes part of the Common Expenses.

Section 4 – No Active Business to be Conducted for Profit. Nothing contained in the Declaration and/or these Bylaws is construed to give the Association authority to conduct an active business-for-profit on behalf of all the Lot owners or any of them.

Section 5 – Special Services. The Board may arrange for the provision of any special services and facilities for the benefit of such Lot owners as may desire to pay for the same, including, without limitation, cleaning, repairing, and maintaining Lots or exterior surfaces of residences or recreational, educational, or medical and any concessions. Fees for such special services and facilities will be determined by the Board and may be charged directly to participating Lot owners, or paid from the Common Expenses and levied as a Special Assessment due from the participating Lot owners. In the event any special services create a surplus, these funds will be added to the maintenance or reserve funds as the Board so determines.

Section 6 – Utility Contracts. In addition to the authority provided for in Article IX, Section 1(A) of these Bylaws, the Board, on the Association’s and Lot owners’ behalf, individually and collectively, may negotiate and enter into contracts or other agreements with any utility service provider to provide for such services and service rates as the Board determines is in the best interest of the Association and/or the Lot owners as a

whole, whether or not such services are included and/or paid for as a Common Expense or paid directly by the Lot owners.

Section 7 - Insured Contractors. For any work or services to be performed on the Subdivision, the Board will only retain and contract with licensed (as required by the State of Ohio or the Township of Bloom) contractors, Persons, firms, and other entities that maintain and keep workers' compensation and liability insurance in such minimum amounts as may be required by the State of Ohio, the Township of Bloom, and/or the Board.

Section 8 - Applicable Laws.

(A) The Association is subject to and governed by the provisions of any statute adopted at any time and applicable to property including, without limitation, Ohio Revised Code Chapter 5312 and Chapter 1702.

(B) The Association must comply with all applicable state and Federal laws concerning 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 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.

(C) In the event of any conflict or inconsistency between the provisions of the Declaration and these Bylaws, the terms and provisions of the Declaration prevail, and the Lot owners and all Persons claiming under them covenant to vote in favor of such amendments to these Bylaws as will remove such conflicts or inconsistencies.

ARTICLE X

ASSESSMENTS

Section 1 - Determination of Assessments. The Board will fix and determine from time to time the sum(s) necessary and adequate for the Common Expenses and reserves. Common Expenses include expenses for the operation, maintenance, repair, or replacement of the Common Elements, and such other parts of the Subdivision as provided for in the Declaration, the carrying out of the powers and duties of the Association, the items enumerated in Article IX above, and any other expenses designated from time to time by the Board as Common Expenses. Funds for the payment of common expenses must be assessed against the Lot owners in the manner and proportions and payable as provided in the Declaration and these Bylaws. Special

Assessments, if any, should be required by the Board, must be levied and paid in the manner as directed by the Board.

Section 2 – Notice and Payment of Assessments. When the Board has determined the amount of any Assessment, a statement of the Assessment must be hand delivered or mailed by either regular or electronic mail, to each of the affected Lot owners. All Assessments are payable to the Association. The Association may provide Lot owners the opportunity for electronic, automatic monthly payments of their Annual Assessment. Assessments will be made against Lot owners in an amount no less than that required to provide funds in advance for payment of all of the anticipated current Common Expenses and for all of the unpaid Common Expenses previously incurred.

Section 3 – Obligation to Pay Assessments.

(A) Each Lot owner must pay his/her proportionate share of the Common Expenses as assessed against the Lot owners, the share will be allocated equally among all the Lots. Payment of any other Assessment will be made in such amounts and at such times as the Board may determine.

(B) Regardless of any effort or action of a Lot owner to the contrary, the Association will credit any and all payments made by a Lot owner in the following order of priority:

- (1) To interest owed to the Association;
- (2) To administrative late fees owed to the Association;
- (3) To collection costs, attorneys' fees, and paralegal fees incurred by the Association; and, finally,
- (4) To the oldest principal amounts the Lot owner owes to the Association for Assessments chargeable against the Lot.

(C) The obligation to pay any Assessment is a separate and independent covenant on the part of each Lot owner. No diminution or abatement of Assessments or set-off can be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under the Declaration or these Bylaws, or for inconvenience, discomfort or dislocation arising from the making of repairs or improvements that are the Association's responsibility or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority. No Lot owner of a residence may exempt himself/herself from

liability for any Assessment(s) by waiver of the use or enjoyment of any of the Common Elements, by the abandonment of his/her residence, or for any other reason.

Section 4 – Preparation of Budget; Annual Assessments.

(A) On or before the 1st day of December of each year, the Board must prepare a budget which is based on the estimate of the total amount (“the estimated budget”) that is required during the ensuing year to pay the Common Expenses and to provide a reserve for contingencies and replacements (“Annual Assessment”). Any estimated budget must include reserves in an amount adequate to repair and replace major capital items in the normal course of operations without the necessity of Special Assessments, unless the Lot owners exercising no less than a majority of the voting power of the Association waive the reserve requirement annually.

(B) On or before December 15th of each year, the Board must notify each Lot owner of the amount of such estimated budget with reasonable itemization. Said estimated budget will be assessed to the Lot owners in accordance with the provisions of the Declaration and these Bylaws. Such Annual Assessment will be due and payable by each Lot owner as stipulated by the Board.

(C) If the estimated budget is insufficient for any reason, including the non-payment by any Lot owner of his/her share of the Annual Assessment, the Association may at any time prepare an adjusted estimate and levy additional Assessments, which will be assessed to Lot owners. The Association will give written notice of any such additional Assessments to all Lot owners, stating the amount, the reasons, and the time when the same will be payable, which will not be less than ten days after providing such notice. All Lot owners are obligated to pay the amount as so adjusted.

(D) If, at any time, the Board determines that the Association has collected an amount in excess of the amount required for actual common expenses and reserves in any year, such amount, at the Board’s sole discretion, must either 1) be credited promptly after the same has been determined to the Assessment next due from Lot owners under the current year’s Assessment until exhausted or 2) be applied toward reserves.

Section 5 - Reserve for Contingencies and Replacements. The Board must establish and maintain for the Association a capital reserve fund as provided for in Ohio Revised Code Chapter 5312. Upon the sale of a residence by any Lot owner, such Lot owner will have no right to any portion of the funds in the reserve account; nor will such Lot owner have any claim against the Association. Any interest earned on the reserve fund accounts will be accumulated in the reserve account. Extraordinary expenditures

not originally included in the budget, which may be necessary for the year, may, at the Board's discretion, be charged first against such reserve or paid for, in whole or in part, by a Special Assessment.

Section 6 – Special Assessments for Capital Improvements. Notwithstanding anything in these Bylaws or in the Declaration that authorizes expenditures, no single expenditure may be made by the Association for any material additions, alterations, or improvements (as distinguished from maintenance, repair, or replacement) of the Common Elements or for the purchase exceeding in total cost five percent of that fiscal year's annual budget without, in each case, having the prior approval of the Lot owners entitled to exercise at least a majority of the Association's total voting power present in person or by proxy at any annual or a special meeting duly held for such purposes. If such approval is obtained, the Board may proceed with such additions, alterations, or improvements and will assess all Lot owners for the cost as a Common Expense or a Special Assessment. The limitations on expenditures by the Association contained in this Section 7 in no event apply to repair or replacement of the Common Elements due to casualty loss, emergency repairs immediately necessary for the preservation and safety of the Subdivision or Common Elements, to maintain compliance with any applicable local, State, or Federal codes, ordinances, laws, Rules, or to avoid suspension of any necessary services or for the safety of any Person(s).

Section 7 – Failure to Prepare Annual Budget or Make Current Assessments. The failure or delay of the Board in the preparation of any budget or in the giving of notice to Lot owners, or any delay in the making of Assessments against Lot owners, or any of them, will not constitute a waiver or release in any manner of such Lot owner to pay his/her proportionate share of the Common Expenses, including reserves, whenever the same is determined and assessed. In the absence of any annual estimate of Common Expenses, including required reserves, or of any Assessments based thereon, Lot owners must continue to pay the Assessments at the existing rate established for each Lot owner then in effect, until the first maintenance payment becomes due, pursuant to a new Assessment covering the current period duly made by the Board in the manner above provided in this Article X.

Section 8 – Books and Records.

(A) The Association must maintain correct and complete books and records of account that specify the receipts and expenditures relating to the Common Elements and other common receipts and expenses, records showing the allocation, distribution, and collection of the profits, losses, and expenses among and from the Lot owners, minutes of the Association and Board meetings, and records of names and addresses of the Lot owners and Occupants (the "Association's Records").

(B) The Board may adopt Rules establishing reasonable standards for the examination and copying of the Association's Records, which may include, without limitation, standards and limitations governing the type of documents that are subject to examination and/or copying, limitations on the use and distribution of such records, the times and locations at which the documents may be examined or copied, and a reasonable fee for the examination and/or copying of the documents. In the absence of any rules, any Lot owner or his/her mortgagee, or by any representative of a Lot owner duly authorized, in writing, may for reasonable purposes, during normal business hours, and following a reasonable, prior written request to the Board, examine or copy the Association's Records, subject to a reasonable fee and the provisions of Chapter 5312. Within ten days of a written request to the Board and upon payment of a reasonable fee, any Lot owner will be furnished a statement of his/her account setting forth the amount of any unpaid Assessments or other charges due and owing from such Lot owner.

(C) The Association will not permit examining and/or copying of any of the following from books, records, or minutes unless expressly approved by the Board:

(1) information that pertains to Subdivision-related personnel matters;

(2) communications with legal counsel or attorney work product pertaining to potential, threatened, or pending litigation or other Subdivision-related matters;

(3) 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;

(4) information that relates to the enforcement of the Declaration, these Bylaws or Rules against other Lot owners; or

(5) information that the disclosure of which is prohibited by state or Federal law.

Section 9 – Status of Funds Collected by Association. All funds collected must be held and expended and applied solely for the purposes designated in the Declaration, these Bylaws, or Ohio law, and, except for such Special Assessments as may be levied against less than all of the Lot owners and for such adjustments as may be required to reflect delinquent or prepaid Assessments, are deemed to be held for the use, benefit, and account of all of the Lot owners. All sums collected by the Association from

Assessments may be commingled in a single fund or divided into more than one fund, bank, or investment accounts as determined by the Board.

Section 10 – Annual Review. The books of the Association will be reviewed once a year by the Board and such review will be completed prior to each Annual Meeting. If requested by a majority of the Board, such review will be made by a Certified Public Accountant. In addition, at any time upon the request of Lot owners holding fifty percent or more of the voting power of the Association, the Board will cause a review of the Association's books to be made by a Certified Public Accountant; any such review will be a Common Expense; finally if seventy-five percent of the Board or Lot owners holding seventy-five percent or more of the voting power of the Association request a certified audit, such audit must be conducted by the Association as a Common Expense.

ARTICLE XI

REMEDIES

Section 1 - Cost of Enforcement. The Board may levy reasonable enforcement Assessments if any Lot owner (either by his or her conduct or by the conduct of any Occupant or guest of his or her Lot) violates any provision of the Declaration, Bylaws, or Rules. The Board may also levy reasonable charges for damage to the Common Elements or any part of the Subdivision for which the Association is responsible to maintain. Said Lot owner must pay to the Association, in addition to any other sums due, any enforcement Assessments for violation of said provision or rule levied by the Board, any charges for damage, and all costs and expenses incurred by the Association in connection with the enforcement of said provision or rule and/or repair of damage, including reasonable attorneys' fees and/or court costs. Said enforcement Assessments, charges for damage, costs, and expenses will be charged as a special Assessment against said Lot. The Association has a lien upon the estate or interest in any Lot for the payment of any Assessment or charge levied, as well as any related interest, administrative late fees, enforcement Assessments, collection costs, attorneys' fees, and paralegal fees, that are chargeable against the Lot and that remain unpaid ten days after any portion has become due and payable as further explained and set forth in the Declaration.

Section 2 - Cost of Collection. A delinquent Lot owner is also liable for any and all costs incurred by the Association in connection with the collection of the delinquent account and/or Assessment, including reasonable attorneys' fees, recording costs, title reports, and/or court costs.

ARTICLE XII

AMENDMENTS

These Bylaws may be amended by the affirmative written vote of the Lot owners, exercised at a meeting or without a meeting by signed, written consent, entitled to exercise not less than a majority of the voting power of the Association. Upon the adoption of any amendment, the President must file with the Recorder of Fairfield County an instrument executed with the same formalities, containing the amendment being made, the volume and pages of the original being amended, and the manner of the adoption of the amendment

ARTICLE XIII

GENERAL PROVISIONS

Section 1 - Mortgagees. Upon written request to the Board, the holder of any duly recorded mortgage or trust deed against any Lot ownership must be given a copy of any and all notices permitted or required by the Declaration or these Bylaws to be given to the Lot owner whose Lot is subject to such mortgage or trust deed. Any mortgagee may, from time to time, request in writing a written statement from the Board setting forth any and all unpaid Assessments due and owing from its mortgagor Lot owner with respect to the residence subject to the lien of its mortgage and such request will be complied with within twenty days from receipt of such request.

Section 2 - Service of Notices on Devisees and Personal Representatives. Notices required to be given to any devisee or personal representative of a deceased Lot owner may be delivered either personally or by mail to such party at his/her address appearing on the records of the Court wherein the estate of such deceased Lot owner is being administered.

Section 3 - Notices. All notices required or permitted by the Declaration and under these Bylaws, to the Association or the Board of Directors, must be in writing and sent by regular U.S. mail, first-class postage prepaid, to the Board of Directors or the Association at the address of the Subdivision or to such other address as the Board of Directors may designate from time to time by notice in writing to all Lot owners. All notices to any Lot owner must be sent by one of the following methods: 1) hand-delivered, or 2) sent by regular U.S. mail, first-class postage prepaid to such Lot owner's residence address, or 3) to such other address as may be designated by the Lot owner, in writing, to the Board of Directors, or 4) by electronic mail or other use of technology pursuant to Section 4, below. Any notice required or permitted to be given

to any Occupant of a residence other than a Lot owner will effectively be given if hand-delivered or sent by regular U.S. mail, first-class postage prepaid, to the residence address.

Section 4 – Use of New Technology. Due to the ongoing development of new technologies and corresponding changes in business practices, to the extent permitted by Ohio and Federal law, as well as by the Board, now or in the future (1) any notice required to be sent or received; (2) any signature, consent, or approval required to be obtained; or (3) any payment required to be made, under the Declaration or Bylaws, may be accomplished or required using the most advanced technology available at that time provided such use is a generally accepted business practice. Except as otherwise provided in this Section, any such notice will be deemed given and effective upon mailing or other transmission. As of the effective date of this provision, this permissible new technology includes, without limitation, the use of electronic mail or other electronic transmission in lieu of any Association required written notice to Lot owners, individually or collectively, to or from any Lot owner who has given the Association written consent to such use of electronic email or other electronic transmission, and/or for the Association to properly and effectively receive any Lot owner's signature, consent, or approval the Association needs or requires:

An electronic email or other permissible electronic transmission to a Lot owner is not considered delivered and effective if the Association's transmission to the Lot owner fails two consecutive times, e.g. the Association receives an "undeliverable" or similar message, or the inability to deliver the transmission to the Lot owner becomes known to the Person responsible for sending the transmission. If the electronic email or other electronic transmission is not delivered or effective, the Association must deliver such notice or other communication to the Lot owner in writing by regular U.S. mail, by hand delivery, or by leaving the notice under or attached to the front door of the Lot owner's residence.

Section 5 – Non-Waiver of Covenants. No covenants, restrictions, conditions, obligations or provisions contained in the Declaration or these Bylaws will 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.

Section 6 – Agreements Binding. All agreements and determinations lawfully made by the Association, through the Board, in accordance with the procedures established in the Declaration and these Bylaws, will be deemed to be binding on all Lot owners and Occupants, and their respective heirs, executors, administrators, successors and assigns.

Section 7 – Severability. The invalidity of any covenant, restriction, condition, limitation, or any other provision of these Bylaws, or any part of the same, does not impair or affect in any manner the validity, enforceability, or affect the rest of these Bylaws.

Section 8 – Validity. Upon the recording of these Bylaws, only Unit Owners of record at the time of such filing have standing to contest the validity of the Bylaws, whether on procedural, substantive or any other grounds, provided further that any such challenge must be brought in the court of common pleas within one year of the recording of the Bylaws.

Section 9 – Construction. Wherever the masculine singular form of the pronoun is used in these Bylaws, it will be construed to mean the masculine, feminine, or neuter, singular or plural, wherever the context so requires.

Section 10 - Definitions. All capitalized words and terms used in these Bylaws have the same meaning as set forth in the Declaration.

Section 11 – Captions. The captions used in these Bylaws are inserted solely as a matter of convenience and will not be relied upon and/or used in construing the effect or meaning of any of the text.

Section 12 - Interpretation. These Bylaws will be construed according to the fair meaning of the language used and not strictly construed against the Association, the Board, or any Lot owner. Any conflict between this provision and any other provisions of the Declaration will be interpreted in favor of the provisions in these Bylaws.

Section 13 - Scrivener Errors. Scrivener reserves unto itself the right to make corrections or changes in these Bylaws, or any of the Exhibits attached thereto that arise due to typographical mistakes or scrivener errors. Said changes may be made by Scrivener despite the fact it does not own seventy-five percent of the interest of the voting power of the Association but will only be done if said changes do not materially affect the ownership interest of anyone else. Said changes must otherwise be in accordance with Article XII of these Bylaws.

Section 14 - Perpetuities and Restraints on Alienation. If any of the options, privileges, covenants, or rights created by these Bylaws be unlawful or void for violation of (A) the rule against perpetuities or some analogous statutory provision, (B) the rule restricting restraints on alienation, or (C) any other statutory or common law rules imposing time limits, then such provision will continue only until twenty-one years after the death of the survivor of the now living descendants of Ohio Governor John Kasich.