

Lake of the Woods III Association
Code of Regulations

ARTICLE I

Membership and Common Expenses

1.01 Membership Book

The corporation shall keep a membership book containing the names and addresses of each member, and their effective dates of membership.

1.02 Definition Of Member

(A) Any legal owner or co-owner of a lot in the Lake of the Woods III Association, Genoa Township, Delaware County, Ohio, is a member of the Corporation. Where there is more than one legal owner of a lot, all such owners together shall be entitled to only one membership. References in these Regulations to a “member” shall mean all such common owners together entitled to one membership.

(B) If any person has beneficial ownership of a lot but not legal ownership (e.g., where the lot is owned by a corporation, trust or estate), they may petition the trustees of the Corporation for a membership, and if a majority of the trustees determine that the purposes of the Corporation would be advanced by admitting such a person as a member, then the beneficial owner(s) of such lot shall be a member and the legal owner(s) of such lot shall not be a member

1.03 Definition and Allocation of Common Expenses

(A) All costs the Association incurs in the administration, governance, and maintenance of the Association are common expenses. All costs of the administration, operation, maintenance, repair, and replacement of the common elements are common expenses.

(B) The common expense liability for each lot shall be allocated equally among all the lots.

(C) The Board of Directors shall assess the common expense liability for each lot at least annually, based on a budget the board adopts at least annually.

(D) The Board shall charge interest on any past due assessment or installment at the rate the Board establishes, not to exceed any maximum rate permitted by law.

ARTICLE II

Meetings of Members

2.01 Annual Meeting

A meeting of the members, for the purposes of electing the Board of Directors and transacting such other business as may come before the meeting, shall be held at least annually at a date and time to be fixed by the board.

2.02 Notices of Meetings

(A) Notice of each members' meeting (whether annual or special) shall be given not more than 30 days, and not less than 7 days, before the date of the meeting by the President or Secretary, or by any other persons entitled to call such meeting.

(B) Notice shall be given to each member by delivering a written notice to him personally, or by regular mail or by e-mail to those members who have agreed to be so notified and have provided a valid e-mail address to the Secretary for such purpose. Except when expressly required by law, no publication of any notice of a members' meeting shall be required.

(C) Every notice of a members' meeting, besides stating the date, time and place of the meeting, shall state briefly the purposes for calling the meeting. Notice of the continuation of a meeting which has been temporarily adjourned need not be given if the time and place to which it is adjourned are fixed and announced at such meeting.

2.03 Majority Voting

Except where the law, the Articles of Incorporation, or other provisions of these Regulations require a different proportion of the voting power of the Corporation with respect to any matter, a majority of the members present, in person or by proxy, may authorize or take action with respect to each matter properly submitted at such meeting.

2.04 Procedure for Conducting Meeting

At each members' meeting the Chairman of the meeting shall be as selected by the Board of Directors. The Secretary or, in his absence, any person whom the Chairman of the Meeting appoints for such meeting, shall act as Secretary of each members' meeting.

2.05 Voting

A) Each member shall be entitled to one vote or fraction of a vote for each lot or fraction of a lot owned by such member. For example, if a member owns 1 ½ lots, they shall be entitled to 1 ½ votes on all matters. If a lot is owned by more than one person, the vote of that member shall be divided among all owners of the lot. If they should own 1 ½ lots, each would be entitled to ¾ vote if both are present. A list of all lots in the subdivision by lot and address, indicating the number of lots owned will be included with notice to members of each annual meeting.

B) If at the time of any meeting of the members, a member is more than 30 days delinquent in the payment of assessments, such member shall not be entitled to vote at such meeting.

2.07 Proxies

Each member who is entitled to attend a meeting of members may be represented at such meeting by a proxy appointed by a writing, which need not be witnessed or acknowledged. If there is more than one legal owner of a lot, and all legal owners of the lot are not present at the meeting, those legal owners present shall be deemed to have the proxy from any other owners of such lot without need of any writing.

ARTICLE III
Board of Directors

3.01 General Powers

All powers and authority of the Corporation shall be exercised by the Board of Directors elected from among the members and their spouses, except as may otherwise be provided by applicable law, the Articles of Incorporation or these Regulations. If an owner is not an individual, any principal, member of a limited liability company, partner, director, officer, trustee, or employee of the owner may be elected to the board

3.02 Number of Directors

The number of Directors of the Corporation shall be fixed from time to time by the members as any odd number, at least five but not more than nine. Until otherwise fixed by the members, the number of Directors shall be five.

3.03 Compensation and Expenses

The Directors shall not be entitled to compensation. Directors may be reimbursed for their reasonable expenses incurred in the performance of their duties.

3.04 Election

Directors shall be elected by secret ballot by a majority of the owners present or represented by proxy at each annual meeting of the members, as provided in 4.02.

3.05 Term of Office

Each Director shall hold office until the final adjournment of the annual meeting of members next following his election. Directors may run for re-election for successive terms.

3.06 Vacancies

A vacancy or vacancies in the Board of Directors may be filled by a majority vote of the remaining Directors. A Director or Directors so appointed shall serve for the remainder of the term of the person they replace.

3.07 Removal

Any Director may be removed, either with or without cause, at any time, by the affirmative vote of a majority of all members, at a special members' meeting called for that purpose. The vacancy in the Board of Directors caused by any such removal may be filled by majority vote of the remaining Directors.

3.08 Resignations

Any Director may resign by giving written notice to the President or to the Secretary of the Corporation. Such resignation shall take effect upon receipt of such notice, or at any other time specified therein

3.09 Quorum, Vote Requirement and Manner of Acting

(A) A majority of the Directors serving at the time of any meeting of Directors (even though, because of one or more vacancies, less than a majority of the total number of Directors fixed under 3.02) shall constitute a quorum for the transaction of business.

(B) The Board may hold a meeting by any method of communication, including electronic or telephonic communication, provided that each member of the Board can hear or read in real time and participate and respond to every other member of the Board. In lieu of conducting a meeting, the Board may take an action with the unanimous written consent of the members of the Board. Any written consent shall be filed with the minutes of the meetings of the Board.

(C) No owner other than a Director may attend or participate in any discussion or deliberation of a meeting of the Board of Directors unless the Board expressly authorizes that owner to attend or participate.

(D) Except as is otherwise provided by law, the Articles of Incorporation or these Regulations, the act of a majority of the Directors present at any meeting shall be the act of the Board of Directors. The Directors shall act only as a Board. Individual Directors shall have no power as such.

3.10 Committees and Offices

The Board of Directors by majority vote may from time to time create, abolish or reconstitute any committee or committees of Directors, including a committee of one Director, and may delegate to such committee or committees the authority deemed necessary to complete the task, subject to written approval of the Board of Directors. Filling vacancies in the Board of Directors should not be done by committee, but only accomplished by 3.06.

3.11 Meetings

A regular meeting of the Board of Directors shall be held immediately following the annual meeting of the members, and quarterly thereafter. A special meeting of the Board of Directors shall be held whenever called by the President or by any two Directors.

3.12 Notices of Meetings.

Notice of each board meeting shall be given by the President, the Secretary, or the persons calling such meeting to each Director in any of the following ways:

- (1) by orally informing him of the meeting in person or by telephone not later than 1 week before the time of the meeting;
- (2) by personal delivery to him not later than 1 week before the time of the meeting of written notice thereof;
- (3) by mailing written notice in a sufficient length of time before the meeting so that, in the ordinary course of the mails, delivery thereof would normally be made to him not later than 1 week before the time of the meeting: or,
- (4) by e-mail to those Directors who have agreed to be so notified and who have provided a valid e-mail address to the Secretary for such purpose.

ARTICLE IV Officers

4.01 Number and Titles.

The officers of the Corporation shall be a President, a Treasurer and a Secretary. The officers of the Corporation shall also be Directors as provided in 4.02.

4.02 Election, Terms of Office and Compensation and Expenses.

The Directors of the Corporation shall be elected by the members at each annual meeting. The Board of Directors shall elect Officers from the members of the Board, to include a President, Secretary, Treasurer, and other Officers as the Board designates. Each officer shall hold office until the final adjournment of the annual meeting of members next following his election. The Officers shall not be entitled to compensation. Officers may be reimbursed for their reasonable expenses incurred in the performance of their duties

4.03 The Treasurer.

(A) If required by the Board of Directors, the Treasurer shall give bond for the faithful discharge of his duties in such sum and with such sureties as the Board of Directors shall determine.

(B) The Treasurer shall:

(1) Have charge and custody of, and be responsible for, all funds, securities, notes and all other valuable effects of the Corporation; receive all moneys payable to the Corporation, subject to any limitation imposed by the Board of Directors, and deposit all moneys in the name of the Corporation in such banks or other depositories as determined by the Board of Directors; cause such funds to be disbursed by checks of the Corporation, signed by the Treasurer and another Director of the Corporation; and, be responsible for the accuracy of the amounts of all moneys disbursed;

(2) Keep or cause to be kept correct records of the moneys, business and transactions of the Corporation, and exhibit those records to any member of the Corporation upon reasonable notice;

(3) Render to the Board of Directors or the President a quarterly account of the financial condition of the Corporation and of all his transactions as Treasurer and, as soon as practicable after the close of each fiscal year, make and submit to the Board of Directors a report for such fiscal year; and render to an unbiased Certified Public Accountant all records of the Corporation for the purpose of performing an audit;

(4) Lay before each annual meeting of the members the financial statements described in the preceding paragraph and furnish copies of such statements to the members.

4.07 The Secretary.

The Secretary shall:

(A) Keep the minutes of all meetings of the members and of the Board of Directors at which he is present in one or more books provided for that purpose;

(B) Cause all notices to the members and the Directors of the Corporation to be duly given in accordance with these Regulations and the Ohio Nonprofit Corporation Law; and,

(C) Be custodian of the corporate records of the Corporation.

ARTICLE V

Finances

5.01 Association Costs

(A) All costs the Association incurs in the administration, governance, and maintenance of the Association are common expenses and all costs of the administration, operation, maintenance, repair, and replacement of the common elements are common expenses.

(B) The common expense liability of each lot shall be allocated equally among all the lots on a per lot or partial lot basis.

(C) The Board of Directors shall assess the common expense liability for each lot at least annually, based on a budget the board adopts at least annually.

(D) The Board shall charge interest on any past due assessment or installment at the rate the board establishes, not to exceed any maximum rate permitted by law

5.02 Expenditures.

Directors may authorize expenditures under \$3,000.01. Any expenditure by the Corporation in excess of \$3,000.00, whether in one lump sum or in periodic payments, may not be made

unless authorized by the vote of two-thirds of the members present, in person or by proxy, at a duly convened meeting at which a quorum is present.

5.03 Individual Lot Assessments

(A) The Association may assess an individual lot for any of the following:

- (1) Costs of maintenance, repair, or replacement incurred due to the willful or negligent act of an owner or occupant of a lot or their family, tenants, guests, or invitees, including, but not limited to, attorney's fees, court costs, and other expenses;
- (2) Costs associated with the enforcement of the rules and regulations of the Association, including, but not limited to, attorney's fees, court costs, and other expenses;
- (3) Costs or charges the bylaws permit.

(B) The Association shall credit any amount it receives from a lot owner pursuant to this section in the following order:

- (1) To interest owed to the Association;
- (2) To administrative late fees or enforcement assessments owed to the Association;
- (3) To collection costs, attorney's fees, and paralegal fees the Association incurred in collecting the assessment;
- (4) To the oldest principal amounts the owner owes to the Association for the common expenses chargeable against the dwelling unit or lot.

(C) Prior to imposing a charge for damages or an enforcement assessment pursuant to this section, the Board of Directors shall give the owner a written notice that includes all of the following:

- (1) A description of the property damage or violation;
- (2) The amount of the proposed charge or assessment;
- (3) A statement that the owner has a right to a hearing before the Board to contest the proposed charge or assessment;
- (4) A statement setting forth the procedures to request a hearing;
- (5) A reasonable date by which the owner must cure a continuing violation to avoid the proposed charge or assessment, if such an opportunity to cure is applicable.

(D) Hearing Request

- (1) To request a hearing, the owner shall deliver a written notice to the Board not later than the tenth day after receiving the notice this section requires. If the owner fails to make a timely request for a hearing, the right to that hearing is waived, and the Board immediately may impose a charge for damages or an enforcement assessment pursuant to this section.
- (2) If an owner requests a hearing, at least seven days prior to the hearing the board shall provide the owner with a written notice that includes the date, time, and location of the hearing.
- (3) The Board shall not levy a charge or assessment before holding any hearing requested pursuant to this section.
- (4) Within thirty days following a hearing at which the Board imposes a charge or assessment, the Association shall deliver a written notice of the charge or assessment to the owner.
- (5) Any written notice that this section requires shall be delivered to the owner or any occupant of the dwelling unit by personal delivery, by certified mail, return receipt requested, or by regular mail.

5.04 Limitations on Assessments

Any annual assessment which exceeds an average of \$300.00 per single lot must be approved by a vote of three-fourths of all members.

5.05 Liens

(A) The Association has a lien upon the estate or interest in any lot for the payment of any assessment or charge levied in accordance with section 5312.11 of the Revised Code, as well as any related interest, administrative late fees, enforcement assessments, collection costs, attorney's fees, and paralegal fees, that are chargeable against the lot and that remain unpaid ten days after any portion has become due and payable.

(B) All of the following apply to a lien charged against a property pursuant to this section:

(1) The lien is effective on the date that a certificate of lien is filed for record in the office of the Recorder of the county or counties in which the lot is situated, pursuant to authorization by the Board of Directors of the owners association. The certificate shall contain a description of the lot, the name of the record owner of the lot, and the amount of the unpaid assessment or charge. It shall be subscribed to by the President of the Board or other designated representative of the owners association.

(2) The lien is a continuing lien upon the lot against which each assessment or charge is made, subject to automatic subsequent adjustments reflecting any additional unpaid interest, administrative late fees, enforcement assessments, collection costs, attorney's fees, paralegal fees, and court costs.

(3) The lien is valid for a period of five years from the date of filing, unless it is sooner released or satisfied in the same manner provided by law for the release and satisfaction of mortgages on real property or unless it is discharged by the final judgment or order of a court in an action brought to discharge the lien as provided in this section.

(4) The lien is prior to any lien or encumbrance subsequently arising or created, except liens for real estate taxes and assessments of political subdivisions and liens of first mortgages that have been filed for record prior to the recording of the lien, and may be foreclosed in the same manner as a mortgage on real property in an action brought by the owners association.

(C) Foreclosure

(1) In any foreclosure action that the holder of a lien commences, the holder shall name the owners association as a defendant in the action. The owners association or the holder of the lien is entitled to the appointment of a receiver to collect rental payments due on the property. Any rental payment a receiver collects during the pendency of the foreclosure action shall be applied first to the payment of the portion of the common expenses chargeable to the lot during the foreclosure action.

(2) Following any foreclosure action, the owners association or an agent the board authorizes is entitled to become a purchaser at the foreclosure sale.

(3) A mortgage on a lot may contain a provision that secures the mortgagee's advances for the payment of the portion of the common expenses chargeable against the lot upon which the mortgagee holds the mortgage.

(D) An owner may commence an action for the discharge of the lien in the court of common pleas of Delaware County if the owner believes that the liability for the unpaid assessment or charge for which the owners association filed a certificate of lien was improperly charged. .

ARTICLE VI

Certain Transactions with Directors, Officers or Members

(A) A Director, Officer or member of the Corporation shall not be disqualified by his position from dealing with the Corporation as a vendor, purchaser, employee, agent or otherwise, and no contract or transaction shall be void or voidable by the Corporation for the reason that it is between the Corporation and one or more of its Directors, Officers or members, or between the Corporation and any other entity in which one or more of its Directors, Officers or members are directors, trustees, partners or officers, or have a financial or personal interest, if in any such case:

(1) the material facts as to his or their relationship or interest are disclosed or known to the Directors and the Directors in good faith reasonably justified by such facts, authorize or ratify the contract or transaction by the affirmative vote of a majority of the disinterested Directors, even though the disinterested Directors constitute less than a quorum;

(2) the material facts as to his or their relationship or interest are disclosed or are known to the members and the contract or transaction is specifically approved and ratified at a meeting of the members held for such purpose by the affirmative vote of a majority of the voting power of the Corporation held by persons not interested in the contract or transaction; or,

(3) the contract or transaction is fair as to the Corporation as of the time it is authorized or approved or ratified by the Directors or by the members. Without limiting or qualifying the foregoing, if in any judicial or other inquiry, suit, cause or proceeding, the question of whether a Director or officer of the Corporation, or the Corporation acting through its Directors, has acted in good faith is material, then notwithstanding any statute or rule of law or of equity to the contrary (if any there be), his or its good faith shall be presumed, in the absence of proof to the contrary by clear and convincing evidence.

(B) For purposes of the preceding paragraph, interested Directors or members may be counted in determining the presence of a quorum at a meeting of the Directors or members which authorizes or ratifies the contract or transaction.

ARTICLE VII

Indemnification of Certain Persons

The Corporation shall indemnify any Officer, Director or member of the Corporation to the full extent permitted by Section 1702.13(E) of the Ohio Revised Code.

ARTICLE VIII

Amendment of Code of Regulations

(A) These Regulations may be amended in writing or at any annual or special meeting of the members, if approved by a vote of seventy-five percent of all the members. Amendments shall become effective on the date when filed in the office of the county recorder.

(B) A vote to dissolve the association requires the unanimous consent of all the owners.

Secretary - Lake of the Woods III Association

STATE OF OHIO, COUNTY OF DELAWARE, ss:

BE IT REMEMBERED, That on this 29th day of February, 2012, before me, a Notary Public in and for said county and state, personally appeared Joseph E. Weaver III, who represented to me to be said person and who signed the foregoing instrument and acknowledged the same as his voluntary act and deed.

IN ESTIMONY THEREOF, I have hereunto subscribed my name and affirmed my seal on this day and year aforesaid.

Notary Public