

**EXHIBIT A**

**AMENDED AND RESTATED**

**BYLAWS**

**(f/k/a “THE CONSTITUTION”)**

**OF**

**THE AURORA SHORES HOMEOWNERS ASSOCIATION, INC.**

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### AMENDED AND RESTATED BYLAWS (f/k/a "THE CONSTITUTION") OF THE AURORA SHORES HOMEOWNERS ASSOCIATION, INC.

#### ARTICLE I

##### GENERAL

**Section 1. Preliminary Statement of Scope and Effect.** These Amended and Restated Bylaws of The Aurora Shores Homeowners Association, Inc. ("Bylaws") are attached and made part of the Amended and Restated Declaration of Covenants and Restrictions ("Declaration"). Certain capitalized terms have been defined in the Declaration and, when used in these Bylaws, have the same meaning as set forth in the Declaration. The purpose of these Bylaws is to provide for the establishment of a Homeowners' Association for the government of the Property in the manner provided by the Declaration and by these Bylaws. All present or future Owners, Occupants, guests, or tenants, any of their employees, or any other person who might use the facilities of the Property in any manner, are subject to the covenants, provisions, and regulations contained in these Bylaws, and are also subject to any restriction, condition, or regulation adopted by the Board. The mere acquisition or rental of any Lot located within the Property described in the Declaration, or the mere act of occupancy of any Living Unit will constitute acceptance and ratification of the Declaration and of these Bylaws.

**Section 2. Name of the Association.** The Association's name is the "Aurora Shores Homeowners Association, Inc." an Ohio nonprofit corporation, created in accordance with the provisions of Chapter 1702 of the Ohio Revised Code (the "Association").

**Section 3. Principal Office.** The Board will designate the place or location of the Association's principal office, which will be on the Property or at the management company's, if any, location. All books and records of the Association must be kept at the principal office. If the principal office is a Board member's Living Unit, upon the expiration of the Board member's term, whether by resignation, removal, or otherwise, such Board member has an affirmative duty and

responsibility to contact the succeeding Board member or property manager to arrange for the delivery of all Association books and records from the outgoing Board member's Living Unit to the respective incoming or succeeding Board member or property manager within ten business days of such change of Board position.

## ARTICLE II

### THE ASSOCIATION

**Section 1. Membership.** When a Person acquires title to a Lot, the Person becomes an Owner and automatically becomes a Member. Such membership terminates upon the sale or other disposition by such Owner of their Lot, at which time the new Owner of the Lot automatically becomes a Member.

#### **Section 2. Voting Rights.**

**(A) One Vote Per Unit/Good Standing.** There is one voting member for each of the Lots comprising the Property. Each Owner is entitled to one vote per Lot. However, an Owner must be in "good standing" for voting on any Association issue or matter other than proposed amendments to the Declaration or Bylaws. "Good standing" means not in litigation against the Association, including the Board members, or being not more than 60 days past due in the payment to the Association of any Assessment as of the date of the meeting at which a vote is taken or, if not taken at a meeting, the date a vote is tabulated. Any provision in the Declaration or these Bylaws requiring the vote and approval of the Association's voting power means and refers to the Association's voting power that is in "good standing," unless specifically stated otherwise.

**(B) Voting Rights of Multiple Owners.** If more than one person owns a Lot, they are entitled collectively to cast only one vote exercising the voting power of the Lot as the voting power may not be divided among plural owners. 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, trust, or nominee, a Certificate signed by the Owners must be filed with the Association naming the person authorized to cast votes for the Lot, which Certificate is conclusive until a subsequent substitute Certificate is filed with the Association. If such Certificate is not on file, the vote of such corporation,

partnership, fiduciary, trust, or nominee will not be considered nor will the presence of such Owner at a meeting be considered in determining whether the quorum requirements for the meeting have been met. If a Lot is owned 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 the Lot, and either person, but not both, may vote in person or by proxy and be considered in determining if the quorum requirement has been met at any Association meeting, unless prior to such meeting either person has notified the Association in writing that there is a disagreement as to who will represent their Lot at the meeting, in which case the Certificate requirement set forth above will apply and, if no Certificate is filed with respect to the 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.** Owners may vote, act, or execute consents, waivers, or releases in person or by proxy. The person(s) appointed as proxy need not be an Owner. Designation by an Owner(s) of a proxy to vote, act, or execute on their behalf, must be made in writing and signed by such 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 Owner(s) making such designation. Without affecting any vote, act, or execution previously taken or authorized, the 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 of the Owner(s) at a meeting does not revoke the proxy appointment.

#### **Section 4. Meetings of the Association.**

**(A) Annual Meeting.** The Association's Annual Meeting for the determination of the election of directors, the consideration of reports to be laid before the Meeting, and the transaction of such other business as is set forth in the Meeting notice, will be held at such time and place within the month of April as the Board so determines and is stated in the Meeting notice.

**(B) Special Meetings.** Special Association meetings may be held on any business day when called by the President, by a majority of the Board acting with or without a meeting, or by Owners entitled to exercise at least

ten percent of the Association's voting power. Upon written request delivered either in person or by certified mail to the President or the Secretary by any Person(s) entitled to call a special Association meeting, such officer must set the date, time, and place for the special meeting and cause notice of the meeting to be given to all Owners in accordance with Bylaws Article II, Section 4(C). If such notice is not given within 30 days after the receipt of such request, the Person(s) requesting the special meeting may fix the time of the meeting and give notice of the meeting to all Owners in accordance with Bylaws Article II, Section 4(C). 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 will be as specified in the notice or agenda for the special meeting.

**(C) Notice of Meetings.** Not less than 7 nor more than 60 days before the day fixed for an Association meeting, notice stating the time, place, and purpose of such meeting will be given to all Owners by or at the direction of the Secretary or any other Person(s) required or permitted by these Bylaws to give such notice. The notice will be given to each Owner of record as of the day next preceding the day on which notice is given, in any manner or method as permitted by Ohio law and the Declaration. If mailed, the notice will be addressed to the Owners at their respective last known address(es) as they appear on the Association records. Notice of the time, place, and purpose(s) of any Association meeting may be waived in writing, either before or after the holding of such meeting, by any Owner, which writing will be filed with or entered upon the records of the meeting. The attendance of any Owner at any such meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice is a waiver by such Owner of notice of such meeting.

**(D) Quorum and Adjournment.** The Owners who are present in person or by proxy constitute a quorum for the transaction of business to be considered at any Association meeting. Under no circumstance, however, can any action required by the Declaration or Bylaws, or by law, to be authorized or taken by a specific number or percentage of Owners be authorized or taken by a lesser proportion of Owners.

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

- (1) Calling of meeting to order;
- (2) Proof of notice of meeting or waiver of notice;
- (3) Consideration of minutes of preceding meeting, in accordance with Bylaws Article II, Section 4(F) below;
- (4) Reports of Officers;
- (5) Reports of Committees;
- (6) Election by Acclamation or Announcement of Board member Elections;
- (7) Unfinished and old business;
- (8) New business; and,
- (9) Adjournment.

**(F) Minutes of the Meetings.** Minutes will be taken at all Association meetings. At the first regular Board meeting after an Association Annual or special meeting, the Board will review and approve the minutes for such Association meeting. Copies of the approved minutes will be available for inspection by Owners upon reasonable request at the Association's office, or as kept by the Secretary. Association minutes approved by the Board may be amended or modified with the approval of a majority of the Owners in attendance, by person or proxy, at the next Association meeting at which a quorum is established.

**Section 5. Actions Without A Meeting.** Any actions, except an action for the removal of a Board member, which may be taken at an Association meeting, may be taken without a meeting with the approval of, in writing(s) signed by 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) will 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.

**Section 2. Number and Qualification.** The Board will consist of five persons each of whom must be an Owner, or the spouse of an Owner, an Occupant of the Owner's Living Unit, and a Member in good standing (as defined in Bylaws Article

II, Section 2(A)). If an Owner is not an individual, that Owner may nominate for the Board any principal, member of a limited liability company, partner, trustee, officer, or current employee of that Owner who occupies the Unit. No more than one Owner, spouse of such Owner, or representative of such Owner, of the same Lot may be a Board member at the same time.

**Section 3. Nominations for Election to the Board.** The process for the nomination of Owners to run for the Board is as follows:

**(A)** The Nominating Committee, as defined in Bylaws III, Section 10(A) below, will send a notice out at least 60 days prior to the date of the Association meeting scheduled for the announcement of the results of the Board election. The notice will state the date, time, and place of the Association meeting, note the number of positions open for election, and explain the qualifications for serving on the Board and the process for being nominated to run for the Board.

**(B)** At least 40 days before the scheduled Association meeting, any Owner, including any current Board member whose term is to expire as of the date of the Association meeting, who desires to be a candidate for the Board must submit a written nomination form, as prepared by the Nominating Committee, that is signed by the Owner. The Owner may also include an informational summary of no more than 500 words regarding their biographical information and candidacy.

**(C)** At least 30 days before the scheduled Association meeting, the Nominating Committee will send every Owner a list of the Owners who submitted a signed nomination form and who meet the qualifications required to serve on the Board. The list of eligible nominees will indicate which candidates are endorsed by the Nominating Committee. Only Owners who submit a written, signed nomination form by the stated deadline will have their name listed on the ballot for the election of Board members.

**Section 4. Election of Board Members.** The Board members are elected at each Association Annual Meeting, but when the Annual Meeting is not held or Board members are not elected at the Annual Meeting, they may be elected at a special meeting called and held for that purpose. Each Owner may vote for as many candidates as there are vacancies in the Board, however caused. The election of Board members will be conducted in the following manner:

**(A)** If the number of candidates is equal to or less than the number of Board positions open for election, ballots for the election of Board members will not be distributed to the Owners. Instead, a motion to approve the candidate(s) for election to the Board by acclamation will be made and approved at the Association meeting.

**(B)** If the number of candidates is more than the number of Board member positions open for election, the following additional steps will be taken:

**(i)** Ballots, with information summaries submitted by the candidates, if any, will be sent to the Owner of each Lot (with only one vote permitted per Lot) along with the list of the Board candidates as described in Bylaws Article III, Section 3(C) above. If the ballots are not sent to Owners at least 10 days before the date of the scheduled Association meeting, the Board must then reschedule the date of the election meeting to a new date that is at least 10 days from the date the ballots are sent to the Owners.

**(ii)** The ballots will list the number of Board member positions up for election and list the names of all of the nominated candidates. The ballot must be signed by the Owner and used as a record of receipt of the Owner's ballot, as well as to determine quorum. If the ballot is not signed, the ballot will not be counted.

**(iii)** Ballots must be returned in sealed envelopes to the polling place designated by the Board no later than 72 hours prior to the scheduled time for the commencement of the Association meeting, which constitutes the closing of the election period. Ballots received subsequent to the closing of the election period are invalid.

**(iv)** The Nominating Committee is responsible for verifying the envelopes are sealed and the ballots are signed, verifying that no more than one vote per Lot has been cast, counting of all ballots, verifying the results of the election, and providing such results to the Chair of the Association meeting to announce prior to the end of the Association meeting. The Nominating Committee may commence the counting of votes anytime following the close of the election period.

(v) Notwithstanding anything to the contrary above, the Association may provide for the election of Board members through electronic means, including through the Internet, provided the time frames set forth above are followed.

**Section 5. Term of Office; Resignations.** Candidates receiving the votes of Owners entitled to exercise the greatest number of votes will be elected to the Board. Cumulative voting is not permitted. Unless elected to fill a Board vacancy, Board members will be elected to serve two year staggered terms, thereby maintaining a 3-2 rotation. Unless elected to fill a vacancy, the term of a newly elected Board member begins on May 1<sup>st</sup>. Each Board member holds office until the expiration of their designated term and until their successor is elected, or until their earlier resignation, removal from office, or death. Any Board member 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 will take effect immediately or at such other time as the resigning Board member may specify. The remaining Board members, though less than a majority, may, by a vote of a majority of their number, fill any vacancy for the unexpired term. If the remaining Board members cannot agree on an appointee to fill a vacancy within 60 days of the creation of the vacancy, the Board must call a special election to fill the vacant Board position.

**Section 6. Board Meetings.**

(A) **Organizational Meetings.** Immediately after each Annual Meeting, or any special Association meeting for the election of Board members, the newly elected Board members and those Board members whose terms hold over must 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 at such times and places as determined, from time to time, by a majority of the Board, but at least four such meetings must be held during each fiscal year, with no more than one regular meeting held per calendar month. Notice of each meeting will be given in accordance with Bylaws Article III, Section 6(D) below.

**(C) Special Meetings.** Special meetings of the Board may be held at any time, after notice in accordance with Bylaws Article III, Section 6(D), upon call by the President or a majority of the other Board members.

**(D) Notice of Meetings.** Notice of the date, time, place, and purpose(s) of each Board meeting will be given to each Board member by or at the direction of the Secretary or by the person(s) calling the meeting. The notice may be given in any manner or method as permitted by Ohio law and the Declaration, and at such time so that the Board member receiving it may have a reasonable opportunity to attend the meeting. The notice is, in all events, proper if given to each Board member at least 48 hours prior to the meeting. The giving of notice is deemed to be waived by any Board member who attends and participates in the meeting and may also be waived in writing, by telegram, or by electronic mail by any Board member either before or after such meeting. Unless otherwise indicated in the notice for the meeting, any business may be transacted at any organizational, regular, or special Board meeting.

**(E) Meeting Agenda.** The President will establish the agenda for each Board meeting, which such agenda may be modified, in whole or in part, by a majority vote of the Board members present at the Board meeting.

**(F) Conduct of Board Meetings.** Any Board meeting may be held in person or by any method of communication, including electronic or telephonic communication, as long as each Board member can hear (or simultaneously read if in electronic format, e.g. Internet chat room), participate, and respond to every other Board member.

**(G) Quorum; Adjournment.** A majority of the Board constitutes a quorum for the transaction of business, except that a majority of the Board members in office constitutes a quorum for filling a Board vacancy. Whenever less than a quorum is present at the time and place appointed for any Board meeting, a majority of those present may adjourn the meeting from time to time until a quorum is present. At each meeting of the Board at which a quorum is present, all questions and business are determined by a majority vote of those present, except as may be otherwise expressly provided in the Declaration or in these Bylaws.

**(H) Meeting Minutes.** Minutes must be taken at or for all Board meetings. Copies of the Board approved minutes, except for those taken during closed executive sessions, are to be available for inspection by Owners, upon reasonable request, at the Association's office, or as kept by the Secretary.

**(I) Actions Without a Meeting.** Except for removal of officers, in lieu of conducting a meeting, the Board members may take action with the unanimous written consent of the Board members, which written consent may be in electronic form, including by email or similar mode of communication permitted by Ohio law. The written consents must be reflected in or filed with the Board's meeting minutes.

## **Section 7. Removal of Directors.**

**(A) By the Board.** The Board may remove any Board member and thereby create a vacancy in the Board, if the Board member has been found to be of unsound mind by order of court, files for bankruptcy or has been adjudicated bankrupt, is physically incapacitated, fails to attend two of three consecutive regular Board meetings or four meetings in a 12 month period, is no longer in good standing (as defined in Bylaws Article II, Section 2(A)), or no longer meets any other qualification requirement set forth in Bylaws Article III, Section 2. The Board may appoint any qualified (as defined in Bylaws Article III, Section 2) Owner to fill the vacated Board position for the remainder of the unexpired term.

**(B) By the Association.** At any Association meeting duly called at which a quorum is present, any one or more of the Board members may be removed with or without cause by the vote of Owners entitled to exercise at least a majority of the Association's total voting power, and a successor Board member may be elected at the same meeting for the unexpired term for each removed Board member. Any Board member, whose removal has been proposed, must be given an opportunity to speak and be heard at such meeting prior to the vote of their removal. A Board member who is the subject of a motion to remove that does not pass, will not be subject to another removal action until at least 180 days have elapsed from the prior removal meeting.

**Section 8. Regulations.** For the government of its actions, including the nomination and election of Board members process, the Board may adopt regulations consistent with the Declaration and these Bylaws.

**Section 9. Powers.** Except as otherwise provided by law, the Declaration, or these Bylaws, the Board will exercise all power and authority of the Association. The Board is responsible for the reasonable maintenance, repair, and replacement of the Common Elements. In carrying out the purposes of the Property and subject to the limitations prescribed by law, the Declaration, or these Bylaws, the Board, for and on behalf of the Association, may:

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

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

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

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

(E) Enforce all provisions of the Declaration, Bylaws, covenants, conditions, restrictions, and Articles of Incorporation governing the Lots, Living Units, Common Elements, and Property;

(F) Adopt and promulgate Rules, by due notice to the Owners, as the Board deems advisable, for:

(i) the maintenance, conservation, and beautification of the Property;

(ii) the health, comfort, safety, and general welfare of the Owners and Occupants; and,

(iii) the operation and use of the Property, in whole or in part.

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

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

(H) Purchase or otherwise acquire, lease as lessee, invest in, hold, use, encumber, sell, exchange, transfer, and dispose of real or personal property of any description or any interest therein subject to Article VIII, Section 4 below;

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

(J) Impose reasonable charges to the Owner for preparing, recording, or copying the Declaration, Bylaws, or amendments, as well as reasonable charges for the handling of refinancing or resale certificates, documentation, or statements of unpaid Assessments;

(K) Authorize entry to any portion of the Property by designated individuals when conditions exist that involve an imminent risk of damage or harm to Common Elements, another Living Unit, or to the health or safety of the Owners or Occupants of that Living Unit or another Living Unit;

(L) 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;

(M) Establish, in the Board's sole determination, standards, or procedures for the suspension of the voting rights of an Owner or right of the Owner or the Owner's Occupant to use any Recreational Facilities or other Association amenities or services, when the Owner is delinquent in the payment of any Assessment or other charge to the Association more than 60 days;

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

(O) Pay the taxes and assessments levied against the property the Association owns; and,

(P) Exercise for the Association all other powers, duties, and authority vested in or delegated to this Association pursuant to the Declaration, these Bylaws, and Ohio Revised Code 5312, unless expressly reserved to the membership by other provisions of these Bylaws or the Declaration.

#### **Section 10. Committees.**

(A) **Nominating Committee.** At least 60 days prior to the Annual Meeting or such other Association meeting to elect Board members, the Board will form a Nominating Committee for the purpose of nominating for election to the Board at least the number of candidates as there are positions to be elected at the Annual Meeting. The Nominating Committee will consist of 5 persons, two of whom are Board members and three of whom the Board appoints from the remaining Members. All Committee members must be Owners in good standing. Except where in conflict with this Article III, Section 10(A), the provisions of Article III, Section 10(B) also apply to the Nominating Committee.

(B) **Other Committees.** The Board may, by resolution, provide for other 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 Bylaws Article III, Section 2 above. Each committee only has such powers and may perform such duties, not inconsistent with law, as the Board may delegate to the committee. Each committee must keep full records and accounts of its proceedings and transactions. Each committee must report to the Board on any action taken at the Board's next meeting succeeding such action and is subject to the Board's control, revision, and alteration; however, 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 must also meet at the call of the President or of any two members of the committee. The provisions of

Section 6(D) above relating to the notice required to be given of Board meetings, also applies to meetings of each committee. A majority of the members of a committee constitutes a quorum. A majority of the committee is necessary to constitute a quorum. The Board may add any person to a committee and remove any committee member as the Board so determines. The Board will fill vacancies on a committee. The President is an ex-officio member of all committees except for the Nominating Committee.

**Section 11. Fidelity Coverage.** All officers and employees, and managing agents of the Association handling or responsible for Association funds, must furnish or otherwise be covered by reasonable fidelity bonds or dishonesty insurance. The Association will pay the premiums on such bonds/insurance as a Common Expense. 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 similar institutions.

**Section 12. Compensation.** While serving on the Board, the Board members cannot receive any salary or compensation for their services. Any Board member, however, may be reimbursed for their actual expenses incurred in the performance of their duties, as solely determined by the remaining Board members. If any Board member, Board member's spouse, immediate family member (defined as any parent, child, or sibling of the Director), or any Occupant of the Board member's Residential Unit, seeks to be retained to perform services for the Association for compensation, the respective Board member must disclose the conflict of interest and completely abstain from the Board's decision making process. If a majority of the Board members have a financial interest in the particular matter, the Board must submit the matter to the Owners for approval by a majority of the disinterested Owners.

## ARTICLE IV

## 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 member of the Board. Any two such officers, other than that of the President and Vice President, may be held by the same person, but no officer may execute, acknowledge, or verify any instrument in more than one capacity.

**Section 2. Term of Office.** The Association's officers hold office at the pleasure of the Board, and 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 Board may fill a vacancy in any office, however created.

**Section 3. Removal and Resignation.** The Board may remove any officer at any time, with or without cause, by a majority vote of the Board members then in office. Any officer may resign at any time by giving written notice to the President or the Secretary. Such resignation automatically takes effect on the date of receipt of such notice or at any later time specified.

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

(A) **President.** The President is the chief executive officer of the Association. The President will preside at all Association and Board meetings, which power the President may assign or delegate as the President so decides. Subject to the Board's direction, the President has general executive supervision over the business and affairs of the Association. The President may execute all authorized deeds, contracts, and other obligations of the Association and has all the powers and duties prescribed by law.

(B) **Vice President.** The Vice President will perform such duties as are conferred upon the Vice President by these Bylaws or as may, from time to time, be assigned by the Board or the President. At the request of the President, or in the President's 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 minutes of all the proceedings of the members of the Association and of the Board and will make proper record of the same, which will be attested by the Secretary; has authority to execute all deeds, contracts, and other obligations of the Association requiring the Secretary's signature; will keep such books as may be required by the Board.

**(D) Treasurer.** The Treasurer has general supervision of all finances; the Treasurer will receive and have charge of all money, bills, notes, documents, and similar property belonging to the Association, and will do with the same as the Board may, from time to time, require. The Treasurer will keep or cause to be kept adequate and correct financial accounts of the Association's business transactions, including accounts of its assets, liabilities, receipts, expenditures, profits, and losses, together with such other accounts as may be required, and hold the same open for the inspection and examination of the Board.

**Section 5. Assistants and Other Officers.** The Board, from time to time, may also create such offices and appoint such other officers and assistant officers as in its judgment may be necessary who are not members of the Board but who are members of the Association. Each such assistant(s) or other officer(s) holds office at the pleasure of the Board, and will perform such duties as the Board may prescribe; however, such assistant(s) and other officer(s) will not have any voting power unless they are a Board member.

**Section 6. Delegation of Duties.** In the absence of any officer of the Association, or for any other reason as the Board may desire, the Board may delegate the powers or duties, or any of them, of such officers as set forth in this Article IV, to any other officer or to any Board member or to the Association's managing agent, lawyer, accountant, or such other professional as the Board so decides. In addition, the Board is generally authorized to control the action of the officers and to require the performance of duties in addition to those mentioned above.

**Section 7. No Compensation to Officers.** None of the Association's officers will receive compensation for their services as such.

## ARTICLE V

### INDEMNIFICATION

**Section 1. Indemnification of Board Members, Officers, and Committee Members.** The Association must indemnify and defend (as provided below): (1) any current or former Director, (2) any current or former Association officer, (3) any current or former Association committee member, or (4) any of said Director's, officer's, or committee member'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 them in connection with the defense of any pending or threatened action, suit, or proceeding, criminal or civil, derivative or third party, to which they are or may be made a party by reason of being or having been such Director, officer, or committee member provided it is determined, in the manner set forth below, that (i) such Director, officer, or committee member was not and is not adjudicated to have been grossly negligent or guilty of misconduct in the performance of their duty to the Association; (ii) such Director, officer, or committee member acted in good faith in what they reasonably believed to be in, or not opposed to, the Association's best interest; (iii) in any criminal action, suit, or proceeding, such Director, officer, or committee member had no reasonable cause to believe that their conduct was unlawful and is not convicted of theft or other theft related crime, including larceny, forgery, false pretenses, fraud, embezzlement, conversion, or any conspiracy related to any such theft related crime; and (iv) in case of settlement, the amount paid in the settlement was reasonable.

The above determination required will be made by written opinion of an independent legal counsel the Board chooses. Notwithstanding the opinion of legal counsel, to the extent that a Director, officer, or committee member is successful in defense of any action, suit, or proceeding, or in the defense of any claim, issue, or matter, as the Board so verifies, they will, in that event, be indemnified and reimbursed for any costs and expenses, including legal fees, incurred in such defense. Any defense the Association provides will be by legal counsel the Association's insurance carrier selects or, if not selected by the Association's insurance carrier, a majority of the Directors excluding the accused or threatened Director(s). If a majority of the Directors cannot agree on legal counsel or if all the Directors are accused or threatened in any such action, the Board will appoint a special committee of three Owners to select legal counsel to defend the Directors.

**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 Bylaws Article V 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, any agreement, any insurance provided by the Association, the provisions of Chapter 1702 of the Ohio Revised Code Section and its successor statutes, or otherwise. The Association must purchase and maintain insurance on behalf of any person who is or was a Director, officer, or committee member against any liability asserted against them or incurred by them in such capacity or arising out of their status as a Director, officer, or committee member.

**Section 4. Directors, Officers, and Committee Members Liability.** The Association's Directors, officers, and committee members are not personally liable to the Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Association's and Owners' indemnification includes all contractual liabilities to third parties arising out of contracts made on the Association's behalf, except with respect to any such contracts made in bad faith or contrary to the provisions of the Declaration or these Bylaws. Every contract or agreement approved by the Board and made by any Director, officer, or committee member is made only in such Director, officer, or committee member's capacity as a representative of the Association and has no personal liability under such contract or agreement (except as an Owner).

**Section 5. Cost of Indemnification.** Any sum paid or advanced by the Association under this Bylaws Article V 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 Bylaws Article V. However, the liability of any Owner arising out of the contract made by Director, officer, or committee member, or out of the aforesaid indemnity in favor of such Director, officer, or committee member, is limited to such proportion of the total liability as said Owner's pro rata share bears to the total interest of all the Owners as Association members.

## ARTICLE VI

### FISCAL YEAR

The Fiscal Year of the Association ends on the 30<sup>th</sup> day of April of each year or on such other day as may be fixed from time to time by the Board.

## ARTICLE VII

### 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 Property as provided for in the Declaration, the carrying out of the powers and duties of the Association, the items enumerated in Bylaws Article VIII below, and any other expenses designated from time to time by the Board as Common Expenses.

**Section 2. Notice and Payment of Assessments.** When the Board determines the amount of any Assessment, the Board will notify each of the affected Owners of the Assessment. All Assessments are payable to the Association. The Association may provide Owners the opportunity for electronic, automatic monthly payments of their Assessment if the Board determines it is in the best interest of the Association. Common Assessments will be levied against Owners in an amount not less than 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.** Each Owner must pay their proportionate share of the Common Expenses as assessed against the Owners, the share of which must 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. The obligation to pay any Assessment is a separate and independent covenant on the part of each 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.

**Section 4. Preparation of Budget; Annual Assessments.** Prior to the Annual Meeting, the Board will prepare a "budget" that is based on its estimate of the total amount that will be required for the calendar year beginning May 1<sup>st</sup> of each year and ending on April 30<sup>th</sup> of the following year to pay the Common Expenses, including a reasonable reserve for contingencies and replacements. The Board will assess the aggregate amount of the budget against the Owners as the Annual Assessment according to and as specifically set forth in the Declaration. Before or at the Annual Meeting, the Board will notify each Owner as to the amount of the budget together with a reasonable itemization; a copy of the budget will also be mailed or otherwise delivered to each Owner within 30 days after the Annual Meeting. The failure of the Association to comply strictly with the above time requirements is not deemed to be a waiver and does not prevent the Association from collecting Assessments for Common Expenses. The Annual Assessment is due and payable by each Owner on May 1<sup>st</sup>.

**(A) Budget Shortfall.** If the amount of the annual budget proves to be inadequate for any reason, including non-payment of any Owner's Assessment, the Board may assess the deficiency against the Owners and in such case the Board will give notice of the additional Assessment to all Owners indicating the reasons for the additional Assessment, the amounts payable by each Owner, and the additional amount reflecting the additional Assessment thereafter payable by each Owner.

**(B) Budget Surplus.** If, at any time, the Board determines that the Association has collected a Common Surplus at the end of any fiscal year, the amount must, at the Board's sole discretion, be either credited promptly after the same has been determined to the installments next due from Owners under the current year's Assessment until exhausted or applied toward reserves. Any and all interest earned on any reserves, savings, Assessments, or other fees or monies held by the Association must be first charged against such Association expenses as the Board determines is in the Association's best interest, and then to such other purposes as the Board so determines.

**Section 5. Year End Financial Summary.** On or before the date of the Annual Meeting, the Board will supply all Owners with an itemized accounting of the Common Expenses for the preceding fiscal year actually incurred and paid, together with a tabulation of the amounts collected in accordance with the budget estimate(s) provided, by Special Assessments, or otherwise, and showing the net amount over or short of the actual expenditures plus reserves.

**Section 6. Reserve for Contingencies and Replacements.** The Board, on the Association's behalf and in the exercise of its sole business judgment, will build up and maintain reserve funds for contingencies and to finance the cost of major repair or replacement of the components of the Property the Association is to maintain. The reserves are to be funded by the portion of the Annual Assessment earmarked in the annual budget for the reserves. The Board should, but is not required to, budget an amount for reserves that is adequate to repair and replace major capital items in the normal course of operations without the necessity of special assessments. 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. Upon the sale of a Lot by any Owner, such Owner has no right to any portion of the funds in the reserve account; nor does any such Owner have any claim against the Association with respect thereto. The Board may allocate reserves to a particular item by a duly made, seconded, and approved motion that explicitly uses the word "allocate." Allocated reserves accumulated from prior years may only be expended for the allocated item unless there is an excess of allocated funds for any given item as evidenced by a professional reserve study or approved by a majority vote of the entire Association. If any funds remain after the expenditure of allocated funds on the specified allocated item, such excess funds will become part of the general reserves.

**Section 7. Failure to Prepare Annual Budget or Make Current Assessments.** The failure or delay of the Board in the preparation of any annual budget or in the giving of notice to Owners, or any delay in the making of Assessments against Owners, or any of them, does not constitute a waiver or release in any manner of such Owner to pay their 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 for the Common Expenses, Owners will continue to pay the Assessments at the existing rate established for each Owner then in effect, until the

first maintenance payment becomes due, in accordance with a new Assessment covering the current period duly made by the Board in the manner above provided in this Article VII.

#### **Section 8. Books and Records.**

**(A)** The Association will 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 Owners, minutes of the Association and Board meetings, and records of names and addresses of the 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 standards and limitations governing the type of documents that are subject to examination 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 or copying of the documents. In the absence of any Rules, any Owner or their mortgagee, or by any representative of an Owner duly authorized, 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. The reasonable fee can include copying, handling, mailing, labor, and inspection oversight costs. Within ten days of a written request to the Board and upon payment of a reasonable fee, an Owner will be furnished a statement of their account setting forth the amount of any unpaid Assessments or other charges due and owing from the Owner. Any questions or concerns about an Owner’s account, the Association’s Records, including any aspect of the Association’s income, expenses, or other financial matter, or the administration, maintenance, or operation of the Association or the Property must be submitted to the Board in writing, through the Association’s manager or management company, if any.

**(C)** The Association will not permit examining or copying of any of the following from books, records, or minutes, or any other documents pertaining to the following, unless expressly approved by the Board:

- (i) information that pertains to property-related personnel matters;
- (ii) communications with legal counsel or attorney work product pertaining to potential, threatened, or pending litigation or other property-related matters;
- (iii) 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;
- (iv) information that relates to the enforcement of the Declaration, these Bylaws, or Rules against other Owners; or
- (v) the disclosure of information which is prohibited by State or federal law.

**Section 9. Status of Funds Collected by Association.** All funds collected are to be held and expended solely for the purposes designated in the Declaration, these Bylaws, or Ohio law, and, except for such Assessments as may be levied against less than all of the 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 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 Audit.** The Board will formally review the Association's finances at least once a year, and at least once every two years will have the Association's finances reviewed by a Certified Public Accountant. In addition, at any time, upon the request of a majority of the Board members or of Owners holding a majority or more of the Association's total voting power, the Board will cause a review or an audit of the books of the Association to be made by a Certified Public Accountant; any such audit is a Common Expense.

## ARTICLE VIII

### GENERAL POWERS OF ASSOCIATION

**Section 1. Payments as Common Expenses.** The Association, for the benefit of all the Owners, will acquire and pay for out of the Association's funds all Common Expenses arising with respect to, or in connection with, the Property. 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.

**(B) Insurance.** Premiums upon a policy(ies) of hazard and fire insurance, with extended coverage, vandalism, and malicious mischief endorsements. Premiums upon a policy(ies) insuring the Association, the Board members and officers, the manager or managing agent, and the Owners and Occupants against any liability to the public or to the Owners, their tenants, invitees, and licensees, incident to the ownership and use of the Common Elements; the limits of which policy(ies) the Board will review annually. Premiums for other insurance, including fidelity bonds or insurance, effected in accordance with the provisions of the Declaration or these Bylaws.

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

**(D) Wages and Fees for Services.** The wages and fees for services of any Person the Association employs, including the services of any Person to act as a manager or managing agent for the Property, the services of any Person required for the maintenance or operation of the Property, and legal and accounting services necessary or proper in the operation of the Property 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.

**(E) Care of Property.** The cost of landscaping, gardening, snow removal, painting, cleaning, maintenance, decorating, repair, and replacements of the portions of the Property that the Association is responsible for, as provided for in the Declaration, 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 Property.

**(F) Discharge of Mechanic's Liens.** Any amount necessary to discharge any mechanic's lien or other encumbrance that may, in the Board's opinion, constitute a lien against any part of the Common Elements and that arose by virtue of the Board's authorization or direction.

**(G) 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 in accordance with 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 Property as a first class property or for the enforcement or interpretation of the Declaration, these Bylaws, or the Rules.

**Section 2. Special Services.** The Board may arrange for the provision of any special services and facilities for the benefit of such Owners and Occupants as may desire to pay for same, and provision of other special services, or recreational, educational, medical, or maintenance facilities, and any concessions. The Board will determine the cost and fees for any such special services and facilities, which may be charged directly to participating Owners or Occupants, or paid from the maintenance fund and levied as a special Assessment against the participating Owners or Occupants. The services and facilities may be furnished on a concession basis or other basis in accordance with a fee a contractee or licensee pays to the Association for the right to maintain certain facilities upon the Common Elements and charge the users of such services or facilities a fee for their use. User charges may be billed separately to each Owner benefited thereby, or may be added to such Owner's share of the Common Expenses, or as otherwise determined, and collected as a part thereof. Nothing in these Bylaws requires the establishment of user charges under this Bylaws Article VIII, Section 2 and the Board may elect to treat all or any portion of any special service as Common Expenses. In the event any special services and facilities create a surplus, these funds will be added to the maintenance or reserve funds as the Board so determines.

**Section 3. Acquisition, Sale, or Exchange of Real Property.** Whenever the Board determines to acquire, lease, sell, or exchange real property, or any interest in

real property, located outside of or that is not a part of the Property, the Board must submit such acquisition, lease, or exchange to a vote of the Owners. Upon the affirmative vote of the Owners entitled to exercise not less than a majority of the Association's voting power that is present at an Association meeting called for such purpose, the Board may proceed with such acquisition, lease, sale, or exchange, in the Association's name and on behalf of all Owners, and the costs and expenses incident to such acquisition, lease, sale, or exchange constitute part of the Common Expenses.

**Section 4. No Active Business to be Conducted for Profit.** The Association does not have the authority to conduct an active business for profit on behalf of all the Owners or any of them; but, this does not preclude the Association from entering into contracts, licenses, concession agreements, and the like, affecting parts or uses of the Common Elements, which result in the production of income for the Association, or from making arrangements of the types described in this Bylaws Article VIII, Section 2.

**Section 5. Utility Contracts.** In addition to the authority provided for in Bylaws Article VIII, Section 1(A) above, the Board, on behalf of the Association and the Owners, 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 to and for the Property, including the Living Units, as the Board determines is in the best interest of the Association or Owners as a whole, whether or not such services are included or paid for as a Common Expense, or paid directly by the Owners.

**Section 6. Insured Contractors.** For any work or services to be performed on the Property, the Association will only retain and contract with licensed (as required by the State of Ohio or any other government entity having jurisdiction over the Property) contractors, firms, and other Persons that maintain and keep workers' compensation and liability insurance in such minimum amounts as may be required by the State of Ohio, any other government entity having jurisdiction over the Property, and the Board.

**Section 7. Applicable Laws.**

- (A) Chapter 5312 of the Ohio Revised Code;
- (B) Chapter 1702 of the Ohio Revised Code;
- (C) The Declaration;

- (D) These Bylaws;
- (E) The Articles of Incorporation; and,
- (F) The Rules,

must be attempted to be interpreted as a harmonious whole, and the Association is subject to and governed by all of such laws, documents, and rules. In the event of any direct inconsistency in any provisions in any of the foregoing, the provisions, in the law or document first above listed must be given priority. However, all inconsistencies between or among the permissive provisions of Chapter 5312 and Chapter 1702 of the Ohio Revised Code, and any provisions of any documentation or rules listed later, must be resolved in favor of the documents or rules listed later.

## ARTICLE IX

### AMENDMENTS

These Bylaws and the Articles of Incorporation may be amended by the affirmative vote of at least two-thirds of the Association's total voting power. The Owners vote may be exercised at an Association meeting, or without a meeting, through the Owners' signed, written consent. Upon the adoption of any amendment, the President will file with the County Recorder an instrument executed with the same formalities, containing the amendment(s) being made, the volume and pages of the original being amended, and the manner of the adoption of the amendment.

## ARTICLE X

### GENERAL PROVISIONS

**Section 1. Non-Waiver of Covenants.** No covenants, restrictions, conditions, obligations, or provisions contained in these Bylaws are abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches that may occur.

**Section 2. Agreements Binding.** All agreements and determinations lawfully made by the Association, through the Board, in accordance with the

procedure established in the Declaration and these Bylaws are binding on all Owners, their successors, heirs, and assigns.

**Section 3. Mortgagees.** Upon written request to the Board, the holder of any duly recorded mortgage or trust deed against any Lot will be given a copy of any and all notices permitted or required by the Declaration or these Bylaws to be given to the Owner whose Lot is subject to such mortgage or trust deed.

**Section 4. Severability.** The invalidity of any covenant, restriction, condition, limitation, or any other provision of these Bylaws, or of any part of same, will not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws.