

BY-LAWS
OF
ROMEROCK ASSOCIATION, INC.
AMENDED EFFECTIVE JANUARY 9, 2014

The following shall be the By-Laws of RomeRock Association, Inc., a not-for-profit corporation, organized under the laws of the State of Ohio, and hereinafter sometimes referred to as the "Association." These By-Laws are adopted pursuant to and are subject to the Amended Declaration of Covenants and Restrictions recorded at Volume 17, Page 770, Ashtabula County Records (the "Amended Declaration of Covenants and Restrictions") including any amendments thereto. These By-Laws, the Amended Declaration of Covenants and Restrictions, the Articles of Incorporation of RomeRock Association, Inc., and the Rules and Regulations of RomeRock Association, Inc., and the terms, covenants and conditions of all of said documents, as the same may be amended from time to time, are incorporated herein by reference, integrated and made a part of the these By-Laws as though fully rewritten herein.

ARTICLE I
MEMBERSHIP

SECTION 1.

- A. Every person or entity who is an owner of a lot, tract or real property (sometimes hereinafter referred to as a "lot") designated as a lot or tract on the several plats of record of the Roaming Rock Shores Subdivision, Ashtabula County, Ohio, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot.
- B. An Active Member (a member in good standing) is a member who has: (i) made written application for membership in the Association; (ii) been approved for membership by the Board of Directors for the Association; (iii) been issued a membership card; and (iv) paid all dues, assessments, fees, fines and other charges levied by the Association. Active Members shall have full membership rights and privileges including the use and enjoyment of all common areas, recreational facilities and other properties owned or maintained by the Association.
- C. An Inactive Member (a member not in good standing) is any member other than an Active Member. An Active Member shall become an Inactive Member when the member either: (i) becomes delinquent in the payment of dues, assessments, fees, fines and other charges of the Association; or (ii) is found by the Board of Directors of the Association to be in violation of the Amended Declaration of Covenants and Restrictions or the Rules and Regulations of the Association and is declared inactive after the member has been first given both written notice of any alleged violations and a meaningful opportunity to be heard with respect thereto. Inactive Members shall have no membership rights and privileges including, without limitation, the use of recreational facilities. An Inactive Member shall only be permitted ingress and egress over Association roads to property owned by the Inactive Member.

- D. A Special member is a person or entity who is granted membership rights and privileges by resolution of the Board of Directors of the Association or in accordance with the Rules and Regulations.
- E. A corporation, limited liability company, partnership, joint venture, trust, unincorporated association, club, organization, or other business or legal entity, that owns a lot or tract designated as a lot or tract on the several plats of the Roaming Rock Shores Subdivision, Ashtabula County, Ohio Records, shall constitute one member or one person and shall have the right to become an Active Member provided, however, that the rights and privileges of membership shall be limited to one (1) individual and spouse, if any, who shall be so designated annually upon payment of the annual charges.

SECTION 2. Membership, and all privileges and rights thereof, shall terminate at such time as the member no longer is an owner of record of a lot or tract in the Roaming Rock Shores Subdivision.

SECTION 3. Except as may be otherwise provided by law or these By-Laws, the number, qualifications, rights, privileges, fees, assessments and other charges, responsibilities, duties, terms of membership, and grounds for withdrawal, suspension and expulsion of members, shall be determined by the Board of Directors and shall be set forth in the Rules and Regulations of the Association, which Rules and Regulations incorporated herein by reference and made a part of these By-Laws.

SECTION 4. Each lot or tract designated as a lot or tract on the several plats of the Roaming Rock Shores Subdivision, Ashtabula County, Ohio, shall constitute a Membership Unit provided, however, that all lots or tracts that are owned by the same member or members shall constitute one Membership Unit and, provided further, that all members, including husband and wife, that share ownership interest in the same lot or tract shall constitute one Membership Unit. An Active Membership Unit is a Membership Unit comprised entirely of Active Members.

ARTICLE II DUES, FEES, ASSESSMENTS AND CHARGES

SECTION 1. Any increase in the membership dues or annual charge over and above the \$60.00 annual payments stated in the Membership Covenant shall be in such annual amount as two-thirds of the Association members shall determine. A member having an ownership interest in one or more lots will pay the annual charge on each lot regardless of whether or not the privilege of using the facilities of RomeRock Association is exercised.

SECTION 2. With the exception of a husband and wife, when two or more persons own one lot or house jointly, each of such persons shall be charged for and pay a separate annual charge for the privilege of membership in the Association.

SECTION 3. Prior to the beginning of each fiscal year of the Association, the Board of Directors shall estimate, and prorate among the lots or the members, as the case may be, all costs and expenses relating to the administration, operation, and governance of the Association, and all costs and expenses relating to the administration, operation, governance, repair, replacement and improvement of the properties, facilities and common areas owned, managed, maintained or controlled by the Association, including, but not limited to, the estimated amount that the Board of Directors deems necessary to maintain a general operating reserve to assure availability of funds for normal operations of the Association and the estimated amount, if any, deemed adequate as determined in the discretion of the Board of Directors subject to the availability of funds after establishing the budget for normal operating expenses, to maintain a reserve for the cost of unexpected repairs and replacements of major capital items.

SECTION 4. If assessments collected during any fiscal year are in excess of the funds necessary to meet the anticipated expenses for which the same have been collected, the excess shall be retained as reserves, and shall in no event be deemed profits nor available, except on dissolution of the Association, for distribution to the members.

SECTION 5. An assessment for the maintenance of Association roads may be levied upon the membership by an affirmative vote of 2/3 of all votes of the Board of Directors. This assessment shall be by lot and ownership. The

assessment is levied against each lot and with respect to any lot that is jointly owned by more than two persons, the full amount of the assessment shall be charged to each additional joint owner in excess of two. Each member having an ownership interest in more than one lot shall be charged a separate assessment for each such lot, provided, however, that a husband and wife living together shall be considered one member.

SECTION 6. A capital improvement assessment for all capital items of the Association, including reserves in such amount, if any, that the Board of Directors determines appropriate in its discretion to repair and replace major capital items in the normal course of operations, may be levied upon the membership by an affirmative vote of 2/3 of all votes of the Board of Directors. This assessment shall be by membership. The assessment shall be levied against each member, provided, however that any member having an ownership interest in more than one improved lot shall be charged a separate assessment for each such improved lot. As used herein, the term "improved lot" shall mean any lot with a house or dwelling on it. A husband and wife living together shall be considered one member. With respect to any lot that is jointly owned by more than one person and unless otherwise determined by the Board of Directors pursuant to Section 8 of this Article II, only one assessment shall be charged for the first two joint owners and the full amount of the assessment shall be charged to each additional joint owner in excess of two.

SECTION 7. A general assessment for all other liabilities, costs and expenses of and all expenditures by or on behalf of the Association, including, without limitation, the administration, management, and regulation of the affairs and properties of the Association, the administration, regulation and maintenance of security, accounting, legal and other fees for professional services, the administration and enforcement of the amended Declaration of Covenants and Restrictions, these By-laws, and other rules and regulations of the Association, and the administration, enforcement, processing and collection of annual charges, assessments and other fees and charges imposed upon the members and the offset of deficiencies from non-payment thereof, may be levied upon the membership by an affirmative vote of 2/3 of all votes of the Board of Directors. This assessment shall be by membership. The assessment shall be levied against each member, provided, however that any member having an ownership interest in more than one improved lot shall be charged a separate assessment for each such improved lot. As used herein, the term "improved lot" shall mean any lot with a house or dwelling on it. A husband and wife living together shall be considered one member. With respect to any lot that is jointly owned by more than one person and unless otherwise determined by the Board of Directors pursuant to Section 8 of this Article II, only one assessment shall be charged for the first two joint owners and the full amount of the assessment shall be charged to each additional joint owner in excess of two.

SECTION 8. Each joint owner of a lot shall be personally, jointly and severally liable and responsible for any assessments, interest, late charges and costs not paid by the other joint owner or owners of such lot. The assessments authorized by Sections 5, 6 and 7 of this Article II shall be charged to all members of the Association and/or owners of property within the Roaming Rock Shores Subdivision and may be allocated among the joint owners in such manner as determined from time to time by a majority vote of the Board of Directors.

SECTION 9. The amount of the assessments authorized by Sections 5, 6 and 7 may differ in amount based upon the type of lot being assessed, including, by way of example but not limited to, lots without houses and lots with houses or lakefront lots and off-lake lots.

SECTION 10. Any increase in the total annual amount of the assessments authorized pursuant to Sections 5, 6 and 7 of this Article II over the previous year shall be limited to no more than 10% plus the inflation rate (based upon the Cost of Living as established for a 12 month period ending September 30th of each and every year by the Department of Commerce.)

SECTION 11. An assessment for litigation expenses of the Association, including attorney fees, court costs, and other similar expenses, may be levied upon the membership by an affirmative vote of 2/3 of all votes of the Board of Directors. This assessment shall be by membership and shall not be subject to the limitations and provisions of Section 10 of this Article II.

SECTION 12. Late fees and/or interest may be charged on any unpaid assessments, dues, fees, costs and other charges in such amount and at such rate as is determined from time to time by the Board of Directors.

SECTION 13. An impact fee shall be assessed on each transfer of a lot or any interest in a lot in the amount of \$1,000.00 for each new member acquiring a lot or an interest in a lot. The fee(s) shall be levied upon the grantee(s) named in the deed conveying the interest in the lot and shall be paid by the grantee(s) to the Association upon the recording of the deed with the County Recorder, provided, however, that no fee shall be charged when the transfer is:

- (a) Solely in order to provide or release security for a debt or obligation;
- (b) To confirm or correct a deed previously executed;
- (c) To the grantor's spouse or surviving spouse or surviving child or children.
- (d) To a trustee of a trust, when the grantor of the trust has reserved an unlimited power to revoke the trust: or
- (e) To the grantor of a trust by a trustee of the trust, when the transfer is made to the grantor pursuant to the exercise of the grantor's power to revoke the trust or to withdraw trust assets:

As used herein the term "new member" shall mean any person, corporation limited liability company, partnership, joint venture, trust, unincorporated association, club, organization, or other business or legal entity that is not an existing member at the time of acquiring a lot or an interest in a lot.

SECTION 14. Non-payment of assessments, dues, fees, interest, fines, and other charges duly imposed upon any member or member's property, whether pursuant to the Amended Declaration of Covenants and Restrictions, or by action of the Board of Directors taken pursuant to these By-Laws or the Rules and Regulations of the Association, shall result in a lien against the member's property in favor of the Association in the full amount of such charges, which lien may be perfected as hereinafter provided in Article III. Each member shall be personally liable for all assessments, dues, fees, interest, fines or other charges levied by RomeRock Association, Inc. A co-owner of any real property shall be personally liable, jointly and severally, with all other co-owners, for all assessments, dues, fees, interest, fines or other charges levied by RomeRock Association, Inc. with respect to said property.

SECTION 15. In any proceeding or suit at law or in equity to collect unpaid dues, fees, interest, fines or other charges imposed upon any member or member's property or to enforce any provision of these By-Laws, the Amended Declaration of Covenants and Restrictions, or the Rules and Regulations of RomeRock Association, Inc., as the same may be amended from time to time, the Association shall be entitled to recover its costs, including reasonable attorney fees, from the defaulting member(s).

SECTION 16. Notwithstanding anything to the contrary set forth herein, the Board of Directors shall not bind the Association in dealings with third parties under any contract or related series of contracts involving an aggregate financial exposure to the Association exceeding \$500,000 as adjusted annually as hereinafter provided, unless first approved by a majority of votes cast by the Members in a mail referendum conducted in the manner provided by these By-laws for the election of Directors, provided, however that the approval of the Members shall not be required if any one or more of the following apply:

- (a) No monies are borrowed, the amount of assessments levied upon the membership or lots are not increased, no dues or assessments or future income from dues or assessments is assigned, and no security interest in any Association property is conveyed in order to fulfill some or all of the Association's financial obligations with respect to such contract or contracts; or
- (b) The contract or contracts are necessary repairs to the Association's roads; or
- (c) The contract or contracts are necessary to comply with an express mandate of applicable law, a governmental authority, or a court of competent jurisdiction.

The amount of financial exposure requiring Member approval shall be adjusted annually commencing in 2015 by the amount equal to the percentage increase in the Bureau of Labor Statistics CPI-U U.S. City Average, All Items Consumer Price Index for All Urban Consumers (1982/1984 base) for the prior calendar year.

ARTICLE III LIENS

SECTION 1. The owner of any lot, tract or real property designated as a lot or tract on the several plats of record of the Roaming Rock Shores Subdivision, Ashtabula County, Ohio, or which is otherwise subject to the Amended Declaration of Covenants and Restrictions, whether or not it shall be so expressed in any contract, deed or other conveyance, shall be deemed to covenant and agree to pay to RomeRock Association, Inc. all assessments, dues, fees, interest, fines and other charges duly imposed upon any member or member's property pursuant to these By-Laws or the Amended Declaration of Covenants and Restrictions.

SECTION 2. If a member liable for the payment of any assessment, annual charge, dues, fees, interest, fine or other charge duly imposed upon the member or the member's property shall fail to pay the same when due, RomeRock Association, Inc. may notify said member, in writing, of the failure to make said payment. In the event that such assessment, annual charge, dues, fees, interest, fine or other charge is not paid within ten (10) calendar days following receipt of said notification, then such charges shall be "delinquent" and RomeRock Association, Inc. may perfect its lien against such member's property by filing a Certificate of Lien as hereinafter provided.

SECTION 3. In a voluntary conveyance of an ownership interest, the grantee of the ownership interest shall be jointly and severally liable with the grantor for all unpaid assessments, annual charge, dues, fees, fines or other charges levied by the Association against the grantor and the ownership interest prior to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore. However, any such prospective grantee shall upon written request delivered to the President or Secretary of RomeRock Association, Inc. be entitled to a statement, at a reasonable charge, setting forth the amount of all unpaid assessments and other charges due and owing to RomeRock Association, Inc. and such grantee shall not be liable for, nor shall the ownership interest conveyed be subject to a lien for, any unpaid assessments, annual charge, dues, fees, interest, fines or other charges which become due prior to the date of making such request if the same are not set forth on such statement. A devise or other testamentary transfer of an ownership interest, including the distribution of an ownership interest pursuant to the Statute of Descent and Distribution, shall be deemed to be a voluntary conveyance.

SECTION 4. If any member shall fail to pay when due any assessment levied by or other amount or charge due to, RomeRock Association, Inc. (such member hereafter referred to as the "Delinquent Member"), the Board of Directors of RomeRock Association, Inc. may authorize the perfection of a lien on the ownership interest of the Delinquent Member in the property by filing for record with the Recorder of Ashtabula County, Ohio a Certificate of Lien in recordable form containing the following information: (i) the name of the Delinquent Member(s); (ii) a description of the land owned by the Delinquent Member(s); (iii) the entire amount claimed due as of the execution of the Certificate of Lien, including the amount of any delinquency, fines, and other charges permitted herein; (iv) a statement that the lien is for all future annual charges, assessments, dues, fees, fines and other charges of RomeRock Association, Inc. that are not paid on or before the date that the same become due; and (v) a brief statement referring to the term, covenants, conditions and restrictions herein.

SECTION 5. The filing of a Certificate of Lien shall perfect an interest in all assessments, annual charges, dues, fees, fines, or other charges of RomeRock Association, Inc. which are unpaid and delinquent as of the date of the filing of the Certificate of Lien, together with all future assessments, annual charges, dues, fees, fines or other charges of RomeRock Association, Inc. which become delinquent subsequent to the filing of the Certificate of Lien. Said lien shall remain valid for a period of five (5) years from the time of filing or re-filing said Certificate of Lien, unless sooner released or satisfied in the manner provided by law for the release or satisfaction of mortgages on real property, or is discharged by the final judgment or order of a court in an action brought to discharge such lien or unless an action for foreclosure shall be commenced with respect to such lien within said five (5) year period.

SECTION 6. Any liens so perfected shall take priority over any lien or encumbrance subsequently arising or created, except liens for real estate taxes and assessments, and may be foreclosed in the same manner as a mortgage on real property in any action brought by RomeRock Association, Inc. after authorization from its Board of Directors. In any such foreclosure action, the member(s) affected shall be required to pay reasonable rental for such ownership interest during the pendency of such action and the plaintiff in such action shall be entitled to the appointment of a receiver to collect the same. Any funds received on the judicial sale of the Delinquent Member's ownership interest in excess of the mortgage liens, the court costs and real estate tax and assessment liens shall be paid over to RomeRock Association, Inc. to the extent of its lien.

SECTION 7. The filing of a lien upon any ownership interest owned by a Delinquent Member shall not waive, preclude, adversely affect, nor prejudice RomeRock Association, Inc. from pursuing any and all other remedies at law or in equity. The obligations created hereunder shall be and remain the personal obligations of the Delinquent Member until fully paid, discharged or abated as well as being obligations which run with the land and binding on the heirs, executors, administrators, personal representatives, successors and assigns of such Delinquent Member.

ARTICLE IV MEETINGS

SECTION 1. Meetings of the Active Members shall be presided over by the President, or in the President's absence, the Vice President. In the event neither is present, a chairperson will be chosen at the meeting. The Secretary of the Association shall act as Secretary of every meeting or, in the Secretary's absence, an Assistant Secretary shall act as Secretary. In the event neither is present, the President, Vice President, or chairperson, as the case may be, shall choose a person to act as Secretary.

SECTION 2. The annual meeting of the Active Members of the Association shall be held at the principal office of the Association, or at such other place within the Village of Roaming Shores, Ohio as may be determined by the Board of Directors. The annual meeting shall be held on the last Saturday of April of each year (or if said day be on legal holiday, then on the next succeeding day not a legal holiday) at a time to be determined by the Board of Directors, for the purpose of reporting on the election of directors and for the transaction of such other business as may properly be brought before the meeting.

SECTION 3. At each annual meeting, the Directors shall cause to be presented to the meeting a financial report verified by the President and the Treasurer, or by a majority of the Directors in accordance with any applicable statutory requirements.

SECTION 4. Special meetings of the Active Members may be called by the President, Secretary, or a majority of the members of the Board of Directors, or may be called by five percent (5%) of all Active Members of the Association when the request is made in writing. Special meetings, so called, shall be held at the principal office of the Association or at such other place, within the Village of Roaming Shores, Ohio, as may be designated in the notice of the meeting.

SECTION 5. Notice of the meetings of Active Members shall be in writing and state the place and time of the meeting and, if it is a special meeting, the purpose for which it is called. Notice shall be given personally, by telegram, by the use of authorized communications equipment, or by United States mail, express mail, or courier service not less than ten nor more than forty days before the meeting, upon each Active Member of record entitled to vote at such meeting. As used in these By-Laws, the term "authorized communications equipment" is equipment that provides a transmission, including by telephone, telecopy, or any electronic means, from which it can be determined that the transmission was authorized by, and accurately reflects the intention of, the Director, member or Officer involved. If notice is given by the use of authorized communications equipment, the notice will be deemed to have been given when transmitted. If notice is sent by United States mail or courier service, the notice will be deemed to have been given when deposited in the mail or with the courier service.

SECTION 6. A notice of an adjourned meeting of Active Members shall not be given unless expressly required by law.

SECTION 7. A majority of all Active Members, entitled to vote at a meeting in person or by proxy, shall except as otherwise provided by law or the Articles of Incorporation constitute a quorum at all meetings of the Active Members. If there be no such quorum, a majority of the votes present or so represented may adjourn the meeting from time to time, without further notice.

ARTICLE V ELECTIONS

SECTION 1. At all elections of the Active Members for the office of Directors, the voting shall be by ballot and the plurality of votes cast shall constitute election to office.

SECTION 2. Election of the Board of Directors by the Active Members may be by mail and shall be by ballot as prescribed and provided by the Board of Directors.

SECTION 3. In those elections conducted by mail, ballots shall be sent to each eligible voter at his or her last known address and postmarked not later than thirty days before the date of the annual meeting of the Active Members. Such ballots shall be returned and in the possession of the Board of Directors, or such persons or committees as shall be appointed by the Directors for that purpose, not less than seventy-two hours before commencement of the annual meeting as set forth in the notice of the annual meeting.

SECTION 4. The Board of Directors shall make such provisions as are reasonably necessary to ensure the secrecy of the ballots, and the result of the elections shall be announced and certified at the annual meeting.

SECTION 5. With respect to all elections of directors, or in any other case in which inspectors may act, two inspectors of the election shall be appointed by the President. Except as otherwise provided by law, the inspectors shall take and subscribe an oath faithfully to execute the duties of inspectors with strict impartiality and after the vote shall have been taken, shall make a certificate of the results thereof, but no director or officer or candidate for such office shall be appointed as such inspector. If any inspectors appointed are absent or fail or refuse to act for any reason, then the President shall select temporary inspectors of the number required. If the President fails to appoint one or both of the inspectors, then the Board of Directors shall select such inspector(s) by a majority vote of the directors present at any duly called meeting.

ARTICLE VI VOTING

SECTION 1. The voting power shall be vested in the Active Members, except as otherwise provided in these By-Laws or by law.

SECTION 2. Every Active Membership Unit is entitled to one vote at any meeting or election. No Active Member shall cast more than one vote at any meeting or election. Where a lot or tract is owned by more than one person, no more than one vote may be cast by and among the owners of such lot or tract.

SECTION 3. A corporation, limited liability company, partnership, joint venture, trust, unincorporated association, club, organization, or other business or legal entity shall cast its vote by and through its President, Vice President, Treasurer, Secretary or other officer expressly authorized to vote on its behalf.

SECTION 4. Each proxy must be executed in writing by the Active Member entitled to vote, or by his duly authorized attorney, and shall be filed with the Secretary prior to the meeting. No proxy shall be valid after the expiration of eleven months from the date of its execution unless the Active Member executing it shall have specified therein its duration. Each proxy shall be revocable at the pleasure of the person executing it or his personal

representative or assign. No Active Membership Unit and no person being a part of that Membership Unit shall vote a proxy of any kind for another Active Membership Unit. No special or non--member may be a proxy for more than one Active Membership Unit at a time.

SECTION 5. Except as may be otherwise required by law, the Articles of Incorporation, or by these By-Laws, any rights of voting members and any rights, title and interest of any member in or to the Association and its properties and franchises, shall cease and divest on termination of his or her membership.

ARTICLE VII OFFICERS

SECTION 1. The officers of this Association shall be elected by the Board of Directors and be as follows: A President, a Vice-President, a Secretary and a Treasurer. All officers shall be chosen from among the directors.

SECTION 2. The offices of Secretary and Treasurer may be held by the same person.

SECTION 3. The officers shall serve from the date of their election until their successors are duly elected and qualified or until removed. Any officer may be removed from the office, either with or without cause, at any time, by the affirmative vote of a majority of the other members of the Board of Directors then in office. A vacancy in any office arising from any cause may be filled for the unexpired portion of the term by the Board of Directors.

SECTION 4. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, or as further set down in the By-Laws, as well as such powers and duties as from time to time may be confirmed by the Board of Directors.

ARTICLE VIII DIRECTORS

SECTION 1. The property, business and affairs of the Association shall be managed by its Board of Directors. Except as may be otherwise provided by law, the Articles of Incorporation, the Amended Declaration of Covenants and Restrictions, or these By-Laws, all authority of the Association shall be exercised by or under the direction of the Board of Directors. The Board of Directors shall have all powers permitted by Ohio law to be exercised by a nonprofit corporation and all powers conferred upon or permitted to be exercised by an owner's association of a planned community as defined and provided for in Ohio Revised Code Chapter 5312. Without limiting the general authority of the Board of Directors, the Board of Directors shall be authorized and empowered to:

- (a) To engage the services of a manager or managing agent and to delegate all or any portion of its authority to discharge its responsibilities to the manager or managing agent.
- (b) To borrow money and incur indebtedness for the purpose and use of the Association; to cause to be executed, issued, and delivered for the indebtedness, in the Association's name, promissory notes, bonds, debentures, or other evidences of indebtedness; and to secure repayment by deeds of trust, mortgages, pledges, hypothecations, or otherwise.
- (c) To assume any obligations, enter into any contracts, or do any acts incidental to the transaction of the Association's business or the attainment of its corporate purposes.
- (d) To sell, convey, alienate, transfer, lease, assign, exchange, and otherwise dispose of, and to mortgage, pledge, hypothecate, and otherwise encumber, the real and personal property of the Association.
- (e) To purchase, hold, lease, or otherwise acquire real and personal property on behalf of the Association.
- (f) To establish committees as deemed appropriate, and to delegate to any committee any of the powers and authority of the Board in the management of the business and affairs of the Association.

- (g) To adopt and amend rules and regulations as it deems advisable concerning the maintenance, conservation, use and enjoyment of the various properties, facilities, and common areas owned, leased, controlled or maintained by the Association, including, without limitation, the establishment of charges for admission to or the use thereof.
- (h) To adopt and amend rules and regulations as it deems advisable for the health, comfort, safety and general welfare of the members.
- (i) To adopt rules, regulations and standards concerning the examination and copying of the books, records and minutes of the Association, including, without limitation, the type of documents subject to examination and copying, the times and locations at which the documents may be examined and copied, and the fees for the copying of documents.
- (j) To adopt, assess, enforce and collect fines and penalties for violations of the Rules and Regulations of the Association.
- (k) To enforce compliance with any term, provision or covenant of the Amended Declaration of Covenants and Restrictions, the Rules and Regulations of the Association, and these By-Laws, including, without limitation, the power, right and authority to do any of the following if, after giving not less than fourteen days written notice of any breach or violation to the lot owner or occupant, such lot owner or occupant has failed to alleviate, terminate, or proceed with due diligence to alleviate or terminate such breach or violation:
 - (i) Enter upon the lot to summarily abate and/or remove any violation or breach, or to take such steps as may be necessary to cure the violation or breach, and to charge to the lot owner the costs incurred to remedy same and any damages to which the Association may be entitled;
 - (ii) Obtain injunctive relief and/or damages from any court of proper jurisdiction; and
 - (iii) To suspend or restrict membership rights and privileges, including, without limitation, voting rights and the right to the use and enjoyment of the facilities, properties and common areas owned, maintained or controlled by the Association.
- (l) Take all actions deemed necessary or advisable to comply with all requirements of law, the Articles of Incorporation, the Declaration of Covenants and Restrictions, and these By-Laws.

SECTION 2. The qualifications for becoming and remaining a Director of the Association are as follows:

- (a) A Director must be at least 21 years of age and a United States citizen;
- (b) Each Director shall be an Active Member of the Association or an officer or director of the corporation, limited liability company, or other business or legal entity which is an Active Member of the Association;
- (c) Any Active Member may become a candidate for the Board of Directors by presenting to the Association a written request to be placed on the ballot, which request must be delivered to the Board of Directors or its designee at least sixty days before the annual meeting of the Active Members and bear the original signature of the member requesting to be placed on the ballot;
- (d) Only one person from each household (which is hereby defined to include all persons who share the same residence) shall be eligible to serve as a Director;
- (e) No member who has been convicted of a felony as defined by the laws of Ohio shall be eligible to serve as a Director;
- (f) The Active Member must have attended at least three regular meetings of the Board of Directors within the last twelve months; and
- (g) The Active Member must complete a questionnaire and execute such form as are prescribed the Board of Directors agreeing and promising: (i) to act in the best interests of the Association at all times; (ii) not to knowingly make, cause, or permit to be made any false statement about the Association or its directors, officers, employees or agents; (iii) not to knowingly make, cause, or permit to be made any statement that is likely to be injurious to the reputation or goodwill of the Association; and (iv) not to disclose or permit to be disclosed confidential information, including matters discussed in executive session, personnel matters, contracts under negotiation, and all communications with legal counsel. It shall be cause for disqualification or removal should any

candidate or Director be found to have provided false information or to be in violation of any of the foregoing.

SECTION 3. The Board of Directors shall consist of seven members and be subject to and conform to all of the requirements, privileges, regulations or restrictions that are otherwise set forth in these By-Laws.

SECTION 4. The number of directors may be changed by the Board of Directors, provided, however, that the number of Directors shall not be increased to a number in excess of twelve and shall not be decreased to a number less than three. When the number of directors to constitute the Board of Directors shall be increased, the additional director shall be elected by the Active Members.

SECTION 5. Except as hereinafter provided, Directors shall be elected by vote of the Active Members in the manner prescribed in these By-Laws and each Director shall serve for three years and until his or her successor shall be elected and shall qualify. In 1984 one Director shall be elected to serve a full term of three years; in 1985 three Directors shall be elected, two to serve three years and one to serve two years; and in 1986 three Directors shall be elected to serve three years.

SECTION 6. At any meeting of the Active Members, duly called as provided in these By-Laws, any Director may be removed from office with or without cause by the affirmative vote of two-thirds of all votes of the Active Members entitled to vote for the election of Directors. In the event of the removal of any Director under this provision, a new Director may be elected at the same meeting of the Active Members for the unexpired term of the Director removed. The failure of the Active Members to elect a new Director to fill the unexpired term of the removed Director shall be deemed to create a vacancy on the Board of Directors.

SECTION 7. Any Director may be removed by the Board of Directors at any time for cause by the affirmative vote of 2/3 of the remaining Directors. Cause for removal of a Director shall include, but not be limited to:

- (a) An adjudication that the Director is incompetent;
- (b) The Director has at least three consecutive unexcused absences from the regular monthly meetings of the Board of Directors; or
- (c) The Director is not qualified to serve or is otherwise subject to removal for cause pursuant to Section 2 of this Article VIII.
- (d) Director has failed to disclose in a timely fashion a financial interest in a contract or transaction in which he/she had participated involving the Association as described in Article VIII, Section 19.

SECTION 8. When vacancies occur on the Board of Directors, the remaining Directors, although less than a quorum, may by majority vote to elect a successor or successors for the unexpired terms.

SECTION 9. Meetings of the Board of Directors shall be held at such place within or outside the State of Ohio as may from time to time be fixed by resolution of the Board of Directors, or as may be specified on the notice of the meeting. Regular meetings of the Board of Directors shall be held at such times as may from time to time be fixed by resolution of the Board of Directors. A meeting of the Board of Directors may be held without notice immediately after the annual meeting of the Active Members at the same place such meeting was held. Special meetings may be held at any time upon call of the President.

SECTION 10. The Board of Directors may hold a meeting by any method of communication, including, but not limited to, electronic, video, or telephonic communication, provided that each Director can hear or read in real time and participate and respond to every other Director participating in the meeting.

SECTION 11. Notice need not be given of regular meetings of the Board of Directors held at the time fixed by resolution of the Board of Directors. Meetings may be held at any time without notice if all Directors are present, or if at any time before or after the meeting those not present waive notice of the meeting in writing.

SECTION 12. Notice of the place, if any, and time of each special meeting shall be given to each Director either by oral notice, written notice, or authorized communications equipment duly served on, sent, communicated, or mailed to each Director not less than forty-eight hours before such meeting. The notice need not state the business to be transacted at, or the purpose of, the meeting.

SECTION 13. A majority of the members of the Board of Directors elected to office shall constitute a quorum for the transaction of business. If at any meeting of the Board of Directors there shall be less than a quorum present in person or by method of communication authorized pursuant to Section 10 of this Article VIII, a majority of those present may adjourn the meeting, without further notice, from time to time until a quorum shall have been obtained.

SECTION 14. The Board of Directors may go into executive session at any meeting to discuss any Association matter pertaining to contracts, litigation, personnel or other subject matter where the discussion thereof in executive session is reasonably necessary to protect the best interest of the Association.

SECTION 15. The Board may prohibit any member from participating in or attending a meeting of the Board of Directors if such member is determined by the Board to be disruptive or otherwise impedes or hinders the ability of the Board to transact its business.

SECTION 16. Action authorized to be taken by the Board of Directors may be taken by them in writing without a meeting, provided, however, that in such case there shall be unanimous written concurrence in the action taken by all of the Directors elected to office. Any transmission by authorized communications equipment that contains an affirmative vote or approval of a member is a signed writing for purposes of giving written consent without a meeting. The date on which that transmission is sent is the date on which the writing is signed.

SECTION 17. All members of the Board of Directors, the officers of the Association and all members of all committees shall serve without compensation, except that reimbursement to any director, officer or committee member of his expenses necessarily incurred by him in the performance of his duties to the Association may be authorized by the Board of Directors.

SECTION 18. No director or officer of the Association shall be employed by the Association in any capacity for which employment wage or salary, is or shall be, provided. Nothing herein shall be construed to prohibit a director or officer from being compensated by the Association for services furnished to or for the benefit of the Association as an independent contractor.

SECTION 19. Conflict of Interest. All Directors, those they designate and Committee Chairmen shall endeavor to conduct themselves "when on Association business" according to the highest ethical standards and shall strive to avoid even the slightest appearance of impropriety. In that regard, Directors, designates and Committee Chairmen shall not, either directly or indirectly, derive a person profit or advantage from their position as Directors, designates' position and Committee Chairmen, in that the primary obligation of the Director, designate and Committee Chairman is to the Association and its Members and not to himself or herself. No contract or business relationship shall be entered into between the Association and a Director, either designate or Committee Chairman or any entity in which her or his family has a significant interest, unless the material facts or the relationship and transaction are disclosed or are made known to the Board of Directors and a majority of the disinterested Directors specifically authorize the contract or business relationship. Directors, designates and Committee Chairmen shall generally abstain from discussing at a meeting, or voting upon, any matter in which they, their immediate family members or any entity in which they have a significant interest, have a personal financial interest in the outcome.

ARTICLE IX BOARD OF REVIEW

SECTION 1. The Board of Review shall consist of (3) three Active Members of the Association.

SECTION 2. Members of the Board of Review shall be appointed by the President, with approval of the Board of Directors.

SECTION 3. One member shall be appointed for one year, one appointed for two years, and one appointed for three years.

SECTION 4. No member of the Board of Review shall be a paid employee of the Association or a Member of the Board of Directors.

SECTION 5. The Board of Review shall hear all grievances from members relative to citations issued for violation of the Amended Declaration of Covenants and Restrictions or the Rules and/or Regulations of the Association, and shall have the power to affirm, modify or suspend said penalties.

SECTION 6. A member upon receiving a citation may request a bearing before the Board of Review. Such request shall be in writing and made within (10) days after date of citation.

SECTION 7. Hearings shall be scheduled by the Board of Review and notice of such hearing forwarded, by mail, to the member requesting same.

SECTION 8. The decision of the Board of Review shall be final as to the specific citation heard and decided by the Board of Review.

ARTICLE X

INDEMNIFICATION OF DIRECTORS, OFFICERS, AND MEMBERS OF THE BOARD OF REVIEW

SECTION 1. Each Director, Officer, and each Member of the Board of Review of the Association shall be indemnified by the Association against all costs and expenses reasonably incurred by him for advice or assistance concerning, or in connection with his or her defense of, any claim asserted or suit or proceeding brought against him or her by reason of his being or having been a Director or Officer of the Association, whether or not continuing to be a Director or Officer at the time of incurring such costs or expenses, except costs or expenses incurred in relation to matters as to which such Directors or Officers shall have been derelict in the performance of his or her duty as such Director or Officer.

SECTION 2. The assets of the Association are hereby charged with a first lien in favor of each Director, Officers, and Member of the Board of Review for his, her or their security and indemnification against any liability of any of them may incur hereunder; provided, however, that nothing in this Article X shall exempt any Director or Officer from liability arising out of his or her own willful misconduct or bad faith or entitle such Director, Officer, and Member of the Board of Review to indemnification for any amounts paid or occurred by him or her as a result thereof.

SECTION 3. The Directors, Officers, or Member of the Board of Review and each individual Director, Officer, and Member of the Board of Review shall not be liable for any error of judgment or for any loss arising out of any act or omission to act in the execution of their duties so long as they act in good faith; nor shall any Director or Officer, or Member of the Board of Review or of any agent or attorney appointed by the Directors and acting for an on behalf of the Directors, Officers, and Member of the Board of Review.

SECTION 4. The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, manager, or agent of the Association against any liability asserted against him or her and incurred by him or her in that capacity, or arising out of his or her status in that capacity, whether or not the Association would have the power to indemnify him or her against liability under the provisions of this Article X or the Ohio General Corporation Law.

ARTICLE XI
FISCAL YEAR

The Fiscal year of the Association shall be the calendar year unless otherwise determined by the Board of Directors.

ARTICLE XII
CORPORATE SEAL

The Corporation shall not be required to have a seal. If the Board of Directors votes to have a corporate seal, it shall have inscribed thereon the name of the Corporation and the year of its incorporation, and shall be in such form and contain such other words and/or figures as the Board of Directors shall determine. The corporate seal may be used by printing, engraving, lithographing, stamping, or otherwise making, placing, or affixing, or causing to be printed, engraved, lithographed, stamped or otherwise made, placed or affixed upon any paper or document by any process whatsoever, an impression, facsimile or other reproduction of said corporate seal.

ARTICLE XIII
MEDIATION

- A. Except where provisional or temporary remedies are sought, no action may be brought by a member against the Association or its Directors, Officers, managers, employees or agents concerning any dispute or controversy arising out of or relating to the Declaration of Covenants and Restrictions, the Rules and Regulations of the Association, or these By-Laws, including any dispute or controversy regarding the interpretation, application or enforcement thereof or any assessment, charge, fee, fine or penalty levied against or charged to the member pursuant thereto, unless the complaining member shall first have given the Association at least thirty (30) days written notice of the nature of the claim, its basis, and amount, and the dispute or controversy has first been submitted to non-binding mediation before a mediator of the Ohio Lake Communities Association (the "OLCA"), appointed in accordance with its rules.
- B. The member and the Association shall participate in good faith in mediation within thirty (30) days of appointment of the mediator. Where provisional or temporary remedies are sought, the mediation shall be held within sixty (60) days after the institution of such suit. The place of the mediation shall be at a neutral location in the state as determined by the OLCA or as otherwise mutually agreed to by the parties. The costs of the mediation shall be shared equally by the parties.
- C. No action at law may be instituted by any member who is a party to such a dispute or controversy unless mediation pursuant hereto has first been completed in good faith.
- D. Nothing in this Article XIII shall be construed to require the Association to submit its claims to mediation in order to institute and prosecute any action at law or in equity against a member arising out of or relating to the Declaration of Covenants and Restrictions, the Rules and Regulations of the Association, or these By-Laws, including, without limitation, actions to compel compliance with the provisions thereof and actions to collect unpaid dues, assessments, fees, fines and other charges levied by the Association. Nor shall anything in this Article XIII be construed to prohibit a member from asserting any valid defense or claim in an action initiated against the member by the Association.

ARTICLE XIV
AMENDMENTS

The By-Laws of the Association (other than Article II, Section 16) may be amended, added to, rescinded or repealed by either the Board of Directors or the Active Members upon and after three readings of said changes at any meeting of the Board of Directors or Active Members, as applicable, provided notice of the proposed change is given in the notice of the meeting, provided, however, that Article II, Section 10 and Article II, Section 16 of the By-laws of the Association may be amended, added to, rescinded or repealed only if such change is approved by both: (i) the

affirmative vote of two-thirds of the Directors; and (ii) a majority of votes cast by the Members in a mail referendum conducted in the manner provided by these By-laws for the election of Directors or seventy-five percent of the Members of the Association present in person or by proxy at a special meeting called in accordance with Article IV of these By-laws.