

**AMENDED CODE OF REGULATIONS FOR
JOHNSON'S ISLAND PROPERTY OWNERS' ASSOCIATION, INC.**

Whereas, the Association was incorporated in 1956 to promote the development of the Common Facilities on Johnson's Island, Marblehead, Ottawa County, Ohio for the use and benefit of all Lot Owners thereof; to operate and maintain said facilities and to adopt and enforce regulations governing the conditions of use thereof; to provide service on or the island for the Owners as required or desired; to provide a means of cooperation among the Owners hereof in meeting the problems incident to island living; to maintain standards for the admission of Owners thereto and to give consent to the sale or transfer of realty on said Island; all of the foregoing for the purpose of fostering the maximum use and high standards of maintenance of the Common Facilities of Johnson's Island; to permit the full enjoyment thereof for the Owners, their families and guests; and

Whereas, the Declaration of Real Estate Restrictions was recorded in Volume 8, Page 518 of the Miscellaneous Records of Ottawa County, Ohio and its terms are binding on the Property; and

Whereas, the Association initially adopted a Code of Regulations which was subsequently amended in September 1983; and

Whereas, the Association has been involved in various litigation regarding membership and payment of costs for Common Facilities; these cases being: Bremenour v. Johnson's Island Property Owners Association, Ottawa county court of common pleas, case number 23134; Metzker v. Johnson's Island Property Owners' Association, Case No. 02-CVH-035, Ottawa County Ohio Court of Common Pleas; Johnson's Island Property Owners' Association v. Nachman, Case No. OT-98-043, Ottawa County Court of Appeals; and Baycliffs Homeowner's Association, Inc. v. Johnson's Island Property Owners' Association, Case No. 04-CVH-202, Ottawa County Ohio Court of Common Pleas;

and

Whereas, the courts have held that properties that are subject to the Declaration and receive the benefit of the Common Facilities have the

obligation to pay for common expense liability; and

Whereas, pursuant to its Articles of Incorporation and to the Declaration the Association is responsible for the maintenance of Common Facilities; and

Whereas, a Road Commission has been established with the authority and responsibility to oversee the planning, budgeting, administration, management, maintenance, repair and improvement of the Island Roads as more fully set forth in the Operating Agreement for Governance of Johnson's Island Causeway and Roadway which is recorded in Volume 1206, Page 251 of the Official Records of Ottawa County, Ohio at Page 258; and

Whereas, there are Common Facilities on the island that the Road Commission does have the authority and responsibility for governance and common expense liability; and

Whereas, the Owners and the Trustees have worked out a plan to allocate the common expense liability of the Property except for those expenses that are within the jurisdiction of the Road Commission in a fair and reasonable manner to all Owners of Property, regardless of ownership in the Association; and

Whereas, it is the intent of the Association to adopt this Code of Regulations to supplement the Declaration with regard to the purposes of the corporation and to fulfill its obligations to administer and maintain the Common Facilities for the benefit of the Property and the Owners of the Property.

NOW THEREFORE, in consideration of the foregoing premises, Owners of the Association hereby adopt this Code of Regulations.

ARTICLE I GENERAL

SECTION 1. Name and Nature of the Association. The name of the Association shall be the Johnson's Island Property Owners' Association, Inc. ("Association"), which is an Ohio nonprofit corporation pursuant to the

Articles of Incorporation filed with the Ohio Secretary of State on August 1, 1956 (Charter No. 257163), located in Ottawa County, Marblehead, Ohio.

SECTION 2. Ownership Each person or entity who is a bona fide Owner or contract purchaser of a parcel of reality in Bayhaven and Shiloh subdivisions on Johnson’s Island, Marblehead Ohio, subdivisions is obligated to pay one (1) owner’s share of the Common Expense Liability according to Articles V and VI.

SECTION 3. Definitions.

“Acquisition or Sale of Association Common Property” shall mean the acquisition or sale of any Common Facility of the Association and shall require approval by affirmative vote of the majority of the Owners of the Association.

“Assessments” shall mean those charges upon the Sublots established in ARTICLE V and VI of the Code of Regulations.

“Association” shall mean the Johnson’s Island Property Owners’ Association, Inc., an Ohio corporation, not for profit, its successors and assigns. Except as the context otherwise requires, Association shall mean the Board of Trustees acting on behalf of the Association.

“Common Expense” shall mean normal costs of operation and maintenance of and use of the Common Facilities as further defined in ARTICLE V.

“Common Expense Liability” shall mean each Owner’s share of the Common Expenses as allocated in ARTICLE V.

“Common Facilities” shall mean any real estate owned or leased by the Association other than a Sublot, including easements in favor of the Association, and such portions of the Property including but not limited to “Reserved Area C and or G,” and parcels “235, 236, and 237” on any recorded subdivision plat that is owned, controlled or managed by the Association and intended to be devoted for the common use and enjoyment of all Owners, and shall specifically include, again without limitation, the areas laid out for streets, walkways, driveways, sanitary sewer and other utility easements and rights-of-way, and all fixtures, machinery and equipment thereof, etc.

“Declaration” shall refer to all Declaration of Real Estate Restrictions which are recorded in the Records of Ottawa County, State of Ohio for Bayhavens Estates and Shiloh Subdivision.

“Owner” shall mean any person or entity who owns a Sublot within the Property, but does not include a person or entity having an interest in a Sublot solely as security for an obligation.

“Property” shall mean all real property described in the following:

1. Plat of Bay-Haven Estates recorded in Volume 10 at pages 10-12, Ottawa County, Ohio, Plat Records.
2. Plat of Bay-Haven Estates recorded in Volume 10 at page 13, Ottawa County, Ohio, Plat Records.
3. Plat of Bay-Haven Estates, recorded in Volume 12 at page 43, Ottawa County, Ohio, Plat Records.
4. Plat three of Bay-Haven Estates, recorded in Volume 16, page 24, Ottawa County, Ohio, Plat Records.
5. Plat four of Bay-Haven Estates, recorded in Volume 18 pages 9 and 9A, Ottawa County, Ohio, Plat Record.
6. Plat of Bay-Haven Estates recorded in Volume 18, page 19, Ottawa County, Ohio, Plat Records.
7. Plat of Bay-Haven Estates recorded in Volume 19 at page 1, Ottawa County, Ohio, Plat Records.
8. Plat of Bay-Haven Estates recorded in Volume 19 at page 3, Ottawa County, Ohio, Plat Records.
9. Plat of Bay-Haven Estates recorded in Volume 20, page 23, Ottawa County, Ohio, Plat Records.
10. Plat of Shiloh Subdivision recorded in Volume 22 at page 11, Ottawa County, Ohio, Plat Records.
11. Replat of Lot 72 through 81 of Bay-Haven Estates along Memorial Shore Drive, filed for record in Volume 10 at page 13, Ottawa County, Ohio, Plat Records.
12. Vacation and replat of Cul-de-sac in Bay-Haven Estates adjacent to Lot 71 through 81, filed for record August 5, 1983 and recorded in Volume 19 at page 19, Ottawa County, Ohio, Plat Records and re-filed on September 27, 1983 and rerecorded in Volume 19 at page 1, Ottawa County, Ohio, Plat Records.
13. Plat of Cold Harbor Subdivision, dated September 8, 1962, filed for

record on September 11, 1962 and recorded in Volume 12 at page 38, B, Ottawa County, Ohio, Plat Records.

“Special Charges” shall mean those Assessments as referred to in ARTICLES V and VI.

“Special Assessment” shall mean an assessment established for the purpose of major projects and improvements as set forth in this Code of Regulations. Such Special Assessments shall require a majority vote of the Owners prior to being levied.

“Sublot” shall mean any separate portion of the Property which has been assigned a permanent parcel number on the records of the Ottawa County Auditor.

ARTICLE II MEETINGS OF OWNERS

SECTION 1. Place of Meetings. Meetings of the Association shall be held at the Clubhouse of the Association or at such other suitable place convenient to the Owners as may be designated by the Board of Trustees either in Ottawa County, Marblehead, Ohio or as convenient thereto as possible and practical.

SECTION 2. Annual Meetings. The Annual Meeting of the Association shall be held in September of each year, at such time and place as determined by the Trustees and designated in the Notice of Meeting.

SECTION 3. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call special meetings of the Association if so directed by resolution of a majority of a quorum of the Board of Trustees or a written petition signed by at least twenty-five (25%) percent of the total votes of the Association. The notice of special meetings shall state the date, time and place of such meeting and the purpose thereof. No business shall be transacted at special meetings except as stated in the notice.

SECTION 4. Notice of Meetings. It shall be the duty of the Secretary to cause to be delivered to the Owner of record of each Sublot a notice of each annual or special meeting of the Association stating the purpose of the meeting, as well as the time and place where it is to be held. Notice shall be given in accordance with ARTICLE VIII, Section 7. Notices for meetings of the Owners shall be served not less than fifteen (15) nor more than sixty (60) days before a meeting.

SECTION 5. Waiver of Notice. Waiver of notice of a meeting of the Owners shall be deemed the equivalent of proper notice. Any Owner may, in writing, waive notice of any meeting of the Owners, either before or after the holding of such meeting. In the event of attendance of any Owner at any meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by him or her of notice of such meeting.

SECTION 6. Voting Rights. Only Owners held in Good Standing by this Association may vote at any duly called Annual Meeting or any Association Meeting. Owner(s) shall receive two (2) votes for each issue where a vote is taken for each Owner's Share of the Common Expense Liability as calculated at Article V, Section 5 of this Code.

SECTION 7. Voting by Mail. In the event that an emergency matter may come before the Trustees or an amendment to the current Code of Regulations is proposed during a period when either the Trustees and/or Owners may not be personally available, the Board of Trustees may, in its discretion, make available or otherwise provide a special ballot and/or absentee voting form to Owner(s).

SECTION 8. Good Standing. An Owner shall be considered in good standing if the Owner is current on all Assessments levied against the Owner's Sublot and the Owner or any Occupant of the Sublot is not in violation of any of the Deed Restrictions on the Property or any provision of the Code of Regulations.

SECTION 9. Quorum. Those Owners present in person shall constitute a quorum at all meetings of the Association.

SECTION 10. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in the minute book all resolutions adopted, as well as a record of all transactions occurring thereat. In the event the President is absent or not available, the Vice President or Secretary shall preside over all meetings of the Association.

ARTICLE III BOARD OF TRUSTEES

SECTION 1. Governing Body. Except as otherwise provided by law, the Articles of Incorporation, or this Code of Regulations, and the Declaration, all of the authority of the Association shall be exercised by or under the direction of the Board of Trustees.

SECTION 2. Number and Qualification of Trustees. The Board of Trustees of the Association shall consist of eleven (11) Owners who shall be Owners and shall be in good standing.

SECTION 3. Nomination of Trustees. Nominations for election of the Board of Trustees shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board, and two (2) or more Owners of the Association. The Nominating Committee shall be appointed by the Board at each Annual Meeting of the Owners to serve from the close of such Annual Meeting until the close of the next Annual Meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine but in no event less than the number of vacancies or terms to be filled. Nominations shall be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Owners and to solicit votes.

SECTION 4. Election of Trustees. The Trustees shall be elected at each Annual Meeting of the Owners of the Association or at a special meeting called for the purpose of electing Trustees. At a meeting of Owners of the Association at which Trustees are to be elected, only persons nominated as candidates shall be eligible for election as Trustees and the candidates receiving the greatest number of votes shall be elected and furthermore shall

be in good standing. The Board may adopt rules regarding nominations and procedure for elections. Election to the Board shall be by secret written ballot and at such elections, the Owners may cast, in respect to each vacancy, such voting power as they are entitled to exercise under the provisions of the Articles of Incorporation. The election of Trustees shall not be conducted by mail-in ballots or by use of authorized communications' equipment.

SECTION 5. Term of Office; Resignations. Each Trustee shall hold office for a term of three (3) years and until his or her successor is elected, or until his or her earlier resignation, removal from office, or death. The terms shall be staggered in accordance with the procedures developed by the Trustees in order to comply with this provision.

Any Trustee may resign at any time by oral statement to that effect made at a meeting of the Board of Trustees or in writing to that effect delivered to the Secretary of the Association. Such resignation is to take effect immediately or at such other time as the Trustee may specify. In the event of death or resignation of a Trustee, his or her successor shall be selected by a majority of the remaining Members of the Board and shall serve for the unexpired term of the predecessor.

SECTION 6. Compensation. Members of the Board of Trustees shall serve without compensation, except that they may be reimbursed for actual expenses incurred on behalf of the Association.

SECTION 7. Removal of Trustees. At any regular or special meeting of the Association duly called, any one or more of the Members of the Board of Trustees may be removed, with or without cause, by a majority vote of the Owners, and a successor may then and there be elected to fill the vacancy thus created. A Trustee whose removal has been proposed shall be given at least ten (10) days notice of the calling of the meeting and the purposes thereof and shall be given an opportunity to be heard at the meeting. Additionally, any Trustee who has three (3) unexcused absences from Board meetings or who is delinquent in payment of an Assessment or in violation of any Deed Restriction or provision of the Code of Regulations for more than twenty (20) days may be removed by a majority vote of the Trustees at meeting, a quorum being present. The removal of Trustees shall not be conducted by mail-in ballots or by use of authorized communications' equipment.

SECTION 8. Organization Meetings. The first meeting of the Members of the Board of Trustees following each Annual Meeting of the Owners shall be held at the next regularly scheduled meeting scheduled by the Board.

SECTION 9. Regular Meetings. Regular meetings of the Board of Trustees may be held at such time and place as shall be determined from time to time by a majority of the Trustees, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter.

SECTION 10. Special Meetings. Special meetings of the Board of Trustees shall be held when called by written notice signed by the President or Secretary of the Association, or by any two (2) Trustees. The notice shall specify the time and place of the meeting and the nature of any special business to be considered.

SECTION 11. Notice of Meetings; Waiver. Notice of the time and place of each meeting of the Trustees, whether regular or special, shall be given to each Trustee at least seventy-two (72) hours before the time set for the meeting in accordance with Article VIII, Section 7.

Waiver of notice of meetings of the Trustees shall be deemed the equivalent of proper notice. Any Trustee may, in writing, waive notice of any meeting of the Board, either before or after the holding of such meeting. Such writing shall be entered into the minutes of the meeting. In the event of attendance of any Trustee at any meeting without protesting, prior to or at the commencement of at the meeting, the lack of proper notice shall be deemed to be a waiver by him or her of notice of such meeting.

SECTION 12. Quorum of the Board of Trustees. At all meetings of the Board of Trustees, a majority of the Trustees shall constitute a quorum for the transaction of business, and the votes of a majority of the Trustees present at a meeting at which a quorum is present shall constitute the decision of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of the Trustees, if any action taken is approved by at least a majority of the required quorum for that meeting. Notice of adjournment of a meeting need not be given if the time and place to which it is adjourned are fixed and announced at such meeting. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be

transacted.

SECTION 13. Conduct of Meetings. The President shall preside over all meetings of the Board of Trustees, and the Secretary shall keep the minutes of the meeting and record in the minute book all resolutions adopted, as well as a record of all transactions occurring thereat. In the event the President is absent or not available, the Vice President or Secretary shall provide over all meetings of the Association.

SECTION 14. Open Meetings. All meetings of the Board of Trustees shall be open to all Owners of the Association, space permitting. Participation and discussion by Owners, if any, is controlled by the Board of Trustees.

SECTION 15. Executive Session. The Board may, with approval of a majority of a quorum of the Trustees, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, or orders of business of similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

SECTION 16. Voting By Trustees. A Trustee who is present at a meeting of the Board of Trustees or any committee meeting when corporate action is taken shall be deemed to have assented to the action unless his or her dissent or abstention from the action is taken and is entered into the minutes of the meeting.

SECTION 17. Road Commission. In accordance with the Operating Agreement for the Governance of Johnson's Island Causeway and Roadways dated May 15, 2007, a majority of Trustees will appoint three (3) Johnson's Island Property Owners' Association's Owner's to the Road Commission to represent the Association.

SECTION 18. Committees. The Board of Trustees shall establish such standing committees and subcommittees of the Association's Owners as it deems necessary and appropriate to fulfill its responsibilities under this Code of Regulations.

SECTION 19. Restriction on Litigation. Except for litigation for the collection of Assessments, Special Charges and for enforcement of the deed

restrictions, the Board shall not institute any litigation except upon a majority vote of the Owners present at a duly called Special Meeting.

SECTION 20. Petition for Reconsideration. Except as expressly provided in this Code of Regulation, the adoption of the Budget, or any other policy adopted by the Board is subject to a petition for reconsideration by the Owners. Within thirty (30) days of notice of the adoption of the Budget or any other policy adopted by the Board, twenty-five (25%) percent of the Owners in good standing may petition the Board for a Special Meeting of the Association to reconsider such action. At such meeting a majority of the Owners in good standing may vote to reduce the Budget or rescind the policy adopted by the Board.

ARTICLE IV OFFICERS

SECTION 1. Officers. The officers of the Association shall be a President, Vice President, Second Vice President, Secretary and Treasurer. The Board of Trustees may elect such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time-to-time by the Board. Any two or more offices may be held by the same person, excepting the offices of President and Secretary. The President and Treasurer shall be elected from among Members of the Board of Trustees.

SECTION 2. Election; Term of Office; Vacancies. The officers of the Association shall be elected annually by the Board of Trustees at the first meeting of the Board following each Annual Meeting of the Owners, as herein set forth in Article II. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board for the unexpired portion of the term.

SECTION 3. Removal. Any officer may be removed by the Board of Trustees whenever in its judgment the best interests of the Association would be served thereby.

SECTION 4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time-to-time be specifically conferred or imposed by the Board. The President shall be the chief executive officer of the Association. The Treasurer shall have the primary responsibility for the preparation of the budget and may delegate all or part of the preparation and notification duties to a finance agent, management agent or both.

SECTION 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Trustees, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE V ADOPTION OF THE BUDGET

SECTION 1. Operating Budget. It shall be the duty of the Board to prepare and adopt an operating budget covering the estimated Common Expenses of the Association for the coming fiscal year. The budget shall also include a Reserve in accordance with a "Reserve Budget" separately prepared. The estimated budget will be mailed to the Owners and posted on the Association website twenty (20) days prior to the Annual Meeting. After the budget has been approved, the Board of Trustees shall cause a summary of the budget and the Assessments to be levied against each Owner and Sublot for the following year to be delivered to each Owner personally or sent by mail, postage prepaid. Such summary shall be delivered at least thirty (30) days prior to the Assessment due date for the Owners for the current fiscal year as evidenced by the date posted by the Post Office. The budget and Assessments shall take effect on the first day of the fiscal year.

SECTION 2. Common Expenses. The Common Expenses of the Association shall be the costs of operation and maintenance of and use of the Common Facilities, including but not limited to, refuse containers, security, insurance, landscaping, snow removal, taxes, utilities and such administrative,

management, and legal costs as may be reasonably necessary or desirable for the operation of the Association.

SECTION 3. Reserve Budget. The Board shall annually prepare a Reserve Budget which shall take into account the number and nature of replaceable assets, the expected life of each asset and the expected repair or replacement cost. The Board shall set the required amount of the reserve, if any, sufficient to permit the meeting of the projected reserve needs of the Association, as shown in the Reserve Budget. The Board may authorize a Reserve Study to further support its validity of any of the Reserve Budget's content. The reserve contribution required shall be fixed by the Board and included within the yearly budget. A copy of the Reserve Budget shall be distributed to each Owner in the same manner as the Operating Budget.

SECTION 4. Failure to Adopt Budget. The failure or delay of the Board to adopt a budget as provided herein shall not constitute a waiver or release of the obligation of an Owner to pay the Assessments. In such event, the Assessments based upon the budget last adopted shall continue until such time as the Board adopts a new budget.

SECTION 5. Computation of Common Expense Liability. shall mean a proportionate share determined annually as part of the Owner's assessments and special charges as determined where the numerator is one (1) and the denominator is the total number of Sublot Owners. If a Lot Owner owns title to a Lot or Lots in his name, in a Trust, or other form of legal ownership where a majority interest is then controlled by the same title holder, those Lots shall be merged for purposes of determining the denominator of total Owners or otherwise considered as one (1) Lot for this calculation and the number of votes that an Owner may cast as provided in ARTICLE II.

ARTICLE VI ASSESSMENTS

SECTION 1. Establishment of Assessments. There are hereby established for the benefit of the Association, its successors and assigns, as a charge on each Sublot, certain Assessments for Common Expenses and other expenses.

SECTION 2. Purpose of the Assessments. The Assessments are established for the benefit and use of the Association and shall be used in covering the costs of its Common Expenses and for other such purposes as hereinafter set forth.

SECTION 3. Annual General Assessment. There is hereby established an Annual General Assessment for the Common Expense Liability of each Sublot.

SECTION 4. Annual Share Assessment for Island Roads. There is hereby established an Annual Share Assessment for Island Roads as more particularly set forth in the Operating Agreement.

SECTION 5. Special Charges. Subject to the notice and hearing provisions of Section 5 of this Code of Regulations, the Association shall have the right to assess an individual Sublot for any of the following:

i) the cost of repair, alteration, maintenance, renovation, replacements and all costs, expenses and damages pertaining thereto that are incurred by the Association caused by an Owner hereunder of which result and the failure of any Owner to comply with the provisions of this Code of Regulations, including legal fees, paralegal fees, court costs, etc. and fees and assessments owed the Road Commission for the Operating Agreement for governance of Johnson's Island Causeway and Roadways dated May 15, 2007, and filed in the Ottawa County, Ohio Recorder's Office which requires that Association shall have the responsibility for the billing and collections of the annual share owed by each Owner of Property within Bay Haven Estates and the Shiloh Subdivision, and the Owners of all unplatted parcels as shown on the tax map for Johnson's Island in the office of the Ottawa County engineer. Association's annual contribution to the Road Commission shall be based upon the number of Owners appearing on the schedule of Association billing accounts for the year in question. Each Owner shown on the scheduled Association billing accounts shall pay one (1) annual share, regardless of the number of parcels owned by such Owner on the schedule of the Association billing accounts.

(see Operating Agreement for governance of Johnson's Island Causeway and Roadways dated Match 15, 2007)

ii) any costs associated with the enforcement of the Declaration of Restrictions of Real Estate or the Code of Regulations of the Association, including, but not limited to attorneys' fees, witness and expert witness fees

and costs, and court costs, etc.

(iii) any costs incurred for the maintenance or repair caused through the willful or negligent act of any Owner or Occupant, or their family, tenants, guests or invitees, including attorney fees, paralegal fees, court costs and other expenses incurred.

SECTION 6. Procedures for Imposing a Special Charge.

a) Notice. Prior to imposing a Special Charge pursuant to Section 5, the Board shall give the Owner written notice containing: 1) A description of the property damaged or the violation; 2) The amount of the proposed Assessment; 3) A statement that the Owner has a right to a hearing before the Board to contest the proposed Assessment; 4) A statement setting forth the procedures to request a hearing pursuant to Section 5; and 5) A reasonable date by which the Owner must cure the violation to avoid the proposed Assessment.

b) Hearing. An Owner may request a hearing by delivering written notice of such request no later than the tenth day after receiving the notice provided in Section 5 of this Article. If the Owner fails to make a timely request for a hearing, the right to such hearing shall be considered waived, and the Board may immediately impose the Special Charge referenced in the notice provided above, or may allow a reasonable time to cure the violation before imposing an Assessment. If an Owner requests a hearing, the Board shall not levy the Special Charge before holding a hearing, and will, at least seven (7) days prior to the hearing; provide the Owner with a written notice of the date, time and location of the hearing. Within thirty (30) days following a hearing at which the Board imposes a Special Charge, the Board shall deliver a written notice of the Special Charge to the Owner.

c) Manner of Notice. Any notice required under this Section to be served:

1) upon the Owner shall be delivered to the Owner or Occupants at the Sublot

at the address of the Sublot, provided that if the Owner has provided the Association with an alternate address, to the Owner at such alternative address;

2) upon the Association shall be delivered to any officer of the Association or to any on-site representative of any professional management company hired by the Association.

3) All such notices shall be in accordance with Article VIII, Section 7.

SECTION 6. Special Assessment. There is hereby established a Special Assessment for the purpose of major projects and improvements as set forth in this Code of Regulations. Such Special Assessments shall require a majority vote of the Owners prior to being levied.

SECTION 7. Computation and Payment of Annual General Assessment. The Assessment shall be computed and levied in accordance with the budget adopted by the Board pursuant to the Code of Regulations. So long as there has been no default in payment of the Assessment, it shall be payable annually. The Board shall have the power from time-to-time to adopt such billing, collection and payment procedures, charges and other payment time schedules as it deems appropriate.

SECTION 8. Payment, Delinquency and Acceleration. Unless otherwise determined by the Board, all Assessments shall be payable annually. Any installment of an Assessment shall become delinquent if not paid on the due date as established by the Board. With respect to each installment of an Assessment not paid within five (5) days after its due date, the Board may, at its election, require the Owner to pay a reasonable late charge, together with the legal interest provided by law calculated from the date of delinquency to and including the date full payment is received by the Association. If any installment of an Assessment is not paid within thirty (30) days after its due date, the Board may, at its election, declare all of the unpaid balance of the Assessment for the then current fiscal year, attributable to that Sublot, to be immediately due and payable without further demand and may enforce collection of the full Assessment and all charges thereon in any manner authorized by law and this Code of Regulations.

SECTION 9. Remedies for Default. If an Owner is in default of payment of an

Assessment, the Board may authorize collection through any lawful means, including foreclosure of the lien. A foreclosure of Assessment lien upon Owner(s) property as provided for in Article VI, Section 10 may only be determined by an affirmative vote of at least Seventy-Five percent (75%) of members of the Board of Trustees. Interest and all costs of such collection, including but not limited to court costs, lien fees, witness and expert witness fees, and attorney fees shall be included in the amount due from the Owner and may be collected. The Board may authorize the Association to bid its interest at any foreclosure sale and to acquire, hold, lease, mortgage and convey any Sublot thereby obtained.

SECTION 10. Lien for Assessments. The Association shall have a lien for any Assessment levied against a Sublot, for Special Charges imposed against an Owner or Occupant, and for interest, costs and attorney fees, paralegal fees, costs of the action, court costs, and all other related costs and expenses

a) Creation. The lien for Assessments is created by this Code of Regulations and shall be a charge and a continuing lien on each Sublot which shall run with the land. All persons or entities acquiring an interest in a Sublot after the recording of this Code of Regulations shall take such interest subject to such lien.

b) Effective Dates. The lien for the Common Expense Liability for each Sublot as set forth in the Annual General Assessment shall be effective on the first day of the fiscal year of the Association. The lien for other Assessments shall be effective on the first day of the month following the notice of its levy on the Owners affected.

c) Perfection. Recording of this Code of Regulations constitutes notice and perfection of the lien for Assessments.

d) Notice of Lien. The Association may file a notice of lien with the Recorder of Ottawa County. Such notice shall not be required for the Association to enforce its lien.

e) Priority of the Lien. The lien created by this Section shall be prior to all liens and encumbrances recorded subsequent to this Code of Regulations except the lien for real estate taxes and assessments and the lien of any bona fide first mortgage filed of record.

f) Subordination and Mortgage Protection. Notwithstanding any of the provisions hereof to the contrary, the lien of any Assessment levied pursuant to this Code of Regulations (and any late charges, interest, costs and attorney fees) shall be subordinate to, and shall in no way affect the rights of the holder of a first mortgage made in good faith for value received; provided, however, that such subordination shall apply only to Assessments, or installments thereof, which have become due and payable prior to the date of Sheriff's sale of such Sublot pursuant to a foreclosure or the date of a deed in lieu of foreclosure. Such sale or transfer shall not relieve the mortgagee or the purchaser of a Sublot at such sale from liability for any Assessments thereafter becoming due, nor from the lien of any such subsequent Assessment. Mortgagees are not required to collect Assessments on behalf of the Association. Failure to pay Assessments shall not constitute a default under any mortgage insured by FHA/VA. Any portion of any Assessment that is not collected as a result of this Section shall be deemed to be a Common Expense collectible from all Owners, including the person or entity acquiring the Sublot pursuant to sheriff's sale or deed in lieu of foreclosure.

g) Extinguishment of the Lien. A lien for unpaid Assessments is extinguished unless proceedings to enforce it are instituted within five (5) years after the full amount of the Assessment becomes due. If an Owner of a Sublot subject to a lien files a petition for relief under the United States Bankruptcy Code, then the period of time to enforce the Association's lien shall be tolled until thirty (30) days after the automatic stay under Section 362 of the Bankruptcy Code is lifted.

h) Estoppel Certificate. Upon request of any mortgagee or Owner and upon payment in full of all Assessments and other charges permitted by this Code of Regulations that are due to the Association, the Association shall execute and deliver to such mortgagee or Owner an Estoppel Certificate. Such certificate shall be in recordable form and shall note the payment of the outstanding Assessments and charges and that the Association is estopped from the enforcement of its lien with respect to Assessment and charges becoming due and payable prior to the date of the Certificate. The Association may charge a reasonable fee for the preparation of such certificate.

SECTION 11. Remedies Cumulative. A suit to recover money judgment for unpaid Assessments and charges may be maintained without foreclosing or

waiving the right to enforce the lien. A foreclosure may be maintained notwithstanding the pendency of any suit to recover a money judgment.

SECTION 12. Personal Obligation. The Assessments, including fines, if any, payable by each Owner, together with any penalty, interest, costs and reasonable attorneys' fees shall be the personal obligation of the Owner of the Sublot at the time incurred. The personal obligation shall not pass to any successors in title unless expressly assumed by them.

SECTION 13. Statement of Unpaid Assessments. The Association shall upon written request of the Owner, contract purchaser, or first mortgagee, furnish a statement setting forth the amount of unpaid Assessments against the Sublot. This statement must be furnished within ten (10) business days after receipt of the request and is binding on the Association, the Board and every Owner. The Association may charge a reasonable amount for this statement.

SECTION 14. No Waiver of Liability for Common Expenses. No Owner may exempt himself or herself from liability for payment of the Common Expenses by waiver of the use or enjoyment of the Common Facilities or by abandonment of the Sublot against which the Assessments are made.

ARTICLE VII MISCELLANEOUS

SECTION 1. Fiscal Year. The Association may adopt any fiscal year as determined by the Board.

SECTION 2. Conflicts. If there are conflicts or inconsistencies between the provisions of Ohio law, the Articles of Incorporation, and this Code of Regulations, and the Declaration of Real Estate Restrictions, the provisions of Ohio law, the Articles of Incorporation, Code of Regulations, and the Declaration of Real Estate Restrictions (in that order) shall prevail.

SECTION 3. Books and Records.

Inspection by Owners. The Ownership book, account books and minutes of

the Association, the Board and any committee shall be made available for inspection and copying by any Owner or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Owner at the office of the Association or at such other place within Ottawa County, Marblehead Ohio, as the Board shall prescribe.

a. Rules for Inspection. The Board shall establish reasonable rules with respect to:

i. notice to be given to the custodian of the records by the Owners desiring to make the inspection;

ii. hours and days of the week when such inspection may be made; and

iii. payment of the cost of reproducing copies requested by a Owner.

b. Withholding of Books and Records. Communications, books and records may be withheld from examination or copying by Owners to the extent that the records concern:

i. information that pertains to Property related personnel matters;

ii. communications with legal counsel or attorney work product that pertains to 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 matters involving enforcement of Association documents or rules and regulations promulgated pursuant thereto;

v. information, the disclosure of which would be in violation of law; or

vi. meeting minutes or other records of an executive session duly called.

c. Inspection by Trustees. Every Trustee shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Trustee includes the right to make extracts and copies of documents at the expense of the Association.

SECTION 4. Records of Sublot Owners. Within thirty days after a Sublot Owner takes title to a Sublot, the Owner shall provide the following information in writing to the Association through the Board:

a. The home address, home and business mailing addresses, and the home and business telephone numbers of the Owners and all Occupants of the Sublot;

b. The name, business address and business telephone number of any person who manages the Owner's Sublot as an agent of that Owner.

c. Within thirty (30) days after a change in any information that this section requires, an Owner shall notify the association, through the Board, in writing of the change. When the Board requests, an Owner shall verify or update the information.

SECTION 5. Authorized Communications' Equipment. Authorized communications equipment means any communications equipment which provides a transmission, including, but not limited to, 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 Owner or Trustee involved and, with respect to meetings, allows all persons participating in the meeting to contemporaneously communicate with each other. The Board shall have the right to adopt procedures and guidelines regarding such equipment and its use.

SECTION 6. Notices. Unless otherwise provided in this Code of Regulations, all notices, demands, bills, statements, or other communications under this Code of Regulations shall be in writing and shall be deemed to have been duly given if delivered personally or sent by telegram, by the use of authorized communications equipment, or by United States mail, express mail, or courier service, with postage or fees prepaid:

a. if to an Owner, at the address which the Owner has designated in writing and filed with the Secretary or, if not such address has been designated, at the address of the residence of such Owner; or

b. if to the Association, the Board of Trustees, or the Managing Agent, to the principal office of the Association or the Managing Agent, if any, or at such other address as shall be designated by the Board with written notice to the Owners.

c. in computing the period of time for the giving of a notice required or permitted under the Articles, the Declaration of Real Estate Restrictions, the Code of Regulations, or a resolution of its Owners or Trustees, the day on which the notice is given shall be excluded, and the day when the act for which notice is given is to be done shall be included, unless the instrument calling for the notice otherwise provides. If notice is given by personal delivery or transmitted by telegram, facsimile, telecopy or electronic mail, the notice shall be deemed to have been given when delivered or transmitted. If notice is sent by United States mail, express mail or courier service, the notice shall be deemed to have been given three (3) days after deposited in the mail or the next day when deposited with the overnight or same day courier service, instructing the service to make delivery no later than overnight.

d. A written notice or report delivered as part of a newsletter or other publication regularly sent to the Owners shall constitute a written notice or report if addressed or delivered to the Owner's address shown in the Association's current list of Owners, or, in the case of Owners who are residents of the same household and who have the same address in the Association's current list of Owners, if addressed or delivered to one of such Owners at the address appearing on the Association's current list of Owners.

SECTION 7. Amendment. Except as otherwise provided by law, this Code of Regulations may be amended by a majority vote of the Owners present and voting at a Regular or Special Meeting called for that purpose together with those Owners who voted by special or absentee ballot as provided by Article II, Section 7.

SECTION 8. Financial Review. A review of the accounts of the Association shall be made annually in the manner as the Board of Trustees may decide,

provided, however, after having received the Board's report at the Annual Meeting, the Owners, by majority vote, may require the accounts of the Association to be audited as a Common Expense by a public accountant.

SECTION 9. Challenges. Any conflict between the above provisions and any other provisions of the Ohio Law, the Articles of Incorporation, or the Code of Regulations, shall be interpreted in favor of the Ohio Law, the Articles of Incorporation and the Code of Regulations in that order. Upon the recording of this Code of Regulations, only Owners of record at the time of such filing shall have standing to contest the validity of this document, whether on procedural, substantive or any other grounds, provided further that any such challenge shall be brought in the Ottawa County Court of Common Pleas within one (1) year of the recording of this document.

Adopted by a majority of the Owners as shown by the consents attached hereto