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Butler County, Ohio
Dan Crank COUNTY RECORDER
File# 2011-00031244

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BY-LAWS OF EMERALD LAKE HOMEOWNER ASSOCIATION, INC.

This will certify that a copy of the By-Laws of Emerald Lake Homeowner Association, Inc. has been filed in the office of the County Auditor, Butler County, Ohio, this ____ day of _____, 2011.

BUTLER COUNTY AUDITOR

By _____

Prepared by:

Jeanette Mehta, Esq.
Cuni, Ferguson, & LeVay Co., LPA
10655 Springfield Pike
Cincinnati, Ohio 45215
(513) 771-6768

**BY-LAWS OF
EMERALD LAKE HOMEOWNER ASSOCIATION, INC.**

WHEREAS, the Declaration of Covenants, Conditions, Conditions and Restrictions and Reservation of Easements for Emerald Lake Homeowner Association (the Declaration) was recorded on February 4, 2005 at Book 7508, Page 1598 of the Official Records of Butler County, Ohio; and

WHEREAS, the Articles of Incorporation for Emerald Lake Homeowner Association ("Association") were filed with the Ohio Secretary of State on March 21, 2005; and

WHEREAS, the Declarant has passed these By-Laws in accordance with Ohio Revised Code Section 1702.10 whereby the By-Laws were adopted at a meeting of voting members by the affirmative vote of a majority of the voting members of the Association; and

WHEREAS, the By-Laws for the Emerald Lake Homeowner Association ("By-Laws") attached hereto as Exhibit A is the true and accurate copy of the By-Laws for the Association; and

WHEREAS, the Declaration, its amendments, and the By-Laws are binding on all owners of the properties described in Exhibit B attached hereto; and

WHEREAS, the Declarant desires to record the attached By-Laws with the Butler County, Ohio Recorder's Office in accordance with Ohio Revised Code Section 5312.02(D)(1);

NOW THEREFORE, the Declarant hereby records the By-Laws of the Emerald Lake Homeowner Association, Inc., attached as Exhibit A.

I, David Welsh, Declarant of the Emerald Lake Homeowner Association, Inc., hereby certify that the attached By-Laws are a true and accurate copy of the By-Laws for the Emerald Lake Homeowner Association, Inc., on behalf of the corporation.

**EMERALD LAKE
HOMEOWNER ASSOCIATION,
INC.**
An Ohio Non-Profit Corporation

By: David Welsh
Name: David Welsh
Its: Declarant

STATE OF OHIO

COUNTY OF Hamilton :
: SS:
:

The foregoing instrument was acknowledged before me this 12th day of June, 2011 by David Welsh, Declarant of the Emerald Lake Homeowner Association, Inc., an Ohio non-profit Corporation, on behalf of the corporation.



Kim Burd
Notary Public, State of Ohio
My Commission Expires 06-13-2015

Kim Burd
Notary Public
My Commission Expires: 10-13-15

This Instrument was prepared by:

Jeanette Mehta
Jeanette Mehta, Esq.
Attorney at Law
Cuni, Ferguson & LeVay Co., LPA
10655 Springfield Pike
Cincinnati, Ohio 45215
(513) 771-6768

EXHIBIT A

**BY-LAWS OF
EMERALD LAKE HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I
GENERAL**

SECTION 1. Name and Nature of the Association. The name of the Association shall be Emerald Lake Homeowners Association, Inc., an Ohio nonprofit corporation.

SECTION 2. Membership. Each Lot Owner, upon acquisition of title to a Lot, shall automatically become a member of the Association. Such membership shall terminate upon the sale or other disposition by such Member of his or her Lot Ownership, at which time the new Owner of such Lot shall automatically become a Member of the Association.

SECTION 3. Definitions. The terms used in these By-Laws shall have the same meanings as set forth in the Declaration, unless the context shall prohibit.

**ARTICLE II
MEETINGS OF MEMBERS**

SECTION 1. Annual Meeting. The first annual meeting of the Lot Owners of this Association shall be held upon the termination of Declarant control, as provided in Article XIII of the Declaration, and shall be for the purpose of electing a Board of Directors, pursuant to Article III, Section 2 of these By-Laws. Thereafter, the annual meeting of the Lot Owners of this Association, for the election of members of the Board of Directors, the consideration of reports to be laid before such meeting, and for the transaction of such other business as may properly come before such meeting, shall be held in the first calendar quarter of each year on a date and at an hour and place established by the Board of Directors with proper notice, as required herein, to all Lot Owners.

SECTION 2. Special Meetings. Special meetings of the Lot Owners shall be held whenever called by the President, by a majority of the Board of Directors, or at the request of those Lot Owners entitled to exercise not less than twenty-five percent (25%) of the voting power of all Lot Owners. Upon delivery of a request in writing to the President or Secretary by persons entitled to call a meeting of the Lot Owners, it shall be the duty of the President or Secretary to give proper notice to the Lot Owners in accordance with these By-Laws, but if such proper request be refused, then the person(s) making such request may call a meeting by giving such proper notice to all Lot Owners

as required herein. The notice of special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at special meetings except for that which is stated in the notice.

SECTION 3. Place of Meetings. All meetings of Lot Owners shall be held in Butler County, Ohio at such places as may be specified by the Board of Directors or the person(s) calling the meeting.

SECTION 4. Notice of Meeting. A written or printed notice of every meeting of Lot Owners, whether annual or special, shall state the time, place and the purpose or purposes for which the meeting is called, and shall be given by the President or Secretary by personal delivery, by first class U.S. mail, postage prepaid, or otherwise duly served, delivered or post marked not less than three (3) nor more than twenty (20) days prior to said meeting to each Lot Owner unless an emergency situation exists, in which case such notice shall be given to Lot Owners as soon as is possible, unless such notice is waived by the Lot Owners. If mailed, such notice shall be addressed to the Lot Owners at their respective addresses appearing upon the records of the Association. The Lot Owners shall meet for such purpose at the time and place specified.

SECTION 5. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after the holding of such meeting. Attendance of any Member at any meeting without protest, 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 the meeting.

SECTION 6. Quorum. At any meeting of Lot Owners, the presence in person or by proxy of one-third (1/3) of the Members shall constitute a quorum for such meeting. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of the Members, 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 7. Proxies. A vote allocated to a Lot may be cast pursuant to a written proxy duly executed by an Owner and filed with the Secretary of the meeting. If a Lot is owned by more than one person, each Owner of the Lot may vote or register protest to the casting of votes by the Owners of a Lot through a duly executed proxy. An Owner may revoke a proxy given pursuant to this section only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. Except as hereinafter provided, a proxy shall terminate one year after its date, unless it specifies a shorter time. If a first mortgagee has been designated a proxy under the terms of a first mortgage covering the Lot, its presentation to the Board of a copy of the mortgage shall be notice of the proxy

designation, and if the mortgage so states, of the irrevocability of that designation. Written notice to the Board or notice in a meeting of a revocation of a proxy designation shall not affect any vote or act previously taken. Each proxy shall automatically cease upon conveyance of the Lot.

SECTION 8. Voting Rights. Each Lot shall have one vote. If only one of several Owners for a Lot is present at a meeting of the Association, that Owner is entitled to cast the vote allocated to that Lot. If more than one of the Owners is present, the vote allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the Owners. There is majority agreement if any one of the Owners casts a vote allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot. The Association may adopt rules regarding deadlocks. No votes allocated to a Lot owned by the Association may be cast.

Unless expressly reserved and the Association is notified of such reservation, a land contract vendee as defined in Chapter 5313 of the Revised Code, shall be deemed the proxy of a land contract vendor for purposes of this section.

SECTION 9. Conduct of Meeting. Robert's Rules of Order (in their simple form) shall be utilized and applied to the conduct and proceedings of all meetings, to the extent possible. 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 at the meeting. The order of business of any meeting of Lot Owners shall be determined by the presiding officer unless otherwise determined by a vote of those Lot Owners entitled to exercise not less than a majority of the voting power of the Lot Owners present in person or represented by proxy at the meeting.

SECTION 10. Action Without a Meeting. Any action which may be authorized or taken at a meeting of Lot Owners may be authorized or taken without a meeting in a writing or writings signed by all of the Lot Owners, which writings or writing shall be filed with or entered upon the records of the Association by the Secretary of the Association.

SECTION 11. Election of Board Members. At all elections of members of the Board of Directors, the candidates receiving the greatest percentage of the votes cast shall be elected to the Board.

SECTION 12. Majority. The act of a majority of the Members present in person or by proxy at any meeting at which there is a quorum present shall be an act of the Board except as otherwise provided by law, the Declaration, or these By-Laws. As used in these By-Laws, the term "majority" shall mean those votes, Owners, Members or other group, as the context may indicate, totaling more than fifty (50%) percent of the total number.

ARTICLE III BOARD OF DIRECTORS

SECTION 1. Governing Body. Except as otherwise provided by law, the Amended Articles, the Declaration or these By-Laws, all of the authority of the Association shall be exercised by or under the direction of the Board of Directors.

SECTION 2. Number and Qualification of Directors. The Board of Directors of the Association shall consist of five (5) persons, and shall be those persons as may be substituted from time to time by Declarant pursuant to Special Declarant Rights as set forth in the Declaration. Except for the Directors appointed by the Declarant, Directors shall be elected from among the Unit Owners or the spouses of Unit Owners. No person and his or her spouse may serve on the Board at the same time. If an Owner is not an individual, any principal, member of a limited liability company, partner, director, officer, director or employee of the Owner may be elected to the Board.

The Board shall manage and conduct the business and affairs of this Association and exercise the powers and duties set forth in the Amended Articles and By-Laws, until their successors are elected and qualified.

SECTION 3. Election of Directors. Members of the Board shall be elected by the Lot Owners in person or by proxy at each annual meeting or at a special meeting called for the purpose of electing them. At a meeting of Members of the Association at which Directors are to be elected, only persons nominated as candidates shall be eligible for election as Directors, and the candidates receiving the greatest number of votes shall be elected. The Board may adopt rules regarding nominations and procedure for elections. Election to the Board shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, such voting power as they are entitled to exercise under the provisions of the Declaration. Any member of the Board may be removed at a regular meeting or at a special meeting of Lot Owners called for such purpose by the affirmative vote of two-thirds (2/3) of those Lot Owners entitled to exercise voting powers.

SECTION 4. Term of Office; Resignations. Each Director shall hold office for a term of two (2) years and until his or her successor is elected, or until his or her earlier resignation, removal from office, or death. It is intended by these By-Laws that the terms of the Directors shall be staggered, with three (3) Directors being elected in odd numbered years and two (2) Directors being elected in even numbered years. The terms of the Directors elected immediately following the termination of Declarant control shall be adjusted to carry out this intent.

Any Director may resign at any time by oral statement to that effect made at a meeting of

the Board of Directors or in writing to that effect delivered to the Secretary of the Association, such resignation to take effect immediately or at such other time as the Director may specify. In the event of death or resignation of a Director, 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.

If the remaining members cannot agree upon a person to fill such vacancy within ten (10) days after such vacancy is created, such remaining members shall call a special meeting of Lot Owners to fill such vacancy, such meeting to be held within thirty (30) days after such vacancy is created.

SECTION 5. Compensation. Members of the Board of Directors shall serve without compensation, except that they may be reimbursed for actual expenses incurred on behalf of the Association.

SECTION 6. Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the members of the Board of Directors may be removed, with or without cause, by the affirmative vote of a majority of the Owners, and a successor may then and there be elected to fill the vacancy thus created. A Director 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 Director who has three (3) unexcused absences from Board meetings or who is delinquent in the payment of an Assessment for more than twenty (20) days may be removed by a majority vote of the Directors at a meeting, a quorum being present.

SECTION 7. Organizational Meetings. The first meeting of the members of the Board of Directors following each annual meeting of the Members shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

SECTION 8. Regular Meetings. Except during the period of Declarant control, regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) occurring per quarter.

SECTION 9. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President or Secretary of the Association, or by any three (3) Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered.

SECTION 10. Notice of Meetings; Waiver. Notice of the time and place of each meeting of the Directors, whether regular or special, shall be given to each Director by one of the following methods: (a) personal delivery of notice; (b) written notice by first class mail, postage prepaid; (c) telephone communication, either directly to the Director or to a person at the Director's home or place of business who would reasonably be expected to communicate such notice promptly to the Director; or (d) electronic mail.

All such notices shall be given or sent to the Director's home or email address or telephone number as shown on the records of the Association. Notice sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or email shall be given at least seventy-two (72) hours before the time set for the meeting.

Waiver of notice of meetings of the Directors shall be deemed the equivalent of proper notice. Any Director 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. Attendance of any Director at any meeting without protest, prior to or at the commencement of the meeting, of the lack of proper notice shall be deemed to be a waiver by him or her of notice of the meeting.

SECTION 11. Quorum of the Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors 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 Directors, 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 12. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, 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 at the meeting.

SECTION 13. Method of Meeting. The Board may hold a meeting by any method of communication, including electronic or telephonic communication, provided that each member of the Board can hear or read in real time and participate and respond to every other member of the Board.

SECTION 14. Executive Session. The Board may, with approval of a majority of a quorum, 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 15. Action Without A Meeting. Any action which may be authorized or taken at a meeting of the Board of Directors may be authorized or taken without a meeting with the affirmative vote or approval and in writing or writings signed by all the Directors. Any such writing shall be entered into the minute book of the Association. An explanation of the action taken shall be posted at a prominent place or places within the Property within three (3) days after written consents of all the Board

members have been obtained. For purposes of this Section, an electronic mail received from a Board Member shall constitute a "writing".

SECTION 16. Managing Agent. The Board of Directors may employ or engage the services of a manager or a managing agent and such other persons, firms or corporations as it deems necessary or advisable in order to perform the duties imposed upon it and may pay to such manager, managing agent, persons, firms or corporations such compensation as it shall determine. The Board may delegate to any such manager, managing agent, persons, firms or corporations such administrative or ministerial duties as it deems appropriate.

SECTION 17. Majority. The act of a majority of the Board members present at any meeting at which there is a quorum present shall be an act of the Board except as otherwise provided by law, the Declaration, or these By-Laws.

SECTION 18. Owners' Participation in Meetings. No Owner other than a Director may attend or participate in any discussion or deliberation of a meeting of the Board of Directors unless the Board expressly authorizes that Owner to attend or participate.

SECTION 19. Duties.

(A) The Association, through its Board of Directors, shall do both of the following:

(1) Annually adopt and amend an estimated budget for revenues and expenditures. Any budget shall include reserves in an amount adequate to repair and replace major capital items in the normal course of operations without the necessity of special Assessments, unless the Owners, exercising not less than a majority of the voting power of the Association, waive the reserve requirement annually.

(2) Collect Assessments for Common Expenses from Owners in accordance with the Declaration.

(B) The Association, through its Board of Directors, may do any of the following:

(1) Hire and fire managing agents, attorneys, accountants, and other independent professionals and employees that the Board determines are necessary or desirable in the management of the Property and the Association;

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

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

- (4) Enforce all provisions of the Declaration, By-Laws, covenants, conditions, restrictions, and Amended Articles governing the Lots and Common Area;
- (5) Adopt and enforce Rules that regulate the maintenance, repair, replacement, modification, and appearance of Common Area, and any other rules as the Declaration provides;
- (6) Acquire, encumber, and convey or otherwise transfer real and personal Property, subject to Section 5312.10 of the Revised Code;
- (7) Hold in the name of the Association the real property and personal property;
- (8) Grant easements, leases, licenses, and concessions through or over the Common Area;
- (9) Levy and collect fees or other charges for the use, rental, or operation of the Common Area or for services provided to Owners;
- (10) Pursuant to Section 5312.11 of the Revised Code, levy the following Charges and Assessments:
 - (a) Interest and charges for the late payment of Assessments;
 - (b) Returned check charges;
 - (c) Enforcement Assessments for violations of the Declaration, the By-Laws, and the Rules of the Association;
 - (d) Charges for damage to the Common Area or other Property.
- (11) Adopt and amend Rules that regulate the collection of delinquent Assessments and the application of payments of delinquent Assessments;
- (12) Impose reasonable charges for preparing, recording, or copying the Declaration, By-Laws, amendments to the Declaration and By-Laws, resale certificates, or statements of unpaid Assessments;
- (13) Authorize entry to any portion of the PUD by designated individuals when conditions exist that involve an imminent risk of damage or harm to Common Area, another Dwelling Unit, or to the health or safety of the occupants of that Dwelling Unit or another Dwelling Unit;
- (14) Subject to division (A)(1) of Section 5312.09 of the Revised Code, borrow money and assign the right to Assessments or other future income to a lender as security for a loan to the Association;

(15) Suspend the voting privileges and use of recreational facilities of an Owner who is delinquent in the payment of Assessments for more than thirty days;

(16) Purchase insurance and fidelity bonds the Directors consider appropriate and necessary;

(17) Invest excess funds in investments that meet standards for fiduciary investments under the laws of Ohio;

(18) Exercise powers that are any of the following:

(a) Conferred by the Declaration or By-Laws;

(b) Permitted to be exercised in Ohio by a nonprofit corporation;

(c) Necessary and proper for the government and operation of the Association.

ARTICLE IV OFFICERS

SECTION 1. Officers. The officers of this Association, to be elected by the Board of Directors, shall be a President, a Vice President, a Secretary, a Treasurer and such other officers as the Board of Directors may elect. Officers must be Lot Owners. Officers shall hold office at the pleasure of the Board of Directors.

SECTION 2. Duties.

A. President. It shall be the duty of the President to preside at all meetings of Lot Owners and the Board of Directors, to exercise general supervision over the affairs of the Association, and in general to perform all the duties usually incident to such office or which may be required by the Lot Owners or Board of Directors.

B. Vice President. It shall be the duty of the Vice President to perform all the duties of the President in the event of his/her absence or disability and such other duties as may be assigned to him/her by the Board of Directors.

C. Secretary. It shall be the duty of the Secretary to keep or cause to be kept under his/her supervision an accurate record of the acts and proceedings of the Lot Owners and the Board of Directors and maintain records of the names and addresses of the Lot Owners and their respective percentages of interest in the Common Areas and to perform all the duties usually incident to such office or which may be required by the Lot Owners or Board of Directors. On the expiration of his/her term of office, the Secretary shall deliver all books, papers, and Property of the Association in his/her hands to his successor or to the President. Minutes of all meetings are to be completed within seven

(7) days of each meeting. The Secretary shall also provide, as requested, a copy of the Declaration and its Exhibits and the Rules are provided to each Owner, which shall occur upon a transfer of Ownership or any modification of said documents.

D. Treasurer. The Treasurer shall receive and safely keep all monies, securities, and other intangible Property belonging to the Association, or evidence thereof, and disburse the same under the direction of the Board of Directors; shall keep or cause to be kept under his/her supervision correct and complete books and records of account, specifying the receipts and expenditures relating to the Common Areas and other Common receipts and Expenses, together with records showing the allocation, distribution and collection of the common profits, losses and expenses among and from the Lot Owners; shall hold the same open for inspection and examination by the Board of Directors and Lot Owners, and present abstracts of the same at quarterly and at annual meetings of Lot Owners or at any other meeting, or agreed upon time, when no less than three (3) days notice is given; and shall give bond in such sum with such surety or sureties as the Board of Directors may require for the faithful performance of his/her duties. On the expiration of his/her term of office, the Treasurer shall deliver, within thirty (30) days of such expiration, all monies and other Property of the Association in his/her hands to his/her successor or to the President; and shall perform any other duties which may be required of him/her by the Lot Owners or Board of Directors, including but not limited to filing all necessary tax documents and returns with proper agencies or bodies.

ARTICLE V COMMITTEES

SECTION 1. General. Committees to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present are hereby authorized. Such committees shall perform such duties and have such powers as may be provided in the resolution. Each committee shall be composed as required by law and operate in accordance with the terms of the resolution of the Board designating such committee or with rules adopted by the Board and to the full extent permitted by law.

SECTION 2. Architectural Control Committee. The Board of Directors may appoint an Architectural Control Committee which shall be responsible for reviewing and either approving or disapproving improvement applications submitted by the Owners. In addition, the committee shall develop and promulgate architectural standards and guidelines with respect to those matters that are within the Association's authority to regulate.

ARTICLE VI DETERMINATION AND PAYMENT OF ASSESSMENTS

SECTION 1. Adoption of Budget. It shall be the duty of the Board to prepare and adopt a budget covering the estimated Common Expenses of the Association for the coming fiscal year. The budget shall also include a capital contribution or reserve in

accordance with a capital budget separately prepared. After adoption of the budget, the Board shall cause the summary of the budget and the Assessments to be levied against each Lot for the following year to be delivered to each Owner. Except during the period of Declarant Control, such summary shall be delivered at least thirty (30) days prior to the start of the fiscal year. The budget and Assessments shall take effect on the first day of the fiscal year.

SECTION 2. Capital Budget and Contribution. The Board shall annually prepare a capital 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 capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect to both amount and timing by Annual Assessments over the period of the budget. The capital contribution required shall be fixed by the Board and included within the budget and Assessment, as provided in Section 1 of this Article. A copy of the capital budget shall be distributed to each Owner in the same manner as the operating budget.

SECTION 3. 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 4. Computation of Assessments. The Assessments for Common Expenses for each Lot shall be determined in accordance with the operating budget and the capital contribution budget as they apply to the various Lots.

SECTION 5. Payment, Delinquency and Acceleration. Unless otherwise determined by the Board, all Assessments shall be payable monthly. 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 interest. 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 Lot, 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, the Declaration and these By-Laws.

SECTION 6. 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. Interest and all costs of such collection, including but not limited to court costs, lien fees, and reasonable 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 Lot.

ARTICLE VII MISCELLANEOUS

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

SECTION 2. Parliamentary Rules. Except as may be modified by Board resolution establishing modified procedures, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Ohio law, the Amended Articles, the Declaration, or these By-Laws.

SECTION 3. Conflicts. If there are conflicts or inconsistencies between the provisions of Ohio law, the Amended Articles, the Declaration, and these By-Laws, the provisions of Ohio law, the Declaration, the Amended Articles and these By-Laws (in that order) shall prevail.

SECTION 4. Books and Records.

(A) The Association shall keep all of the following:

- (1) Correct and complete books and records of account that specify the receipts and expenditures relating to the Common Area and other Common receipts and Expenses;
- (2) Records showing the collection of the Common Expenses from the Owners;
- (3) Minutes of the meetings of the Association and the Board of Directors;
- (4) Records of the names and addresses of the Owners.

(B) Unless otherwise prohibited by this Section, any owner may examine and copy the books, records, and minutes of the Association described in Section (A), pursuant to reasonable standards set forth in the Declaration, By-Laws, or Rules the Board promulgates. The standards may include, but are not limited to, standards governing the type of documents that are subject to examination and copying, the times and locations at which those documents may be examined or copied, and the specification of a reasonable fee for copying the documents.

(C) Unless approved by the Board of Directors, an Owner may not examine or copy any of the following from books, records, and minutes:

- (1) Information that pertains to Property-related personnel matters;
- (2) Communications with legal counsel or attorney work product pertaining to potential, threatened or pending litigation, or other Property-related matters;

(3) Information that pertains to contracts or transactions currently under negotiation, or information that is contained in a contract or other agreement containing confidentiality requirements and that is subject to those requirements;

(4) Information that relates to the enforcement of the Declaration, By-Laws, or Rules of the Association against other Owners;

(5) Information, the disclosure of which is prohibited by state or federal law.

b. 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 Members 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 Member.

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

SECTION 5. Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by first class mail, postage prepaid:

if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the residence of such Owner; or

if to the Association, the Board of Directors, or the managing agent, at 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.

SECTION 6. Amendment. Except as otherwise provided by law or the Declaration, these By-Laws may be amended by a majority of the Owners.

SECTION 7. Financial Review. A review of the accounts of the Association shall be made annually in the manner as the Board of Directors may decide, provided,

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

Wherefore, this Code of Regulations has been duly adopted by the Declarant of Emerald Lake Homeowners Association, Inc.

Effective this _____ day of _____, _____.

EXHIBIT B

LEGAL DESCRIPTION

Situated in Section 2 and Section 3, Towne 1, Range 2 of the City of Fairfield, Butler County, State of Ohio, and being Lot numbers 13531-13573 of Emerald Lake, Section One, as shown on the plat recorded at Book 3778, Pages A through C of the Plat Records of the Butler County, Ohio Recorder's Office.

Situated in Section 2 and Section 3, Towne 1, Range 2 of the City of Fairfield, Butler County, State of Ohio, and being Lot numbers 13745-13791, and being a replat of Lot 525 of Emerald Lake, Section Two, as shown on the plat recorded at Book 3846, Pages A through C of the Plat Records of the Butler County, Ohio Recorder's Office.

Situated in Section 2, Towne 1, Range 2 of the City of Fairfield, Butler County, State of Ohio, and being Lot numbers 13800-13813, Lots 13844-13861, and being a replat of Lot 525 of Emerald Lake, Section Three, as shown on the plat recorded at Book 7877, Page 1132 of the Plat Records of the Butler County, Ohio Recorder's Office.