

CRANBERRY BAY HOMEOWNERS ASSOCIATION, INC

BYLAWS

BYLAWS APPROVED BY MEMBERSHIP IN 1995

(Revised September, 2000, October, 2003, Rescinded May, 2006)

AMENDMENT:

The current Bylaws will be rescinded as of May 2006 by a simple majority of those voting members present at the general meeting and hereinafter the Cranberry Bay Homeowners Association will be governed by a Code of Regulations, to be adopted by a simple majority of those voting members present at the general meeting to be effective June 2006. The Code of Regulations will be structured, and organized in accordance with the Ohio Revised Code, Chapter 1702, and will be revised from time to time, as the Board of Trustees deems necessary.

CODE OF REGULATIONS

THE CRANBERRY BAY HOMEOWNERS ASSOCIATION, INC

APPROVED BY THE MEMBERSHIP ON MAY 20, 2006, EFFECTIVE JUNE 1, 2006,

AMENDED **SEPTEMBER 14, 2017**

ARTICLE I

GENERAL PLAN OF OWNERSHIP

Section 1.1 Name. The name of the association is THE CRANBERRY BAY HOMEOWNERS ASSOCIATION. The principal office of the Association will be set forth in the Articles of Incorporation and the place of meeting of the Board of Trustees and its members will be at such place in Licking County, as the Board will designate.

Section 1.2 Code of Regulations Applicability. The provisions of this Code of Regulations are applicable to the Bounds Additions, (hereinafter called Cranberry Bay and Maple Bay) developments located within the Village of Buckeye Lake, Union Township and Licking Township, County of Licking, State of Ohio, generally provided for in the Protective Covenants, Grant of Easement, Amended Grant of Easement, Lake Lands Agreement for the Bounds Addition, and the amendments and supplements thereto, recorded or to be recorded in the office of the County Recorder, Licking County, Ohio.

Section 1.3 Personal Application. All present and future owners and their residents and future residents, employees, and any other persons are subject to the regulations set forth in this Code of Regulations, and all Rules and Regulations established by the Board of Trustees. The mere acquisition or rental of any of the Property, or the mere act of occupancy of any of the property, as referenced in this section, will signify that the Code of Regulations are accepted, ratified, and will be complied with.

ARTICLE II
MEMBERSHIP, VOTING, MEMBER MAJORITY, QUORUM, PROXIES

Section 2.1 Membership. Any property owner in Cranberry Bay and Maple Bay may qualify for a category of membership, providing that the annual association fee is paid, and all applicable membership criteria are met, as determined by the Board of Trustees. This Association will have 2 categories of members:

- a. **Category 1: Property Owners.** Own or be purchasing a property as recorded in the official records of the office in Licking County, Ohio. A Category 1 member may attend all association sponsored events, and have voting entitlement, provided that the required annual association membership fee is paid and membership criteria are met, as determined by the Board of Trustees. Any individual or individuals residing with a Category 1 member, will be considered a member of the Association with all the same privileges, except that there shall be only one (1) designated member entitled to vote and who is registered, as that voter, with the Secretary of the Board of Trustees.
- b. **Category 2: Auxiliary Members.** Individuals renting property will not have voting privileges, but may attend Association sponsored events, provided that the annual association fee is paid and all applicable membership criteria are met, as determined by the Board of Trustees.

Section 2.2 Membership Criteria.

- a. Own or be purchasing a property in the Cranberry Bay and Maple Bay area as recorded in the official office of Licking County, Ohio.
- b. Be an individual(s) residing in Category 1 and 2.
- c. Pay and be current on payment of the annual association membership fee, and be a member in good standing.
- d. The designated voter will be registered with the Secretary of the Board of Trustees and will be thereafter, unless changed by the owner, registered to be the eligible voter.
- e. Have on file with the Board of Trustees a signed agreement that they have read and agree to comply with this Code and all Rules and Regulations established by the Board of Trustees.

Section 2.3 Membership in Good Standing.

- a. Members in both categories, in good standing, will be subject to the provisions of the Articles of Incorporation, this Code and to such other Rules and Regulations as may be established by the Board of Trustees.
- b. Membership privileges, including any voting privileges, may be suspended to members for failure to pay the annual association membership fee or for infractions of this Code, or infractions of published Rules and Regulations of the Association, which suspension may be for a period not to exceed six (6) months.

Section 2.4 Transfer of Membership. Membership in the Association is not transferable or assignable.

Section 2.5 Voting. *At any meeting of the Membership,* there will be one (1) vote in *person or by proxy* per owned property with an inhabitable dwelling to vote on any

Association business brought before the membership. Where title to a property or properties is held by more than one person whether jointly or as joint tenants with rights of survivorship, only one (1) member shall be entitled to vote. The person designated by the owner to be the “eligible voter” will be entitled to vote *in person or by proxy*. Category 1 members with multiple inhabitable dwellings may have one (1) vote, *in person or by proxy*, for each property with an inhabitable dwelling. Property owners of lots without an inhabitable dwelling built thereon shall not have any voting rights. Category 2 members will not have voting privileges.

Voting to elect Trustees or on other such matters will be conducted at the spring and/or fall biannual general meeting of the Association.

In the event of a tie vote for any Trustee vacancy, the Nominating Committee will reconvene and follow the prescribed election process *in accordance with CBHA policy and procedures*. The current Trustee(s) will remain in office until such time as a successor is named.

Section 2.6 Majority of Members. All questions before the membership shall be decided by a majority vote of the quorum. As used in this Code of Regulations, the term “Majority of Members” shall mean Association eligible voters as described in Section 2.5 representing more than fifty percent (50%) of the quorum of the eligible voters at the meeting.

Section 2.7 Quorum. Except as otherwise provided in this Code of Regulations or the Articles of Incorporation, the presence in person or by proxy of the Association’s eligible voters holding at least thirty-five percent (35%) of the total Association votes shall constitute a quorum. The Association’s eligible voters present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough eligible voters to leave less than a quorum.

Section 2.8 Proxies. Votes may be cast in person or by proxy. Proxies must be in writing and filed with the Secretary at least twenty-four (24) hours before the appointed time of each meeting. Every proxy shall be revocable at the pleasure of the Association’s eligible voter who executed the proxy and shall automatically cease after completion of the meeting of which the proxy was filed, if filed for a particular meeting.

ARTICLE III ADMINISTRATION

Section 3.1 Responsibilities. The Association shall have the responsibility of administering the business and affairs of the Association including, but not limited to, approving the annual budget, establishing and collecting all fees, if any, and may arrange for the management of the same pursuant to an agreement, containing provisions relating to the duties, obligations, removal and compensation of a Manager.

Section 3.2 Place of Meetings. Meetings of the Association shall be held on the property or such other suitable place as close to the Cranberry Bay and Maple Bay development in Licking County as may be designated by the Board of Trustees.

Section 3.3 Annual Meetings. The biannual general meetings of the Members shall be held in the spring and fall of each year.

Section 3.4 Special Meetings. It shall be the duty of the President to call a special meeting of the Association as directed by resolution of the Board of Trustees, or upon a petition signed by twenty-five (25%) of eligible voters. The notice of all regular and special meetings shall be given as provided in Section 3.5 of this Code of Regulations, and shall state the nature of the business to be undertaken.

Section 3.5 Notice of Meetings. It shall be the duty of the Secretary to provide a notice of each general or special meeting of the Association, stating the purpose thereof as well as the day, hour and place where such meeting is to be held, to each Member of record, at least ten (10) but not more than thirty (30) days prior to such meeting. The mailing, (either by US mail or electronic mail), and or announcements in the Association Newsletter or flyers of a meeting notice shall be considered notice served. If no address has been furnished to the Secretary, notice shall be deemed to have been given to a Member entitled to vote if posted in a conspicuous place on the Cranberry Bay and Maple Bay developments.

Section 3.6 Adjourned Meetings. If any meeting of the Association cannot be organized because a quorum has not attended, the Members entitled to vote who are present, either in person or by proxy, may adjourn the meeting to a time not less than ten (10) days nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be the presence in person or by proxy of any Member entitled to vote. Such adjourned meetings may be held without notice thereof as provided in this Article 3, except that notices shall be given by announcement at the meeting at which such adjournment is taken. If a meeting is adjourned for more than thirty (30) days, notice of the adjourned meeting shall be given as in the case of the original meeting.

Section 3.7 Order of Business. The order of business at all meetings shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) unfinished business; and (g) new business. The President of the Board of Trustees may add items to the agenda at their discretion. Meetings shall be conducted by the officers of the Association in order of their priority.

Section 3.8 Action without Meeting. Any action, which under the provisions of the Ohio Revised Code, Chapter 1702, may be taken at a meeting of the Association, may be taken without a meeting if authorized in writing signed by all the Members who would be entitled to vote at a meeting for such purpose, and filed with the Secretary.

Section 3.9 Minutes, Presumption of Notice. Minutes or a similar record of the proceedings of meetings, when signed by the President or Secretary shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE IV BOARD OF TRUSTEES

Section 4.1 Designation. The principal officers of the Association shall be members of the Board of Trustees and shall consist of a President, Vice President, Secretary, and Treasurer. The President, with approval of the Board of Trustees, may appoint an assistant Treasurer or Secretary, and such officers as in the Board of Trustees judgment may be necessary. One person may hold two or more offices, except those offices of President and Vice President.

Section 4.2 Number and Qualifications. The business and affairs of the Association shall be governed and managed by the Board of Trustees. The Board of Trustees shall consist of thirteen (13) trustees, four (4) of which shall be officers. The Trustees shall comply with the qualifications as described in Section 4.3 of this Code. A trustee elected by the Board of Trustees for the office of President shall have served on the Board of Trustees within one (1) of the three (3) years prior to the election. The Board of Trustees shall not receive any salary or other compensation for their services as Trustees; provided however, that nothing herein contained shall be construed to preclude any Board Member from serving the Association in some other capacity and receiving compensation thereof.

Section 4.3 Election of Trustees. *Trustees as nominated in accordance with CBHA policy and procedures shall be elected at the fall general meeting of the membership, but when the general meetings are not held or trustees are not elected thereat, they may be elected at a special meeting called and held for that purpose. Such election shall be conducted in a manner in accordance CBHA policy and procedure or by any manner approved at such meeting.*

At each meeting of the members for the election of trustee, the persons receiving the greatest number of votes shall be trustees.

Section 4.4 Election of Officers and Term of Office. The Officers of the Board of Trustees shall be elected from among the Board of Trustees annually by a Majority vote of the Board of Trustees and shall meet the qualifications as described in Section 4.3 of this Code. *In the event of a tie vote, such election shall be postponed until a full quorum is present, or by any manner approved at such meeting. The current Officers(s) will remain in office until such time as a successor is named.* Each officer shall hold office for one (1) year, beginning November 1, and ending October 31, unless the officer shall sooner resign or shall be removed or otherwise disqualified. Notwithstanding the forgoing, officers of the Board may be removed by Majority vote of the Board of Trustees at any time with or without cause, and replacement of officer(s) shall be appointed by the Board to serve until the next election of officers as stated above.

Section 4.5 Removal of Trustees. Upon an affirmative vote by seventy-five (75%) of eligible voters, any trustee may be removed, either with or without cause, and a successor elected at a bi-annual general meeting of the Association's eligible voters, or any meeting of the Association called for such purpose. Any Trustee may resign at any time by giving written notice to the Board or to the President or to the Secretary. Any such resignation shall take effect at the date of receipt of such notice or at any time specified therein; and unless otherwise specified in said notice, acceptance of such resignation by the Board of Trustees shall not be necessary to make it effective. A vacancy may be filled by a vote of

the majority of the remaining Board of Trustees. Those appointed to such vacancy shall serve until a successor is elected, by the Association's eligible voters, at the next bi-annual general meeting or any meeting of the Association called for such purpose.

Section 4.6 Vacancies. Vacancies on the Board of Trustees caused by any reason other than the removal of a Trustee will be filled by a vote of the majority of the remaining Trustees, even though they constitute less than a quorum. Each person so elected by the Board of Trustees will serve until a successor is elected at the next bi-annual general meeting or at a special meeting called for that purpose. A vacancy or vacancies will be deemed to exist in the case of death, resignation, removal or judicial adjudication of mental incompetence of any Trustee, or in the case the Association's eligible voters fail to elect the full number of authorized Trustees at any meeting at which election is to take place.

Section 4.7 Compensation. Agents and employees shall receive such reasonable compensation for the services as may be authorized or ratified by the Board of Trustees. Appointment of any agent or employee shall not of itself create contractual rights of compensation for services performed by such an agent, or employee.

Section 4.8 President. The President shall preside at all meetings of the Association and of the Board of Trustees. The President shall have all of the general powers and duties which are usually vested in the office of the President of a Nonprofit Corporation, including but not limited to the power, subject to the provisions of Section 9.1 of this Code to appoint committees from among the Members from time to time as the President may determine, with approval of the Board, and are appropriate to assist in the conduct of the affairs of the Association. The President shall, subject to the Board of Trustees approval, have general supervision, direction and control of the business of the Association. The President shall be an ex officio member of all standing committees except the Nominating Committee, and the President shall have such other powers and duties as may be prescribed by the Board of Trustees or this Code of Regulations.

Section 4.9 Vice President. The Vice President shall take the place of the President and perform such duties whenever the President shall be absent, disabled or unable to act. If neither the President nor the Vice President is able to act, the Secretary shall assume those duties on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the President or this Code of Regulations.

Section 4.10 Secretary. The Secretary shall record the votes and keep the minutes of all meetings of the Board of Trustees and the minutes of all meetings of the Association at the principal office of the Association or such other place as the Board of Trustees may order. The Secretary shall have charge of such books and papers as the Board of Trustees may direct, and the Secretary shall, in general, perform the entire duties incident to the office of the Secretary. The Secretary shall give, or cause to be given, notices of meetings of the Association and of the Board of Trustees required by this Code of Regulations. The Secretary shall maintain a book of record of property owners with and without assigned boat docks and such book shall be changed only at such time as satisfactory evidence or a change in ownership of a property is presented to the Secretary. *It shall be the duty of the Secretary to prepare a list of the eligible voters entitled to vote at each meeting against which the list of all eligible voters voting shall be checked, either by the Secretary, or by some individual designated by the Board of Trustees.*

The Secretary shall perform such other duties as may be prescribed by the Board of Trustees or this Code of Regulations.

Section 4.11 Treasurer. The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts of the Property owned by the Association, tax records and business transactions of the Association including accounts of all assets, liabilities, receipts and disbursements, all in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Trustees. The Treasurer shall disburse the funds of the Association as may be ordered by the President and approved by the Board of Trustees. The Treasurer shall render to the President and the Board of Trustees upon request, an account of all transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Trustees or this Code of Regulations.

Section 4.12 Trustees. There shall be thirteen (13) Trustees who comply with the qualifications as described in Section 4.3, and who shall be elected by the Association's eligible voters. The election for Trustees shall be conducted at a bi-annual general meeting or at any special meeting of the Association called for such purpose. The officers shall automatically return to a Trustee position once their one (1) year term of office expires or unless reelected by the Board of Trustees to serve another one (1) year term as an officer, but shall not exceed a three (3) year term, unless reelected by the Association's eligible voters. Each Trustee shall serve a three (3) year term. The term of office for Trustees shall be staggered so that at least four (4) Trustees are elected each year and a new Trustee elected when a Trustee(s) term of office expires. There shall not be term limits for Trustees. Duties shall include, but not be limited to, the oversight and/or Chairmanship of all committees, to serve as officers, and shall have such other powers and perform such other duties as may be prescribed by the Board of Trustees, Articles of Incorporation, and this Code of Regulations.

ARTICLE V MEETINGS OF THE BOARD OF TRUSTEES

Section 5.1 Organization Meetings. The first regular meeting of a newly elected Board of Trustees will be held no later than thirty (30) days from the election of the Board of Trustees, at such place as will be fixed and announced by the Trustees at the meeting at which such Trustees were elected, for the purpose of organization, and the transaction of other business.

Section 5.2 Regular Meetings. The regular meetings of this Board of Trustees will be held at a place determined by the Board and that provides appropriate seating for the Board and when possible, it's Membership. The Board will meet not less than once a month with the exception of December, January, and February, unless determined necessary by the Board of Trustees. The Board will determine its own meeting schedule and time.

Section 5.3 Special Meetings. Special meetings of the Board of Trustees may be held on the call of the President, Vice President or two-thirds of the Board of Trustees,

including the months of December, January, and February. All members of the Board will be notified at least two (2) days in advance of the scheduled date of the meeting. Such notice shall state the purpose for which the meeting is being called, the time, and place of any special meeting called.

Section 5.4 Waiver of Notice. Before or at any meeting of the Board of Trustees, any Trustee may in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Trustee at any meeting of the Board of Trustees shall be waiver of notice by that Trustee of the time and place thereof. If all the Trustees are present at any meeting of the Board of Trustees, no notice shall be required and any business may be transacted at such meeting. The transactions of any meeting of the Board of Trustees, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the Trustees not present signs such a written waiver of notice, a consents to holding such meeting, or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the records of the Association or made a part of the minutes of the meeting.

Section 5.5 Action Without Meeting. The Board of Trustees will have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the vote or written consent of all the Board of Trustees. Any action so approved will have the same effect as though taken at a meeting of the Board. Meetings of the Board may be conducted by e mail or other Board authorized means of communications, as long as all Board members can participate.

ARTICLE VI FORFEITURE FOR ABSENCE

Any member of the Board of Trustees who fails to attend three (3) regular meetings of the Board within a twelve (12) month period without proper excuse may be expelled from the Board and their position as a member of the Board may be filled by appointment of a majority of the remaining members of the Board until a successor is elected at the next bi-annual general meeting or at a special meeting called for that purpose. All Board of Trustees members must advise the Secretary to the Board prior to the meeting date if unable to attend.

ARTICLE VII QUORUM

A majority of the elected members of the Board of Trustees will constitute a quorum for the transaction of business at any regular or special meeting of the members of the Board. If at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting from time to time without further notice. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. All action by the Board of Trustees shall be decided by a majority vote of the quorum.

ARTICLE VIII ORDER OF BUSINESS

Section 8.1 Order of Business. The order of business of the meetings of this Board of Trustees will be as follows:

- a. Roll Call
- b. Reading of the minutes not previously read
- c. Reports of Officers
- d. Reports of Committee Chairs
- e. Election of Officers
- f. Appointments of Committee Chairs when necessary
- g. Unfinished business
- h. New Business
- i. Acknowledgement of the Membership
- j. Adjournment

ARTICLE IX COMMITTEES

Section 9.1 Committees. The President of the Board of Trustees will appoint such committees as approved by the Board of Trustees and that are in the best interest of the Association. A Trustee of the Board will be appointed as a Chairperson of each committee by the President, based on their interest and expertise. Each committee will consist of no less than two (2) other members from Category 1 of the Association. The committees shall be appointed annually and may include, but not be limited to, the Executive Committee, Finance Committee, Nominating Committee, Membership Committee, Public Relations Committee, Architectural Committee, Dock Management Committee, Code, Rules and Regulations, Revisions Committee and Ad Hoc Committees, when applicable. The Board of Trustees shall determine at its annual organization meeting the committees to be appointed.

Section 9.2 Term of Office. Each member of a committee shall be approved by the Board of Trustees. Each member of a committee may continue as such until the next annual organization meeting of the Board of Trustees and until a successor is appointed unless the committee shall be sooner terminated, or unless such member is removed from such committee or unless such member shall cease to qualify as a member thereof.

Section 9.3 Vacancies. Vacancies in the membership of any committee may be filled by appointment made in the same manner as described in the case of the original appointments.

Section 9.4 Quorums. Unless otherwise provided, the majority of the whole committee shall constitute a quorum and the act of the majority of the members present at a meeting at which quorum is present shall be the act of the committee.

Section 9.5 Rules. Each committee may adopt rules for its own management consistent with this Code or with the rules adopted by the Board of Trustees.

ARTICLE X MANAGEMENT

Section 10.1 Powers and Authority. The Trustees shall exercise all the powers and authority and discharge all the duties and obligations of the Trustees as defined in Chapter 1702 of the Ohio Revised Code and of the Board of Trustees of said development as defined in said Deed of Restrictions and as set forth in the Protective Covenants, and the Articles of Incorporation. The Board of Trustees is vested with, and responsible for, but not limited to, the following powers and duties:

- a. To organize and operate an Association composed of property owners in the developments known as Cranberry Bay and Maple Bay in Licking County, Ohio.
- b. To exercise all of the powers and privileges, and to perform and discharge all the duties and obligations.
- c. To establish a Code of Regulations for the Cranberry Bay Homeowners Association to set forth the membership, operation, administration and management of the Cranberry Bay Homeowners Association, and to promulgate such rules and regulations as the Board of Trustees shall deem necessary, and to impose, administer and enforce all charges, fees, and assessments on the members.
- d. To promote, conserve and maintain the health, safety, welfare, convenience, comfort and enjoyment of the property owners within said development and any additional property which may be subsequently added to the said development.
- e. To own, acquire, hold, lease, convey, mortgage, dispose of by deed or otherwise, all forms of property, real or personal, and all kinds and forms of interests therein.
- f. To own, acquire, build, operate and arrange, when applicable, with local municipalities and or companies to maintain streets, sidewalks, footways, parking areas, drives, commons, maintenance areas, utility lines, recreation areas, playgrounds, athletic areas, picnic areas, swimming pools, and like facilities, including buildings, structures and all personal properties incidental thereto, all of which are hereinafter referred to as the "Common Area".
- g. To administer and enforce terms, conditions, covenants, charges, assessments, restrictions, agreements, and regulations thereupon, under and subject to which the property or any part thereof may now or hereafter be acquired, held, used, possessed, occupied, sold, or in any manner disposed of, and to fix and provide any such terms, conditions, covenants, charges, assessments, restrictions, agreements, and regulations and administer, enforce, alter, amend, change, add to, extend, waive, or terminate, in whole or in part, any of the same.
- h. To provide, through the appropriate local municipalities and or companies, the property owners or any part thereof to the extent deemed necessary and or appropriate by the Board of Trustees with: (1) water service and other utility services not otherwise provided, (2) garbage and trash collection, (3) fire and police protection, (4) services supplemental to municipal services, (5) maintenance service, and (6) such other services as may be deemed necessary and/or appropriate by the Board of Trustees.
- i. To pay taxes, if any, on any property owned by the Association, and to obtain and maintain insurance of such type and in such amounts as may be deemed necessary and or appropriate by the Board of Trustees, including, but not

limited to, insurance for personal injury and property damage insurance on the property owned by the Association, and the trustees' and officers' liability insurance.

- j. To fix, levy, collect, and enforce assessments or charges against all or any part of the said development and the property owners or users thereof, to pay for the fulfillment of the functions performed by it, and to invest proceeds so received in the excess of the current needs and hold and use the same for future uses consistent herewith.
- k. To do any other thing that is necessary, expedient, incidental, appropriate, or convenient to the carrying out of the forgoing duties, and, insofar as permitted by law, to do any other thing that, in the opinion of the Board of Trustees will promote the common benefit and enjoyment of the property owners of the said development.
- l. To borrow money, and with the approval of a Majority of Members eligible to vote, to mortgage, pledge, deed in trust, hypothecate, or otherwise encumber any or all of its real or personal property.
- m. To have and exercise any and all powers, rights and privileges which a Corporation organized under Chapter 1702, of the Ohio Revised Code, may now or hereafter have or exercise by law, provided that if any activities of the Association should subject any receipts by it to income taxes under the Internal Revenue Laws of the United States, notwithstanding any other provisions hereof, the Board of Trustees of the Association may, in their sole discretion, discontinue any activity that would so subject any receipts to income taxes.
- n. To purchase such insurance as the Board of Trustees deems proper including "Directors and Officers" Coverage.

Section 10.2 Management Agent. The Board of Trustees may contract or employ for the Association a management agent at a compensation established by the Board of Trustees to perform such duties and services as the Board of Trustees shall authorize, including, but not limited to the duties listed in Section 10.1 hereof.

Section 10.3 Delegation of Authority, Management, Contracts. The Board may delegate all or any portion of its authority to discharge its responsibilities to a managing agent. This delegation of authority and responsibility to a managing agent may be evidenced by one or more management contracts which may provide for the payment of reasonable compensation to such managing agent as a common expense provided, however, that any agreement for professional management shall be terminable by the Association for cause on thirty (30) days' written notice; shall be terminable by either party without cause and without penalties, on written notice of ninety (90) days or less; shall not exceed one (1) year unless renewed in writing by agreement of the parties for successive one-year periods.

Section 10.4 Books, Financial Statements and Audit. The Board of Trustees shall cause to be maintained a full set of books and records showing the financial condition of the affairs of the Association in a manner consistent with generally accepted accounting principles. The Board of Trustees may, at its sole discretion, provide an audited statement for the preceding fiscal year. An annual operating statement reflecting income and expenditures of the Association shall be available to each Member, upon request, within ninety (90) days after the end of the fiscal year.

Section 10.5 Budget and Financial Statement. Financial statements for the Association shall be prepared regularly and copies made available to each Member, upon request.

Section 10.6 Fidelity Bonds. The Board of Trustees may require that all Trustees and employees of the Association handling or responsible for the Association funds shall be insured by adequate fidelity bonds. The premium on such bonds shall be paid by the Association.

ARTICLE XI OBLIGATIONS OF THE MEMBERS AND OWNERS

Section 11.1 Fees. It is the policy of the Board of Trustees to legally generate a consistent, inexpensive, and equitable source of revenue that enhances community harmony and to compensate for the cost incurred to manage and enforce the Articles of Incorporation, this Code and other Rules and Regulations as set forth by the Board of Trustees. The members' and owners' obligations are as follows:

- a. All members in Categories 1, and 2, are to pay the annual Association membership fee. If a Category 1 member with multiple inhabitable dwellings wishes to exercise their voting rights for each inhabitable dwelling, the annual Association fee is to be paid for each property with an inhabitable dwelling. The payment amount and due date of payment of the annual Association membership fee will be in accordance with the Rules and Regulations as set forth by the Board of Trustees.
- b. Failure to pay the annual association membership fee will result in the loss of the privileges stated in Section 2.3 of this Code.

ARTICLE XII AMENDMENTS TO THE CODE OF REGULATIONS

The Code of Regulations may be amended by the Association at a biannual general meeting or at a duly constituted special meeting of the Association for such purpose as provided in the Articles of Incorporation. No amendment to the Code shall take effect unless approved by at least a Majority of Members *present at said meeting*, or such other percentage as herein otherwise approved.

ARTICLE XIII CONFLICTING PROVISIONS

In case any of the Code of Regulations conflict with any provisions of the laws of the State of Ohio, such conflicting Code of Regulations shall be null and void upon final court determination to such effect, but all other Code of Regulations shall remain in full force and effect. In case of any conflict between the Articles of Incorporation and the Code, the Articles shall control.

ARTICLE XIV INDEMNIFICATION AND INSURANCE

Section 14.1 Certain Definitions. For the purpose of this Article, "agent" means a person who is or was a, Trustee, employee or other agent of the Association, or is or was

serving at the request of the Association as a, Trustee, employee or agent of another Association, or was a Trustee, employee or agent of an Association which was a predecessor Association of the Association; “proceeding” means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and “expenses” includes, without limitation, attorneys’ fees and costs.

Section 14.2 Indemnification. This Association shall and does hereby indemnify and hold harmless every person who is or has been a member of the Board of Trustees, agent or employee of the Association including those prior to the incorporation and his or her heirs and legal representatives, who was or is a party or is threatened to be made a party to any proceeding, (other than an action by or in the right of this Association to procure a judgment in its favor), by reasons of the fact that such person is or was an agent of this Association, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Association and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Association or with respect to any criminal proceeding that the person had reasonable cause to believe that the person’s conduct was unlawful. However, no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Association in the performance of such persons’ duty to the Association, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall deem proper.

The foregoing right of indemnification shall be in addition to any other rights to which any person seeking indemnification may be or become entitled by law, vote of the Association eligible voters or disinterested Trustee(s) of the Association or otherwise.

Section 14.3 Liability Insurance. The Association may purchase and maintain insurance on behalf of any agent of the Association against any liability asserted against or incurred by the agent in such capacity or arising out of the agent’s status as such, whether or not the Association would have the power to indemnify the agent against such liability under the provisions of this Article.

ARTICLE XV MISCELLANEOUS

Section 15.1 Checks, Drafts, and Documents. All checks, drafts and other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Association shall be signed or endorsed by such person or persons, and in such manner as, from time to time, shall be determined by resolution of the Board of Trustees.

Section 15.2 Execution of Documents. The Board of Trustees, except as in this Code of Regulations otherwise provided, may authorize any Trustee, agent or agents, to enter

into any contract or execute any instrument in the name and on the behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Trustees, no Trustee, agent or employee shall pledge the Association's credit or to render the Association liable for any purpose or in any amount.

Section 15.3 Inspection of the Code of Regulations, Books and Records. The Association shall keep in the Association's office or at any place in Licking County that the Board so chooses, for the transaction of business the original or a copy of this Code as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Members at all reasonable times during business hours. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Code of Regulations and the Articles of Incorporation are available for inspection by any Member at the principal office of the Association, where copies may be obtained for a reasonable cost.

Section 15.4 Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year except the first fiscal year shall begin on the date of incorporation.

Section 15.5 Membership Book. The Association shall keep and maintain for the transaction of business a book containing the name and address of each member. Termination or transfer of the ownership of any property by any owner shall be recorded in the books together with the date on which such ownership was transferred, and the new owner shall be incorporated into the book in accordance with the provisions of the Code of Regulations, and the Articles of Incorporation.

ARTICLE XVI RULES AND REGULATIONS

Rules and Regulations may be created by the Board of Trustees as may be necessary to implement this Code or for the proper functioning of the Association. These rules and regulations shall be updated, as needed, annually and be made available to all property owners.

ARTICLE XVII PARLIAMENTARY AUTHORITY

The rules contained in the current edition of Roberts Rules of Order shall govern the Cranberry Bay Homeowners Association in all cases to which they are applicable and in which they are consistent with this Code and any special rules of order the Association may adopt.