

**CODE OF REGULATIONS
OF
LAUREL GLEN HOMEOWNERS' ASSOCIATION, INC.**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is **Laurel Glen Homeowners' Association, Inc.** The principal office of the corporation shall be located in Brunswick, Ohio.

**ARTICLE II
DEFINITIONS**

Section 2.1 The following words when used in these Code of Regulations (unless the context shall prohibit) shall have the following meanings:

(a) "Association" shall mean and refer to Laurel Glen Homeowners' Association, Inc., an Ohio nonprofit corporation, formed for the purposes of maintaining and administering the Common Areas in the subdivision comprising the Laurel Glen Subdivision, providing services of general benefit to the Owners of Lots within Laurel Glen Subdivision, administering and enforcing these Code of Regulations, collecting and disbursing the assessments and exercising the other functions hereinafter provided for.

(b) "Laurel Glen Subdivision" shall mean and refer to the land identified in the Master Development Plan and any additions made thereto, and which shall be subject to the Declaration as and when Laurel Glen Subdivision Plats are recorded incorporating such Lands.

(c) "Builder" shall mean any owner, other than the Developer, who purchases a lot for the purpose of constructing a residence for resale.

(d) "City" shall mean the City of Brunswick, Ohio.

(e) "Common Areas" shall mean and refer to all areas of land designated on any recorded subdivision plat of Laurel Glen Subdivision, which are intended to be devoted to the common use and enjoyment of all the Owners within Laurel Glen Subdivision.

(f) "Declaration" shall mean the Declaration of Restrictions, Covenants, Easements and Conditions recorded in Document number 2001OR029864 of the Medina county Recorder's Office, State of Ohio, as the same may, from time to time, be amended.

(g) "Developer" shall mean and refer to Knight Development Corp. and its affiliated corporations, collectively and/or individually as the context requires.

(h) "Master Development Plan" shall mean the Master Development Plan of the Laurel Glen Subdivision which was approved by the City of Brunswick, as the same may, from time to time, be amended.

(i) "Lot" shall mean and refer to any subplot shown upon any recorded subdivision plat of Laurel Glen Subdivision.

(j) "Member" shall mean and refer to those persons entitled to membership as provided in the Articles of Incorporation of the Association and in this Code of Regulations.

(k) "Owner" shall mean and refer to any and all owner or owners of record, whether a person or an entity, of a fee or undivided fee simple title to any Lot situated within the Laurel Glen Subdivision, but shall not mean or refer to the Developer or a mortgagee unless and until such mortgagee has acquired such title pursuant to foreclosure or any proceeding in lieu of foreclosure.

ARTICLE III **MEMBERS AND VOTING RIGHTS IN THE ASSOCIATION**

Section 3.1 Members. Every Owner shall automatically become a Member of the Association for so long as he is an Owner, provided that any such person or entity who holds such interest merely as a security for the payment of money or performance of an obligation shall not be a Member. The Developer shall be a Member until it has conveyed every Lot owned by it to an Owner.

Section 3.2 Voting Rights. Membership in the Association shall be divided into Class A Members and Class B Members.

Class A. Class A Members shall be all Owners other than the Developer. Class A Members shall be entitled to one vote for each Lot. In the event a Lot is owned by more than one owner, the owners shall not be entitled to more than one (1) vote with respect to any such Lot.

Class B. Class B Members shall be the Developer or any of its affiliated corporations owning Lots in Laurel Glen Subdivision. Each Class B Member shall be entitled to four (4) votes for each Lot owned by it. As used in this Section 3.2, the term "Lots" shall include lots reflected in the Master Development Plan, whether or not part of a recorded Subdivision Plat. The Class B Membership shall cease at such time as the Developer has sold and conveyed all of the Lots.

Section 3.3 Termination of Membership and Suspension of Privileges. Membership in the Association shall continue only so long as the Member is the owner of record of one (1) or more Lots and shall terminate automatically upon the cessation of such ownership. The membership rights of any Member may be suspended by action of the Board of Directors if any Member has failed to pay when due any assessment or charge lawfully imposed upon such Member or any Lot owned by such Member, or if the Member, his family, his tenants or his guests, or any of them, shall have violated any rule or regulation of the Board regarding the use of the residential unit on his Lot or the Common Areas.

Section 3.4 Membership Book. The Association shall keep a Membership Book containing the name and current address of each Member and the date of admission to membership, and upon termination of membership, the date of and facts relating to such termination shall be entered in the Membership Book.

ARTICLE IV MEETINGS OF MEMBERS

Section 4.1 Annual Meeting. The Annual Meeting of Members for the election of Directors, the consideration of reports to be laid before such meeting, and the transaction of such other business as may be specified in the Notice of the Meeting. The first Annual Meeting of Members shall be held in 2006 on such date and at such time and place as the Directors named in the original Articles of Incorporation of the Association (the "Initial Directors") shall determine (the "Annual Meeting") and in each succeeding year, on such date and at such time and place as the Board of Directors shall determine, within four months following the close of each fiscal year of the Association.

Section 4.2 Special Meetings. A Special Meeting of the Members shall be held on the call of the President, Vice President, or Secretary, when any such officer deems it necessary or desirable or when requested to do so in writing signed by Members holding 25% or more of the votes of the membership, or by a majority of the Directors by action with or without meeting. Calls for Special Meeting shall designate the time, place and purpose thereof; and no business not mentioned in the call shall be considered at any Special Meeting.

Section 4.3 Notice of Meetings. Unless otherwise provided by law, the covenants and restrictions set forth in the Declaration or the Articles of Incorporation of the Association or this Code of Regulations, the Secretary shall give written notice of the Annual or any Special Meeting not less than 10 days nor more than 60 days prior thereto to each Member entitled to vote thereat at his address as it appears in the Membership Book or as supplied by such member to the Association for the purpose of notice. All such notices shall state the time, place and purpose or purposes of the meeting and, if Directors are to be elected thereat, the number of vacancies to be filled and the names and candidates nominated to fill such vacancies by the Board of Directors or a Nominating Committee of the Board of Directors. Any Member who attends any such meeting without protesting lack of proper notice prior to or at the commencement of the meeting shall be deemed to have waived notice of such meeting.

Section 4.4 Quorum. The presence at a meeting of Members in present or by proxy holding not less than one-third (1/3) of the aggregate voting power of the Members will constitute a quorum. If, however, such quorum shall not be present or represented at any meeting, Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. At any resumption of an adjourned meeting, any business may be transacted which might have been transacted if the meeting had been held as originally called.

Section 4.5 Proxies. Any Member may be represented at any meeting of Members, cast thereat all votes to which said Member is entitled with respect to any matter or matters brought before such meeting, execute consents, waivers and releases, exercise any other rights by a written proxy or proxies, signed by said Member, and filed with the Secretary prior to or at the commencement of the meeting. If the Member is a natural person, such proxy or proxies may be

granted to said Member's spouse (whether or not such spouse is a Member) or to any other Member. When the Member is a corporation or partnership, such proxy or proxies may be granted to any duly authorized representative thereof; provided, however, that if such Member is a corporation and the representative of that corporation is not the Chairman of the Board, President, Vice-President, Secretary or Treasurer of said corporation, then before the votes of said corporation can be cast, it shall present to the Association a certified copy of the Regulations, the By-Laws or Resolution of the Directors, Directors or Executive Committee of said corporation stating that the authority to vote is vested in the representative of said corporation. Said proxy or proxies shall be valid only for the meeting for which it is given or any readjustment thereof; provided, however, that no proxy shall extend beyond the adjournment of said meeting if there should be a quorum present at the time of such adjournment. A proxy shall automatically cease with respect to the vote or votes allocated to a Lot upon termination of the Member's interest as owner of such Lot.

**ARTICLE V
DIRECTORS**

Section 5.1 Board of Directors.

(a) The initial Board of Directors shall consist of four (4) Directors who shall be the Initial Directors designated in the Articles of Incorporation of the Association. The Initial Directors shall serve until the first Annual Meeting of the Association or until such time as their successors are elected.

(b) The Board of Directors may be expanded to up to seven (7) Directors by the affirmative vote of the Board of Directors. If the Board of Directors is not otherwise expanded at the time that the Class B Membership ceases to exist and is converted into Class A Membership as provided in Section 3.2, the Board of Directors shall at such time be increased to seven (7) Members.

(c) Each year following the initial Annual Meeting of the Directors, the Board of Directors or a Nominating Committee selected by the Board of Directors shall, prior to the giving of notice of the meeting at which Directors are to be elected, nominate candidates for the office of each Director whose term is to expire that year. Any additional nomination shall be made by written notice signed by not less than five (5) Members and given by personal delivery or by mail to the Secretary at least ten (10) days before the date of such Annual Meeting. Any number of nominations may be made by separate written notices in such manner.

(d) Each candidate for the office of Director shall be a natural person who is, or, in the case of a corporation or partnership which is a Member (other than representatives of the Developer) who is duly authorized to represent, a Member in good standing of the Association.

Section 5.2 Term of Office. Except as otherwise provided herein, the term of office of a Trustee shall be for three (3) years, except that the term of office of the Trustee elected at the first Annual Meeting of the Members shall be determined by lot—the term of offices of two (2) Trustees to expire on the date of the second Annual Meeting of Members and two (2) Trustees to expire on the date of the third Annual Meeting. At each Annual Meeting of Members after the first, Trustees shall be elected to replace the Trustees whose terms expire on the date of such meeting. No Trustee (except an initial Trustee or a representative of the Developer) shall serve more than three (3) consecutive terms of office as a Trustee. In order to maintain continuity of the Board, if

new candidates do not come forth, the Board may, on a case by case basis, suspend the rule that a member cannot serve more than two (3) consecutive terms. If the Board of Trustees is expanded, the Board shall stagger the terms of additional new Trustees so that the number of Trustees with terms expiring in one year and terms expiring in two years will be as balanced as possible. Each Trustee shall serve until his term expires and his successor is elected and qualified or until the earliest vacation of his office pursuant to Sections 5.3 hereof.

Section 5.3 Vacancies: Removal. The office of a Director shall be deemed vacant upon the death, removal or resignation of a Director or at such time as a Director no longer meets the qualifications necessary to hold such office. Any Director may be removed from office, with or without cause, and the vacancy created thereby filled, by the affirmative vote of a majority of the voting power of the Membership at a Special Meeting of the Members called for such purpose. The Board of Directors may appoint an interim Director to fill any vacancy and such interim Director shall serve until the next succeeding Annual Meeting of the Members. The Director appointed by the Directors to serve the interim period until such Annual Meeting may be elected to complete the term respecting such vacancy, and a Director elected by the Members to complete a term respecting a vacancy may be elected by the Members to a regular term of office as Director upon the expiration of his term as an interim Director. During any period that a vacancy exists, the remaining Directors shall continue to act with the powers and authority of the full Board of Directors.

Section 5.4 Compensation. No Director shall receive compensation for any service rendered to the Association by such Director. However, any Director may be reimbursed for expenses incurred in the performance of such Director's duties.

Section 5.5 Meetings of Directors. An Annual Meeting of the Board of Directors shall be held immediately following the Annual Meeting of Members. Other Regular Meetings of the Board of Directors shall be held at such specified regular time and place and at such intervals as shall be fixed by the Board. Special Meetings of the Board of Directors may be held upon call of the President, the Vice-President or the Secretary, and shall be called upon request of any three Directors. All meetings of the Board of Directors shall be held at any place in Medina County, Ohio.

Section 5.6 Notice of Meeting. Notice of the time and place of the Annual Meeting of Directors and any Special Meeting of the Board of Directors shall be served upon or mailed to each Director at his address as it then appears upon the records of the Association, at least seven (7) days prior to the time of the meeting. No notice shall be required for Regular Meetings of the Board of Directors, provided that the meeting at which the regular time and place for such Regular Meetings was fixed was duly called and held and copies of the minutes of such meeting were sent to each Member of the Board not present thereat; otherwise, notice of Regular Meetings shall be given in the same manner as for Annual and Special Meetings. Notice of the time and place of any meeting of the Board of Directors may be waived, in writing, either before or after the holding of the meeting, which writing shall be filed with or entered upon the records of the meeting. The attendance of any Director at a meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed a waiver of the notice of the meeting.

Section 5.7 Quorum. To constitute a quorum at any meeting of the Board of Directors there shall be present not less than one-half of the Directors then in office, but if at any meeting of the Directors there is present less than a quorum, a majority of those present may adjourn the

meeting from time to time until a quorum shall attend without any notice other than by announcement at said meeting. Each Director at the time any vote or action of the Board of Directors is taken upon any matter shall be entitled to cast one vote with respect thereto. The act of a majority of the Directors present at a meeting at which a quorum is present is the act of the Board of Directors. No Director may vote by proxy.

Section 5.8 Duties and Powers of Director. The Board of Directors shall have general charge of the affairs, business, property and assets of the Association. It shall be the duty of the Directors to provide for the execution and discharge of the functions and responsibilities of the Association set forth in the Declaration and to carry out the other aims and purposes of the Association, including, without limitation, the following:

(a) To provide by rule for Regular and Special Meetings of the Board of Directors and the methods of transacting business thereat;

(b) To establish uniform, reasonable rules governing the use of the Common Areas by Members and guests, including, by way of example and not limitation, the setting of reasonable admission fees and other fees for such use, and the conditions under which and extent to which persons other than Members may be permitted to use such property;

(c) To provide for the operation, maintenance, construction, repair and replacement of the Common Areas, including, but not limited to, the streets, recreational and landscaped areas and facilities of the Association, and for the protection of the Association's property, real estate, equipment, and recreational facilities; to purchase additional equipment and other items deemed advisable (excluding real estate); and to provide for the protection of the Association, its Members, and their guests in the use of the Association's property and facilities;

(d) To exercise on behalf of the Association such rights of approval as may be required or permitted by this Code of Regulations or in the Declaration;

(e) To levy annual dues and/or propose special assessments when appropriate in accordance with Section 9 hereof against each Lot and to collect and disburse the same;

(f) To supervise compliance with and when necessary to enforce the Declaration, the rules and regulations promulgated by the Board of Directors, the provisions of the Articles of Incorporation of the Association and the provisions of this Code of Regulations;

(g) To bring suit, at law or in equity, to enforce the restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Articles of Incorporation, the Declaration or this Code of Regulations;

(h) To prepare a roster of the Lots in Laurel Glen Subdivision and a list showing the status of payment of assessments applicable thereto, which roster and list shall be open to inspection by any Member;

(i) To require the bonding of all officers and other persons regularly handling Association funds, the premiums for which shall be paid by the Association from the annual assessment;

(j) To provide for the publication and distribution to Members of Rules and Regulations, Notices and other information (including, in the discretion of the Board of Directors, general social information of interest to Members); and

(k) To inform new Owners or their lessees and guests of their privileges and obligations as Owners of a Lot.

ARTICLE VI **OFFICERS**

Section 6.1 Election and Qualifications of Officers. The Board of Directors at each Annual Meeting of the Board or, if not thereat, at any meeting of Directors called for such purpose shall elect the following officers, each to serve at the pleasure of the Board until the next Annual Meeting of the Directors and until his successor is elected and qualified or until his earlier death or removal from office — a President, a Vice President, a Secretary, and a Treasurer, and such other additional Vice Presidents and officers or assistant officers as the Directors may deem necessary. Except for the President and Vice President, one person may hold two or more offices. The President shall be a Director, but the remaining officers need not be either Directors or Members. Vacancies in any of the above-named offices shall be filled by the Board of Directors for the unexpired term within thirty (30) days after the occurrence thereof. No officer shall be entitled to, or shall receive, any compensation for services rendered to the Association as an officer; provided, however, that the Board of Directors may authorize the reimbursement to any officer of expenses necessarily incurred by him in the performance of his duties as an officer.

Section 6.2 President. The President shall preside at all Meetings of Members and Directors and perform generally all duties usual and incident to such office, and such other and further duties as may from time to time be required of him by the Members or Directors. He shall be, ex officio, a member of all Committees.

Section 6.3 Vice President. The Vice President(s) shall perform generally all duties usual and incident to such office, such other and further duties as may from time to time be required of him by the Members, Directors or President and all the duties of the President in case of the latter's absence or disability. In case both the President and Vice President are absent or unable to perform their duties, the Directors may appoint a President pro tempore.

Section 6.4 Secretary. The Secretary shall keep or cause to be kept the Membership Book in accordance with Section 3.4 hereof, a record of the names and addresses of all Directors, the date each Director became such and upon termination of a Directorship for any cause, the date thereof and the facts relating thereto, and an accurate record of all proceedings at meetings of the Association, of the Directors and of Committees. The Secretary shall give all notices required by law or by this Code of Regulations, shall keep a proper secretary's book, which may be included in the book containing the minutes of proceedings of Members and Directors, and record therein all minutes of meetings of members, Directors and committees and such other matters as shall be proper and necessary. The Secretary generally shall perform all duties usual

and incident to such office and such other and further duties as may be required by the Members, Directors or President.

Section 6.5 Treasurer. The Treasurer shall receive and safely keep all monies, rights, and choses in action belonging to the Association. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer, in conjunction with the President or Vice President, shall sign all checks and notes of the Association. Proper vouchers shall be taken for all disbursements. The Treasurer shall keep an accurate account of the finances of the Association, and all such accounts shall be open for inspection by the Board of Directors or any committee of Members appointed for that purpose by the Membership. The Treasurer shall make or cause to be made an annual audit of the Association books at the completion of each fiscal year, prepare an annual budget, an annual income statement and an annual balance sheet statement to be submitted to the Membership at the Annual Meeting and shall render an account of the standing of the Association at such Annual Meeting and at such other times as the Board of Directors may require. The Treasurer shall perform generally all duties usual and incident to such office and such other and further duties as may be required by the Members, Directors or President.

Section 6.6 Removal. Any officer may be removed from office, with or without cause, by the affirmative vote of a majority of the Directors. The President shall be removed from office upon ceasing to be a Director.

Section 6.7 Delegation of Duties. In the absence of any officer of the Association, or for any other reasons the Board of Directors may deem sufficient, the Board may delegate, from time to time, any and all of the powers and duties of such officer to any other officer or to any Director.

ARTICLE VII **COMMITTEES**

Section 7.1 Committees of Directors. The Board of Directors may from time to time create a committee or committees of Directors who shall serve at the pleasure of the Board to act in the intervals between meetings of the Board of Directors and may delegate to such committee or committees all or any portion of the authority of the Board of Directors other than that of filling any vacancy on the Board of Directors or on any committee of the Directors. No committee shall consist of less than three Directors. The Directors shall appoint the Members of any such committee and may appoint one or more Directors as alternate Members of any such committee, who may take the place of any absent Member or Members at any meeting of such committee. Without limiting the generality of the foregoing, the Board of Directors specifically may create the following committees:

(a) **Executive Committee.** The Board of Directors may create and define the powers and duties of an Executive Committee. Such committee shall included the President. Except as aforesaid and except to the extent that its powers are limited by the Board of Directors, the Executive Committee during the intervals between meetings of the Board of Directors shall possess and may exercise, subject to the control and direction

of the Board of Directors, all of the powers of the Board of Directors with respect to the management and control of the affairs of the Association regardless of whether such powers are specifically conferred by this Code of Regulations.

(b) Nominating Committees. The Board of Directors may create a Nominating Committee which shall propose to the Members nominees for Directors and to the Board nominees for officers of the Board of Directors .

(c) Architecture & Design Committee. The Board of Directors may create an Architecture & Design Committee. The Association shall act through the Board of Directors or, in lieu thereof, said Committee to exercise any and all rights granted it by and to fulfill any and all responsibilities incumbent upon it under the Declaration, particularly Section 8.2 thereof, with respect to the approval or disapproval of proposals, plans, designs, specifications and applications submitted by an Owner concerning: the nature, kind, shape, height, materials and location and landscaping of grounds, all as set forth in the Declaration. When acting in this capacity, the Board or the Committee shall enter all decisions rendered in the minutes of its meeting, and a copy of the pertinent extracts of such minutes shall be given to said Owner. The Board or the Committee shall have the right to establish reasonable rules and regulations for the submission and consideration of and the taking of action upon such plans, designs, proposals, specifications and applications as it is required to pass upon by this Code of Regulations or the Declaration. All such plans, designs, proposals, specifications and applications shall be submitted in writing and shall set forth in reasonable detail such information as the Board or the Committee requires, including without limitation, the dimensions, type and style of and the materials to be used to construct any structure subject to review pursuant hereto. Any approval of any particular application, design, plan, specification or proposal shall not be a waiver of the right to reject any similar or identical application, design, plan or proposal thereafter. In the event the Committee or the Board fails to initiate its review of any such plan, design, proposal, specification or application within ninety (90) days after the same has been submitted to it, approval will be deemed to have been granted, and this Section will be deemed to have been complied with fully.

In addition, the Committee may advise the Board of Directors regarding any proposals, programs or activities which come to its attention and which may affect the residential value of the Lots in the Laurel Glen Subdivision.

Section 7.2 Committee Procedures. Each committee shall keep a record and account of its proceedings and transactions. Except as otherwise required by this Code of Regulations, all actions by any Committee shall be reported to the Board of Directors at the Board's meeting next succeeding such action, and shall be subject to control, revision, and alteration by the Board of Directors; provided that no rights of third persons shall be prejudicially affected thereby if the original action of the committee was within the scope of its authority and responsibility. Each committee shall fix its own rules of procedure and shall meet as provided by such rules, by resolution of the Board of Directors or at the call of the President. Unless otherwise provided by such rules or such resolution, the provisions of Section 4.3, relating to the notice required to be given for Special Meetings of the Board of Directors shall also apply to meeting of each committee. A committee may act without a meeting, act in writing or by telegram or by telephone with written confirmation, but no such action without a meeting shall be effective unless concurred in by all members of the committee. Vacancies in each committee shall be filled by the Board of Directors or as the Board may provide.

ARTICLE VIII
INDEMNIFICATION

Section 8.1 Authorization.

(a) The Association shall indemnify in accordance with and to the extent permitted by the terms and provisions of Ohio Revised Code §1702.12(E), as the same may be amended from time to time, any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a Director or officer of the Association, or is or was serving at the request of the Association, as a Director, director, officer, employee, or agent of another corporation (domestic or foreign, non-profit or for profit), partnership, joint venture, trust, or other enterprise.

(b) Each employee, and each retired employee, who is or has been party to a written employment agreement with the Association (excluding agreements to which such employee is only indirectly a party, such as labor union contracts) may be indemnified in the same manner and to the same extent as provided above for a Director or officer.

(c) The indemnification provided by this Section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the Articles, this Code of Regulations, any agreement or vote of Members or disinterested Directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, shall continue as to a person who has ceased to be a Director, officer, employee or retired employee and shall inure to the benefit of the heirs, executors, and administrators of any person entitled thereto.

Section 8.2 Insurance. The Association may purchase and maintain insurance on behalf of any person who is or was a Director or officer or designated agent of the Association, or is or was serving at the request of the Association as a Director, director, officer, employee or designated agent of another corporation (domestic or foreign, non-profit or for profit), partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article or of Chapter 1702 of the Ohio Revised Code.

ARTICLE IX
COVENANT FOR MAINTENANCE EASEMENTS

Section 9.1 Creation of Liens and Personal Obligations of Assessments. The Association shall have the power to levy, pursuant to the authority granted it by the Declaration:

(a) an annual assessment levied in accordance herewith for the purposes of operating, maintaining, constructing, repairing and replacing the recreational and landscaped areas and facilities in the Common Areas, and of administering the affairs of the Association; and

(b) special assessments levied in accordance herewith for improvements or other capital expenditures, including the acquisition of additional property for use as Common Areas, for emergency, operating, maintenance or repair costs, and for other costs and expenses not anticipated in determining the applicable annual assessment.

Each such assessment shall be in the same amount for each Lot in Laurel Glen Subdivision. All annual and special assessments, together with interest thereon as hereinafter provided, shall be a charge upon such Lots if not paid within sixty (60) days after the same have become due and payable, and at such time the Association shall have a lien upon the Lot for which such assessment has not been paid and upon the ownership interest of the Owner of such Lot.

Section 9.2 Annual Assessments.

(a) Until December 31, 2002, the Annual Assessment for the Owner of a Lot shall be One Hundred Eighty and 00/100 Dollars (\$180.00) per year.

(b) Commencing with the year beginning January 1, 2003, and for each year thereafter, the Annual Assessment may be determined by the Developer.

(c) At such time as the control of the Association passes to the Owners, the Board of Directors of the Association may, without vote of the Members, increase the Annual Assessment each year by an amount not more than twenty percent (20%) above the maximum assessment for the previous year. Any increase to an amount more than twenty percent (20%) above the maximum assessment in effect for the previous year must be approved by a majority of each class of Members at a duly called meeting to consider such action.

Section 9.3 Special Assessments. The Association may levy a special assessment applicable to a specified number of years; provided, however, any such assessment shall be approved by the affirmative vote of Members entitled to exercise two-thirds (2/3) of the voting power of the Association. Members shall be given written notice thirty (30) days in advance of the date of the meeting at which such vote shall be taken stating that a special assessment for a stated purpose or purposes will be considered and discussed at such meeting.

Section 9.4 Due Dates of Assessments. Each annual assessment thereafter shall be due and payable on January 1 of the year for which it is levied. The Board of Directors shall fix the due date of any special assessment or installment by its resolution authorizing such assessment, and written notice of such special assessment or installment thereof shall be given to each Owner subject thereto thirty (30) days in advance of such due date. In the event the Initial Conveyance of a Lot (the conveyance by a Builder of a lot upon which a residence has been completed to an Owner) takes place after any assessments in effect have become due and payable pursuant to the foregoing, the amount of any such assessment, prorated by multiplying the total amount of such assessment by a fraction, the numerator of which is the number of days remaining in such year of Initial Conveyance and the denominator of which is 365, together with an amount equal to an additional full years assessment, shall be due and payable upon the conveyance of said Lot. If an annual or special assessment or installment of a special assessment is not paid within thirty (30) days after the due date, it shall be deemed to be in default, and the association may, but is not obligated to, charge up to a Fifty Dollar (\$50.00) per month late fee beginning from the due date of the annual or special assessment. The Association may, after such thirty (30) days, file a notice of lien with respect thereto, stating the amount due,

signed by the President and Secretary of the Association, and duly acknowledged and witnessed, in the office of the Recorder of Medina County, Ohio.

Section 9.5 Statement of Unpaid Assessments. Statements in respect to existence and amount of unpaid liens and assessments shall be provided by the Association to any prospective purchaser or mortgagee of the Lot upon request.

Section 9.6 Exempt Property. The following property shall be exempted from the assessments and liens created herein:

- (a) All properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use;
- (b) The Common Areas as defined in Article I, Section 1(d) hereof; and

Notwithstanding any other provisions herein, no Lot devoted to dwelling use shall be exempt from said assessments or liens.

ARTICLE X **DUTIES AND POWERS OF THE ASSOCIATION**

Section 10.1 Association Duties. The Association shall be responsible for providing:

(a) Suitable maintenance and improvement of and equipment for the Common Areas, including the landscaping, grounds, dams, ponds, streams, storm and sanitary sewers, sewage pumping station and private streets within the Laurel Glen Subdivision, subject to the provisions of the pertinent City ordinances.

(b) Water, sewer, trash collection, electricity, telephone, gas and other necessary utility services for the Common Areas. The Association shall cooperate with the providers of utility services to assist the Owners in securing such services to each Lot and shall, to the extent consistent with decisions of the Association, pay for costs necessary to bring or maintain utility services to the boundary of each Lot.

(c) Property and liability insurance for the Common Areas, fidelity coverage for the Board of Directors and others who are responsible for handling funds of the Association and such other types of insurance as the Board deems desirable. Said insurance shall be in such amounts and with such companies as the Board deems to be reasonable.

(d) Management and supervision for the operation of the Common Areas. The Association shall maintain such policies, programs and procedures as it deems necessary or desirable for the benefit of the Laurel Glen Subdivision and may, but shall not be required to:

- (i) Adopt rules with respect to the use of the Common Areas by the Owners, their families and guests;
- (ii) Engage as needed and supervise employees and agents, including, without limitation, attorneys, accountants, consultants, maintenance firms and contractors; and

- (iii) Delegate all or any portion of its property management responsibilities to a manager, managing agent or company. Such delegations may be evidenced by a management contract which shall provide for the duties to be performed by the managing agent and for the payment to the managing agent of a reasonable compensation.

Section 10.2 Architectural Control. Except for construction undertaken by the Developer to complete the Laurel Glen Subdivision, no building, fence, wall, pavement, patio posts or other structure shall be commenced, erected or maintained nor shall any exterior addition to or change or alteration in an existing improvement be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to appropriateness of function and harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association or by the Architecture & Design Committee established under Section 7.1(c) hereof.

Section 10.3 General. The Association shall perform and carry out all other duties and acts reasonably necessary to give effect to and implement the intent of the provisions of the Articles and the Declaration and to maintain Laurel Glen Subdivision as a first-class residential planned unit development of cluster homes. The Association shall take such actions as it may, in its discretion, deem desirable to assure compliance with all applicable municipal, county, state and federal laws and regulations.

ARTICLE XI **FISCAL YEAR**

The fiscal year of the Association shall be determined by the Board of Directors from time to time, but in no case shall it be earlier than four (4) months prior to the date of the Annual Meeting of Members.

ARTICLE XII **NOTICE**

Any notice, instrument or communication which by the provisions of this Code of Regulations is required or permitted to be given or served shall be deemed to have been sufficiently given or served by personal delivery to the party for whom it is intended or to his residence, or by being deposited, postage prepaid, registered or certified mail, return receipt requested, in the United States mail, addressed to the party for whom it is intended at the address shown in the Membership Book or supplied by such party to the Association for purpose of notice. Any such notice shall be effective upon such service, and any period of time based on such notice shall commence upon such service, except that when service is made by mail as provided herein, two days shall be added to any such period of time.

ARTICLE XIII

REPEALS AND AMENDMENTS

This Code of Regulations may be repealed, modified or amended or a new Code of Regulations may be adopted by the affirmative vote of two-thirds of the voting power of the Association, at any Annual Meeting, Regular Meeting or Special Meeting called for that purpose, provided written notice detailing such proposed action has been furnished to the Membership as provided in Section 4.3 hereof.