

**REGULATIONS  
OF  
THE LAKE LUCERNE CLUB COMPANY**

ARTICLE I. Name

The name of this corporation shall be The Lake Lucerne Club Company (hereinafter referred to sometimes as "the corporation" and sometimes as "The Company"), located in Bainbridge Township (Chagrin Falls Post Office), Geauga County, Ohio.

ARTICLE II. Purpose and Policy

- Section 1.     Purposes.     The purposes of the corporation are as follows:
- (a)     To enter into, make, perform and carry out contracts of every kind, with any person, firm, association or corporation, and to do any acts necessary or expedient for carrying on any or all objects and purposes of the corporation not forbidden by the Articles of Incorporation, its Regulations, or by the laws of the State of Ohio;
  - (b)     To purchase, lease or otherwise acquire and to hold, convey or otherwise dispose of all kinds of property, both real and personal; to manage, insure and maintain all such property; and to build, erect, install, equip and maintain such roads, fences, buildings, water lines, pumps and other types of structures as shall be deemed appropriate for the purpose of The Company;
  - (c)     To borrow money and issue bonds, notes or other obligations, from time to time, securing the payment thereof by mortgage, pledge or deed or trust, subject to membership approval;
  - (d)     To make and enforce rules and regulations and generally to do all acts which may be deemed necessary or proper to carry out the objects and purposes for which the corporation is created;
  - (e)     To enforce the deed restrictions, as set forth in the Lake Lucerne Subdivision, filed for record in the Geauga County Recorder's Office, in Volume 787, pages 34 through 39, as amended by Amendment No. 1, filed for record with the Geauga County Recorder's Office, in Volume 839, Page 992, as the same may be amended hereafter; and
  - (f)     To perform such other and further acts as necessary and appropriate to accomplish the foregoing purposes and policies.
- Section 2.     Nonprofit Corporation. The corporation shall be a nonprofit corporation subject to the provisions of Sections 1702.01 to 1702.99 of the Ohio Revised Code.
- Section 3.     No Dividends. No part of the funds, income or net earnings of the corporation shall inure to the personal benefit of any member of the corporation, and no dividends shall be paid on any of the outstanding shares of stock.
- Section 4.     Membership Book. The Membership Trustee of the corporation shall maintain and keep a current list of the names, by lot, of the Members of the corporation, and shall promptly notify the treasurer of any change of membership.

### ARTICLE III. Members

- Section 1. Qualification. All owners, whether personal or corporate, of lots at the date of adoption of these regulations shall by virtue of such ownership, and upon satisfaction of the corporation's requirements, be members of The Lake Lucerne Club Company. Each lot owner shall be entitled to one vote in The Lake Lucerne Club Company for each subplot owned, provided, however, if there is more than one owner of any subplot, such owners shall be one lot owner and, collectively, entitled to one vote, so that there shall be no more than one vote for each subplot.
- Section 2. Lot Owner Defined. A lot owner is hereby defined as a person or persons, who has legal title to any subplot within the subdivisions. Notwithstanding the foregoing, if said person or persons own more than one subplot, all such sublots are contiguous, and dues are assessed by The Company as if all said sublots were one subplot, said sublots shall be deemed to be one subplot, for all purposes of these Regulations, including, but not limited to the voting rights set forth in Section 1, above. If such person or persons are assessed dues for more than one subplot, then said person or persons shall be a lot owner of each subplot so assessed, and shall be entitled to all rights and privileges as a lot owner for each said subplot. All property owners shall be subject to the rules and regulations of The Company now in force or which may hereafter be adopted. No person shall be a member of The Lake Lucerne Club Company unless he is a lot owner as herein defined.

### ARTICLE IV. Privileges of Membership

- Section 1. Use of Facilities. All members and their families shall be entitled to make reasonable and proper use of the grounds and property of The Club Company, subject to the rules and regulations now in force or which may hereafter be adopted.
- Section 2. Guests. Temporary occupants of homes of members shall be subject to the rules and regulation of The Lake Lucerne Club Company.

### ARTICLE V. Board of Trustees

- Section 1. Membership. The Board of Trustees of the corporation shall consist of seven members plus four officers who are also trustees, all of whom shall serve without pay except as hereinafter provided regarding the corporation's treasurer. The election of the trustees and officers shall be held at the annual meeting or at a special meeting called for that purpose. Each trustee shall be elected for a term of three years, two being elected each year with the remaining three the third year. The officers shall be elected each year as officers and as trustees.
- Section 2. Qualifications. Any lot owner in good standing shall be qualified to serve as an officer or trustee of The Lake Lucerne Club Company.
- Section 3. Vacancies. In the event of a vacancy on the Board of Trustees, said Board shall have the power to fill such vacancies until the next annual meeting.
- Section 4. Power and Duties. The trustees shall have general charge of affairs, finances and property of The Club Company, shall have general control of all committees, and shall present a report at the annual meeting.
- Section 5. Meetings. The Board of Trustees shall hold regular meetings or at any time determined by them and called by the president. The president may call special meetings of the

Board of Trustees and shall call a special meeting upon the written request of four members of the Board. No more than two months shall elapse between meetings.

Section 6. Quorum. The quorum shall consist of no less than six trustees, four of whom must be non-officers and two of whom must be officers.

Section 7. Annual Report. The Board of Trustees shall prepare an annual report to the members consisting of the minutes of the previous annual meeting and special meetings, if any, financial statement, proposed budget, report of the nominating committee, report of the auditing committee, reports of the individual trustees and any other pertinent information or recommendations.

#### ARTICLE VI. Officers

Section 1. Enumeration and Election of Officers. The officers of The Lake Lucerne Club Company shall be president, vice president, secretary and treasurer. Such officers shall vote in the same manner and with the same privileges and qualifications as provided herein for trustees. Officers shall hold office for one year or until their successors are elected.

Section 2. The President. The president shall preside at all meetings of The Club Company and of the Board of Trustees. He shall, with the secretary, sign all written contracts and obligations of the company; he may, in the absence or disability of the treasurer, sign or endorse checks and drafts. He shall be, ex-officio, a member of all committees except the nominating committee. He shall have such usual powers of supervision and management as may pertain to the office of president and perform such other duties as may be designated by the Board.

Section 3. The Vice President. The vice president, in the absence or disability of the president, shall perform all duties of the president. He shall perform such other duties as the president or Board of Trustees may designate.

Section 4. The Secretary. The secretary shall give notice of the annual and all special meetings to the members of The Lake Lucerne Club Company. He shall keep minutes of all meetings of The Lake Lucerne Club Company and of all meetings of the Board of Trustees. He shall conduct the correspondence of The Company and be custodian of its records and documents. He shall sign with the president, all contract and other instruments when so authorized by the Board and shall perform such other functions as may be incident to the office.

Section 5. The Treasurer. The treasurer shall collect and receive all dues, assessments and other monies due to The Lake Lucerne Club Company. He shall be the custodian of these monies, shall deposit them in a financial institution designated by the Board of Trustees, and shall disperse the same when so authorized by the Board of Trustees. He shall maintain such books and records in accordance with accepted accounting principles and present statements to the Board at its regular meetings and an annual report to the annual member's meeting. He shall prepare all necessary tax reports. The treasurer may be compensated as set by the Board of Trustees of may retain an assistant whose selection and compensation shall be approved by the Board.

#### ARTICLE VII. Financial Administration

Section 1. Accounting Year. The accounting year of The Lake Lucerne Club Company shall commence on the first day of January of each year.

- Section 2. Dues. Each member of The Lake Lucerne Club Company, shall pay to the treasurer at the times hereinafter stated annual dues and assessments in such amount of said adopted budget. Said monies shall be used for the necessary expenditures of The Lake Lucerne Club Company.
- Section 2.2 Billing and Payment. During the month of January of each year the treasurer shall send to each member a bill for the amount of his annual dues and assessments. If the dues are paid in full within fifty (50) days after the mailing thereof, they shall be subject to a discount of five percent (5%). The members shall have the option of making semiannual payments of said annual dues and assessments, to wit: one-half thereof on or before the twentieth (20<sup>th</sup>) days of February and July of that year, but in such case no discount shall be allowed.
- Section 2.3 Suspension. Any member who shall fail to pay the annual dues or assessments so determined or who shall fail to pay his indebtedness to The Club Company after the same shall have become due and payable may be suspended by the Board of Trustees from all rights and privileges of The Club and of the property of The Club Company.
- Section 3. Assessments. The Board of Trustees shall have the power and authority, as approved by the membership at its annual meeting, to make a uniform schedule of assessments for improved lots and provide a smaller assessment for unimproved lots. All assessments shall be approved by the Board of Trustees and authorized or approved by the membership at an annual or special meeting called for the purpose. Penalty for nonpayment of assessments shall be the same as nonpayment of dues.
- Section 4. Enforcement of Payment. The Board of Trustees shall have full authority to take any action they deem necessary to collect any indebtedness. The amount of dues, assessments or special assessments, if not paid when due, plus any other charges thereon including interest, if any, shall constitute and become a lien on the lot so assessed or on the underlying real property, and the Board of Trustees may cause to be recorded in the County Recorder's Office for Geauga County a notice of the assessment lien which shall state the amount of such lien, a description of the lot assessed, and the name of the record owner thereof. Such notice shall be signed by the secretary of the corporation on its behalf.
- Section 5. Escrow Account. At each annual meeting the Board of Trustees shall recommend to the membership an amount to be retained in escrow for capital improvements of the water, roads, lakes, dams and parks. The Board of Trustees must also define where these funds will be spent. Such amounts shall be voted upon by the membership at that time and require two-thirds (2/3) of the votes of those present either in person or by proxy for approval. The escrow account must be spent where defined by the Board of Trustees and approved by the membership. The Board of Trustees shall have emergency powers to divert funds from the escrow account through majority vote in an amount no greater than 20% of the annual budget. Any escrow account divergence of more than 20% of the annual budget shall be voted upon at a special or annual meeting by the membership with two-thirds (2/3) of the votes present in person or by proxy but never less than 51% of the total eligible membership votes approving.
- Section 6. Budget. The Board of Trustees shall submit to the annual meeting of the members a carefully prepared budget of the estimated expenditures for the following calendar year. The member shall approve and/or amend the proposed budget with two-thirds (2/3) of the votes of those present either in person or by proxy.

Section 7. Auditing. An auditing committee consisting of three (3) members nominated and elected at the annual meeting shall audit The Lake Lucerne Club Company's books. The auditing committee shall present at the annual meeting a final year-end statement for the previous year and a 10-month statement at the annual meeting. The treasurer shall be an ex-officio member of the auditing committee.

#### ARTICLE VIII. Meetings

Section 1. Annual Meeting. The annual meeting of the members shall be held between November 15 and December 15 of each year. The exact date and location shall be determined by the Board of Trustees and the membership notified at least 30 days prior to the meeting.

Section 2. Order of Business. At the annual meeting of The Club, the order of business shall be as follows:

- (a) A report by the secretary indicating the presence of a quorum as defined in Section 4 hereof;
- (b) Approval of the minutes of the previous annual meeting and special meeting, if any;
- (c) Approval of the treasurer's report;
- (d) Approval of auditing committee's report;
- (e) Approval of the individual reports of the trustees;
- (f) Old business;
- (g) Election of trustees, officers, nominating committee and auditing committee to include recommendations of nominating committee and any nominations from the floor;
- (h) New business: approval of the budget;
- (i) Adjournment.

Section 3. Special Meeting. A special meeting of the membership may be called at any time by the Board of Trustees, or upon written request of at least twenty-five percent (25%) of the members. Notice of any such special meeting and of the purpose thereof shall be given in the same manner as provided in Section 1 of this article.

Section 4. Quorum. Fifty-one percent (51%) of the total membership must be present in person or by proxy to constitute a quorum at all membership meetings of The Lake Lucerne Club Company.

#### ARTICLE IX. Nominations and Elections

Section 1. Nominating Committee. The nominating committee shall consist of three (3) members, not trustees, nominated and elected at the annual meeting to serve until the next annual meeting and who shall not be permitted to succeed themselves as members of the nominating committee. The Board of Trustees shall appoint at their first meeting following the annual meeting a trustee to serve as a non-voting advisor to the nominating committee. The three members shall elect a chairman. Any vacancy on the nominating committee shall be filled by the Board of Trustees. Suggestions for nominations to fill the

offices of trustees, officers, auditing committee and nominating committee may be sent to this committee by any voting member.

Section 2. Purpose. The purpose of the nominating committee shall be to secure consent of and nominate a slate of officers, trustees, nominating committee, and auditing committee.

Section 3. Report of the Nominating Committee. A report of the nominating committee for nominations of officers, trustees, nominating committee and auditing committee shall be submitted to the Board of Trustees thirty (30) days prior to the annual meeting. The report shall also be presented to the annual meeting. Immediately following the presentation of this report, nominations may be made from the floor by any voting member, provided the consent of the nominee shall have been secured.

Section 4. Elections. All elections shall be by ballot unless balloting is waived by a majority of members present. Each member shall be entitled to one (1) vote per subplot as provided in Article III, hereof.

#### ARTICLE X. Voting

Section 1. General Requirements. Provided a quorum exists as defined in Article V, Section 6 or Article VIII, Section 4, as the case may be, and except as otherwise required herein, all actions and votes taken at any meeting of the members, Board of Trustees, or nominating committee shall be taken upon and decided by the affirmative vote of a majority of the members, trustees, or committee members present and voting. In the case of meetings of the members of the corporation, whether annual or special, the members may vote by proxy. Such proxies shall be in writing, dated and signed by the person giving such proxy. If such proxy is not an authorization to vote upon all issues and motions properly before said meeting, it must expressly and explicitly state any limitations on such authority. Proxies may only be directed to members of the corporation. The right to vote by proxy shall not extend to meetings of the Board of Trustees or any committee.

Section 2. Voting upon Special Assessments. In the case of voting upon special assessments only, such special assessments shall be approved or authorized by a two-thirds (2/3) vote of the membership present in person or by proxy at the annual meeting or a special meeting, called in accordance with the provisions of Article VIII, Section 3.

#### ARTICLE XI. Parliamentary Authority

Section 1. Parliamentary Authority. The rules contained in Robert's Rules of Order, Newly Revised, shall govern the organization in all cases to which they are applicable, except as otherwise modified by the membership or by these regulations.

#### ARTICLE XII. Amendments

Section 1. Amendments. These regulations may be amended by a two-thirds (2/3) vote of the membership present in person or by proxy at the annual meeting or a special meeting, called in accordance with the provisions of Article VIII, Section 3, but never less than 51% of the total eligible membership votes. Amendments shall be submitted to the membership in writing at least 30 days in advance of the meeting.

The Lake Lucerne Club Company

Date: \_\_\_\_\_

by \_\_\_\_\_

Its \_\_\_\_\_