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CODE OF REGULATIONS
OF
LEXINGTON FARMS COMMUNITY ASSOCIATION

ARTICLE I

Offices. The Corporation shall have and continually maintain in this state a principal office and a statutory agent. The principal office of the Corporation shall be located in Ohio, and shall constitute the headquarters of the Corporation in which the books, records, correspondence, and other documents of the Corporation shall be kept and maintained and through which office the regular business affairs and transactions of the Corporation shall be conducted and maintained. The Corporation may establish other offices at such other places, either within the State of Ohio, as the Board of Trustees may from time to time decide.

ARTICLE II

Corporate Seal. The Corporation shall have no seal.

ARTICLE III

Membership and voting rights in the association.

3.1 Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot, Living Unit, Proposed Living Unit, (as those terms are defined in the Declarations of Covenants and Restrictions of LEXINGTON FARMS, which is hereinafter referred to as the "Declaration"), shall be a member of the Corporation, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

3.2 Voting Rights. The membership of the Corporation shall be divided into two classes entitled to the rights hereinafter set forth with respect to such classifications.

Class A. Class A members shall be all those Owners as defined in the Declaration, with the exception of Wagler Enterprises, LLC. Class A members shall be entitled to one vote for each Living Unit or Proposed Living Unit in which they hold the fee simple interest or interests. When more than one (1) person holds such interest or interests in any Living Unit or Proposed Living Unit, all such persons shall be members, and the vote for such Living Unit or Proposed Living Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Living Unit or Proposed Living Unit. Voting rights are suspended



unless current with any and all assessments.

Class B. The Class B member shall be Wagler Enterprises, LLC, and shall be entitled to three votes for each Living Unit or Proposed Living Unit owned in the Properties, (as that is defined in the Declaration) provided that the Class B membership shall cease and become converted to Class A membership when the total votes outstanding in the Class B membership equals or is less than the total votes outstanding in the Class A membership. Thereafter, the Class B member shall be deemed to be a Class A member entitled to one vote for each Living Unit or Proposed Living Unit in the Properties owned by it.

Regarding Class A and Class B members, for purposes of determining the votes allowed under this Section as to land of the Properties, which is to be subdivided, but which has not yet been subdivided, the number of Proposed Living Units shall be based on preliminary plat dated 2004 and for specific parcels within LEXINGTON FARMS adjusted by any preliminary plat revisions thereafter; which have been submitted and approved by the Stark County Regional Planning Commission.

3.3 Assessments. Class A Members will be subject to assessment by the Corporation as provided in the Declaration.

3.4 Place of Members' Meetings. Meetings of members shall be held at the principal offices of the Corporation, or at such other suitable location within The city of North Ridgeville, Lorain County, Ohio as the Trustees may determine.

3.5 Annual Member's Meeting. The annual meeting of members will be held at least 30 days prior but no more than 90 days prior to the close of each fiscal year of the Association, or at such other time and date as the Trustees may determine.

3.6 Special Members' Meetings. Special meetings of the members may be called by the Chairman of the Board of Trustees, the Board of Trustees, the President, the Class B member, or upon a written request signed by not less than twenty-five percent (25%) of the Class A members.

3.7 Notice of Members' Meeting. Written notice stating the place, day and time of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) or more than sixty (60) days before the date of the members' meeting, either personally, by regular U.S. mail, by telegram, or by facsimile transmission by or at the direction of the President, the Secretary, or the officers or other persons or members calling the meeting, to each member entitled to vote at such meeting. If mailed, the notice will be deemed to be delivered when deposited in the U.S. mail addressed as it appears on the records of the Corporation, with postage prepaid.

3.8 Members Proxy Voting. A member may vote either in person or by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy

will be recognized as valid after eleven (11) month from the date of its execution unless expressly provided otherwise in the proxy.

3.9 Quorum of Members. Any person present or represented by proxy at a duly called meeting of membership shall constitute a quorum. The vote of a majority of the votes entitled to be cast by the members present or represented by proxy at a meeting at which a quorum is present is necessary for the adoption of any matter voted on by the members, unless a greater proportion is required by Ohio Revised Code Title 5312, the Articles of Incorporation, or any provision of these Regulations.

3.10 Rules of Order. In the absence of any provision to the contrary in these Regulations, Roberts Rules of Order, Revised (as appearing in the latest edition thereof) shall be the parliamentary authority for all matters of procedure.

ARTICLE IV

Trustees

4.1 General Powers of Trustees. The powers of the Corporation shall be exercised, its business and affairs shall be conducted, and its property shall be controlled by the Trustees, except as otherwise provided by the law of Ohio, the articles, or these Regulations, subject to the action of the members.

4.2 Number, Election, Term of Office and Qualifications. The number of Trustees shall be three. The precise number of Trustees may be fixed and from time to time changed by vote of the members at the annual meeting or a special meeting called for that purpose. All Trustees, other than those constituting the first Board of Trustees named in the Articles of Incorporation, shall be members of the Corporation. The Trustees shall be elected at each annual meeting of the Members of the Association or at a special meeting called for the purpose of electing Trustees. At a meeting of Members of the Association at which Trustees are to be elected, only persons nominated as candidates shall be eligible for election as Trustees and the candidates receiving the greatest number of votes shall be elected. The Board may adopt rules regarding nominations and procedure for elections. Election to the Board shall be by secret written ballot and at such elections, the Members or their proxies may cast, in respect to each vacancy, such voting power as they are entitled to exercise under the provisions of the Declaration.

4.3 Nomination of Trustees. Except for Trustees selected by the Declarant, nominations for election of the Board of Trustees shall be made by a Nominating Committee. The Nominating Committee shall consist and be chaired by one Board member, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board at each annual meeting of the Members to serve from the close of such annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine but in no event less than the number of vacancies or terms to be filled.



Nominations shall be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes. Any Member wishing to be considered as a Candidate must be an Owner/Occupant who is in good standing with their Association/Maintenance fees in order to be considered as a candidate.

4.4 Compensation and Expenses. The members of the Board of Trustees shall serve without compensation, except for their reasonable expenses incurred in the performance of the Association. .

4.5 Term of Office. The Trustees constituting the first Board of Trustees as named in the Code of Regulations after the turn over to the Owners will be elected to a one, two and three year term of office in order to stagger the terms, Thereafter, Trustees will be elected for a term of three years and will hold office for the 3 year term for which the Trustee was elected and until a successor has been elected and qualified.

4.6 Resignations. Any Trustee may resign by giving written notice to the Chairman of the Board of the Corporation. Such resignation shall take effect at the time specified therein. Unless otherwise specified therein, the acceptance of a resignation shall not be necessary to make it effective.

4.7 Filling Vacancy. In case a vacancy in the number of Trustees shall occur through death, resignation, removal from office or through an increase in the number of Trusteeships, such vacancy or vacancies may be filled by the vote of a majority of the Trustees remaining in office.

4.8 Quorum and Manner of Acting. A majority of the number of Trustees fixed in or established pursuant to Section 4.2 shall be present at the time of any meeting in order to constitute a quorum for the transaction of business. However, a majority of the Trustees in office shall constitute a quorum for filling a vacancy in the authorized number of Trustees or in the officers of the Corporation. The act of a majority of the Trustees present in person at any meeting at which a quorum is present shall be the act of the Board of Trustees. In the absence of a quorum, a majority of those present in person may adjourn a meeting until a quorum is had. Notice of an adjourned meeting need not be given. The Trustees shall act only as a Board. Individual Trustees shall have no power as such.

4.9 Removal of Trustees. Any Trustee may be removed, either with or without cause, at any time, by a recorded instrument requiring an affirmative vote of not less than 66 2/3rds of all of the members. A Trustee shall automatically and without further action cease to be a Trustee in the event he is adjudicated incompetent by a court of competent jurisdiction and a validly appointed successor, if any, shall succeed to the vacated position as provided for herein.

4.10 Meetings and Notice. Meetings of the Trustees may be called by the



President, or any Trustee, by written notice given at least two (2) days before the date of such meeting, to each Trustee, by personal delivery, facsimile transmission, electronic mail or mail, at his address as it appears on the records of the Corporation. Notice of the time, place, and purposes of any such meeting may be waived in writing, either before or after the holding of such meeting, by any Trustee. Such waiver shall be filed with or entered upon the records of such meeting. The attendance of any Trustee at any meeting either in person or via teleconference of the Trustees without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by such Trustee of notice of such meeting.

4.11 Rules of Order. In the absence of any provision to the contrary, in these Regulations, Roberts Rules of Order, Revised (as appearing in the latest edition thereof) shall be the parliamentary authority for all matters of procedure.

4.12 Executive Committee. The Trustees may, consistent with the provisions of Section 5312 of the Ohio Revised Code, create an executive committee or any other committee of the Trustees. Any committee, including the nominating committee shall be chaired by one member of Board and should require not less than one Trustee, and may delegate to any such committee any authority of the Trustees not otherwise prohibited by law of Ohio, the articles, or these Regulations.

4.13 Powers and Duties of the Executive Committee. The Executive Committee of the Corporation ("Committee") shall be delegated the authority to act when the Trustees are not meeting. Such Committee shall have full authority to act in place and stead of the Trustees and do all things which said Trustees are authorized to do, including but not limited to, the authority to:

- (a) deal with day-to-day policy and administration decisions;
- (b) handle any ministerial functions of the Board of Trustees;
- (c) propose and formulate majority policy decisions which shall be submitted to the Trustees for approval;
- (d) and in general have all power and authority, whether or not enumerated above, necessary and proper to assist the Trustees in managing the Corporation during the intervals between meetings of the Trustees. However, the Committee shall not exceed the authority granted by Section 5312 of the Ohio Revised Code nor exceed the general authority granted to the Trustees by the Code of Regulations.

ARTICLE V

Officers

5.1 Election of officers. Each officer shall be chosen annually from among the Trustees and shall hold office until a successor shall have been duly chosen and qualified, or until death, or until they shall resign, or shall have been removed in the manner hereinafter provided. The same person may occupy, at the same time, any two or more offices, as the Trustees shall deem expedient.

5.2 Number and Titles. The officers of the Corporation shall be a Secretary, a Treasurer, and a President who shall also serve as Chairman of the Board of Trustees.

5.3 Additional Officers. The Trustees may appoint such other officers or agents as the Corporation may require including one or more Assistant Treasurers, Assistant Secretaries, each of whom shall hold office for such period, have such authority and perform such duties as are provided in this Code of Regulations or as the Trustees may from time to time determine. Any such additional officer or agent appointed by the Trustees need not be a Trustee of the Corporation.

5.4 Removal. Any officer may be removed, either with or without cause, by a vote of the majority of the Trustees at any meeting of the Trustees.

5.5 Resignation. Any officer may resign at any time by giving written notice to the President or to the Secretary. Any such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5.6 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause may be filled for the unexpired portion of the term by a majority of the Trustees.

5.7 President and Chairman. The person serving as President and Chairman shall be chief executive officer of the Corporation, shall preside over each meeting of the Trustees, shall prescribe the order of business at each such meeting of the Trustees, and shall have general supervision over the business of the Corporation and over the several officers, subject, however, to the control of the Trustees. He may sign and execute, in the name of the Corporation, deeds, mortgages, bonds, contracts or other instruments authorized by the Trustees, except in cases where the signing and execution thereof shall be expressly delegated by the Trustees or by this Code of Regulations to some other officer or agent of the Corporation and, in general, shall perform all duties incident to the office of the chief executive officer of the Corporation, and such other duties as from time to time may be assigned to him by the Trustees or the Committee. He shall, whenever it may be necessary in his opinion, prescribe the duties for officers and employees of the Corporation whose duties are not otherwise defined. The President and Chairman can delegate any of their corporate responsibilities

to a designated Management Company.

5.8 Secretary. The Secretary shall:

(a) Certify and keep at the principal office of the Corporation the original or a copy of the Code of Regulations, a book of minutes of all meetings of the Trustees and all other corporate records.

(b) See that all notices are given in accordance with provisions of this Code of Regulations or as required by law.

In general, perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the Trustees. The Secretary can delegate any of their corporate responsibilities to a designated Management Company.

5.9 Treasurer. The Treasurer, if required to do so by the Trustees, shall give a bond for the faithful discharge of his duties in such sum, and with such sureties, as the Trustees shall require. The Treasurer shall:

(a) Have charge of and custody of, and be responsible for, all funds and securities of the Corporation, and deposit all such funds in the name of the Corporation in such banks, trust company, or other depositories as shall be selected by the Trustees.

(b) Keep and maintain adequate and correct accounts of the Corporation's properties and business transactions.

(c) Render a financial statement of the condition of the finances of the Corporation monthly to the Board and as requested to any other member.

(d) Receive and give receipt for monies due and payable to the Corporation from any source whatsoever.

(e) In general, perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Trustees. The Treasurer can delegate any of their corporate responsibilities to a designated Management Company.

ARTICLE VI

Contracts, Checks, Drafts, Bank Accounts, Etc.

6.1 Execution of Instruments. The Trustees, except as in this Code of

Regulations otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to a specific instance, and unless so authorized, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit and to render it liable pecuniarily for any purpose or in any amount.

6.2 Loans. No loans shall be contracted on behalf of the Corporation and no negotiable papers shall be issued in its name, unless and except as authorized by Trustees. When so authorized by the Trustees, any officer or agent of the corporation may effect loans and advances at any time for the corporation from any bank, trust company or other institution, or from any firm, corporation or individual, and for such loans and advances may make, execute and deliver promissory notes, bonds or other evidences of indebtedness of the Corporation, and when authorized as aforesaid, as security for the payment of any and all loans, advances, indebtedness and liabilities of the Corporation, may pledge, hypothecate or transfer any and all stocks, securities and other personal or real property at any time held by the Corporation, and to that end endorse, assign and deliver the same.

6.3 Deposits. All funds in the Corporation shall be deposited from time to time to the credit of the Corporation with such banks, bankers, trust companies or other depositories as the Trustees may select or as may be selected by any officer or officers, agent or agents of the Corporation, to whom such powers may be delegated from time to time by the Trustees.

6.4 Checks, Drafts, Etc. All checks, drafts, or other orders for the payments of money, notes, acceptances or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent, or agents, of the Corporation, and in such manner as shall be determined from time to time by resolution of the Trustees.

6.5 General and Special Bank Accounts. The Trustees from time to time may authorize the opening and keeping of general and special bank accounts with such banks, trust companies or other depositories as the Trustees or Committee may select and may make such rules and regulations with respect thereto not inconsistent with the provisions of this Code of Regulations as they may deem expedient.

ARTICLE VII

Indemnity

7.1 Any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed cause of action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than a suit by or in the right of the Corporation) by reason of the fact that he is or was a trustee, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a



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trustee, director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation for expenses (including reasonable attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such cause of action, suit, or proceeding if he acted in good faith in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct his unlawful. The termination of any action, suit, or 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 he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

7.2 Any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed cause of action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a trustee, officer, employee, or agent of the Corporation as a trustee, director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprises, shall be indemnified by the Corporation against expenses (including reasonable attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation. 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 for negligence or misconduct in the performance of his duty to the Corporation unless, and only to the extent that, the court in which such action or suit was brought shall determine, upon application, that despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as such court shall deem proper.

7.3 Any indemnification under section 7.1 and 7.2 (unless otherwise ordered by a court of competent jurisdiction) shall be made by the Corporation only as indemnification of the officer, employee, or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in sections 7.1 and 7.2. Such determination shall be made (1) by the board of trustees by a majority vote of a quorum consisting of trustees who were not parties to such action, suit, or proceeding, or (2) if such a quorum is not obtainable, or even, if obtainable, a quorum of disinterested trustees so directs, by independent legal counsel in a written opinion. Notwithstanding the provision of sections 7.1 and 7.2 of this Article, to the extent that a trustee, officer, employee, or agent of the Corporation has been successful on the merits, or otherwise, in defense of any action, suit or proceeding referred to in such sections, or in the defense of any claim, issue, or matter therein he shall, in any event, be indemnified against expenses (including reasonable attorneys' fees) actually and reasonably incurred by him in connection therewith.

7.4 Expenses incurred in defending a civil or criminal action, suit, or



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proceeding may be paid by the Corporation before the final disposition of such action, suit, or proceeding. Such expenses may be authorized by the board of trustees in a specific case only upon receipt by the Corporation of an undertaking by or on behalf of the trustee, officer, employee, or agent to repay any such amount unless it shall ultimately be determined that he is entitled to be indemnified in such amount by the Corporation.

7.5 The indemnification provided by this Article Seven shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled by any law of the State of Ohio, bylaw, agreement, vote of stockholders or disinterested directors, or otherwise, both as to action taken in his official capacity and as to action in another capacity while holding such office and shall continue as to a person who has ceased to be a trustee, officer, employee, or agent and such rights shall inure to the benefit of such person's heirs, executors, and administrators.

ARTICLE VIII

Fiscal Year. The fiscal year of the Corporation shall be January 1 through December 31.

ARTICLE IX

Notices

Notice and Waiver of Notice. Whenever any notice is required to be given to any Trustee by statute or by this Code of Regulations, whether for a meeting or for some other purpose, it may be given personally or sent to each such Trustee by mail, facsimile transmission, telegram or other form of written communication, charges prepaid, addressed to the Trustees at the address of the Trustees as it is shown on the records of the Corporation. In case such notice is mailed or telegraphed, it shall be deemed given at the time when the same shall be deposited in the United States mail or delivered to the telegraph company. Such mailing, telegraphing or delivery as herein provided shall be deemed legal and personal notice to such Trustee.

Whenever any notice is required to be given to any Trustee by statute or by this Code of Regulations, whether of a meeting or for some other purpose, the Trustee may waive such notice in any manner; and a waiver of waivers in writing signed by a Trustee entitled to said notice, or by telegram, cablegram, facsimile transmission or radiogram, whether given before or after the meeting for the time which such notice is required to be given, shall be deemed equivalent to such notice and all such waivers shall be filed with the records of the Corporation.



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ARTICLE X

Amendments. This Code of Regulations or any part hereof may be altered, amended or repealed by a recorded instrument requiring an affirmative vote of not less than 66 2/3rds of all of the members.

ARTICLE XI

Conflict with Declaration. In the event of a conflict between any provision of these Regulations and the Declaration, the Declaration shall control.

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