

HUDSON PARK ESTATES SWIM CLUB

CODE OF REGULATIONS

I. MEETINGS.

A. ANNUAL MEETING OF SWIM CLUB

The annual meeting shall be held on the first Thursday in October at the clubhouse or at such other place and on such other date in October as shall be designated by the Board of Trustees. At least ten (10) days written notice of the time and place of holding of such annual meeting and the business to be considered thereat, shall be mailed to each member at his last known post office address. The Board of Trustees shall make appropriate provisions for the conduct of all meetings and election consistent with the Code of Regulations.

B. SPECIAL MEETINGS OF SWIM CLUB

Special meetings of the Club may be called at any time by order of the President or by two (2) members of the Board of Trustees. The call for a special meeting shall set forth the purpose of the meeting and the notice thereof shall be mailed to each voting member at least ten (10) days prior to the time of such meeting and no business other than that specified in the call and notice shall be transacted.

C. MEETINGS OF THE BOARD OF TRUSTEES

The Board of Trustees shall hold regular meetings, at such time or times as it may by rule prescribe. A special meeting of the Trustees may be called at any time by order of the President or any two (2) Trustees.

The Secretary shall give notice of each meeting of the Board of Trustees by telephoning each member at least seventy-two (72) hours before the date of the meeting or by mailing said notice to each Trustee at his last known address or at least two (2) days before the date of the meeting. Notice may be waived by any of the Trustees, and any meeting of the Board at which all the Trustees are present, or to the holding of which meeting each Trustee has consented in writing, shall be as valid as if called and notice issued.

D. QUORUMS

A quorum for any meeting of the Swim Club or the Board of Trustees shall be a majority of the lot owners or a majority of the members of the Board of Trustees, respectively. Lot owners may be represented by written proxies, and may appoint other owners or agents to vote for them by such proxies. These written proxies shall be submitted to the Secretary before commencing any meeting at which they are to be used.

II. MEMBERSHIP

A. MEMBERS DEFINED

Each owner of a lot or a fractional share of a lot in the

planned unit development known as Hudson Park Estates, Hudson, Ohio, shall become a member of this Swim Club. Each owner of a lot as shown on the plat of the development as recorded above is hereby a member of the Association, with the right of one vote for each lot owned by said Lot Owner, and the right of a fractional vote for each fraction of a lot owned by said owner. An owner of more than one lot shall be entitled to one vote for each lot owned. The lot owner is deemed to be a member of this Swim Club, and thereafter entitled to the privileges of a member and subject to the obligations of a member, immediately upon the recording of title to a lot or a fractional share of a lot in his, her or its name. A lessee (under a lease for over three years) or a purchaser under a land contract may also become a member of this Swim Club upon a determination by the Board of Trustees that such lessee or purchaser shall be substituted for the lot owner (whether a lessor or a land contract seller) in whose name the title to the lot was or continues to be held. Such membership would be effective upon determination by the Board of Trustees. A beneficial interest in a lot or a fractional share of a lot shall not be considered to be record title thereto.

B. CERTIFICATES OF MEMBERSHIP

Each member shall receive a Certificate of Membership in such form as may be prescribed by the Board of Trustees. Certificates of membership shall not be assigned, sold or transferred. Certificates of membership may only be surrendered to the Club or terminated and in either case, only pursuant to the provisions hereof. So long as a member has any outstanding indebtedness owing to the Club, his certificate of membership may only be terminated, not surrendered. A member who sells his residence in the area described in Paragraph A, above, and moves from the area shall surrender his certificate of membership to the Club. If a certificate is not returned for cancellation on or before the date on which title to a lot is transferred, the Secretary may cancel such certificate upon proper evidence that such certificate will not be returned by the seller of the lot.

C. PRIVILEGES OF MEMBERSHIP

Membership shall entitle the member, all persons of the member's household family, grandchildren of the member under twenty-one (21) years of age and not members of another household family residing in Hudson Park Estates and children or grandchildren by consanguinity or marriage having their usual place of residence more than twenty-five miles in any direction from the swimming pool owned and operated by the Club, to all social privileges of the Club so long as said member is not delinquent in his payment of his membership fee and dues to the Club.

Each member shall also have the right to use of all other Swim Club facilities, including (if such shall be constructed), the club house, tennis courts and other recreational facilities, all however, subject to such rules and regulations as the Board of Trustees may from time to time adopt, and to the provisions and limitations of this Code of Regulations.

Each member shall also have the right:

- (1) To vote at all meetings of the members of the Swim Club, Except that the spouse of a member may exercise the voting rights

of such a member if the member himself does not exercise such right, and either such member or his spouse may vote in person or by proxy;

(2) To share in the assets of the Swim Club upon dissolution thereof;

III. BOARD OF TRUSTEES

A. The management of the Swim Club shall be vested in a Board of four (4) members to be known as the Board of Trustees, who shall be elected from the membership of the Swim Club.

"Spouses of members are also eligible for election to the Board of Trustees; provided, however, that there shall be only one trustee from any member's household family."

B. The Board of Trustees shall have power:

(1) To define the terms of admission to membership;

(2) To fill any vacancy that may occur in any office or in the membership of the Board of Trustees until a successor is elected and qualified;

(3) To make and amend rules for the admission of nonmembers and visitors to the Swim Club premises and for use of nonmembers and visitors of its other recreational facilities;

(4) To make and amend rules for its own government consistent with this Code of Regulations.

(5) To make such other rules and regulations, not inconsistent with this Code of Regulations, as it may deem necessary or advisable;

(6) To fix and remit penalties for the violations of Code of Regulations and rules;

(7) To select the employees and to fix and provide for the payment of salaries or other compensation to the employees;

(8) By a vote of at least three (3) Trustees to suspend a member for any conduct not in violation of the Code of Regulations or rules, but improper and prejudicial to the interest of the Club;

(9) To expend the funds of the Club for the purpose of carrying out the objects and purposes thereof.

C. Three (3) Trustees of the Board shall constitute a quorum for the transaction of business, but less than a quorum may adjourn the meeting to a stated time and place. It shall take the affirmative vote of a majority of those Trustees present to exercise the Trustees' powers unless a larger number is stated herein, in which case the larger number shall be required.

D. The members of the Board of Trustees shall be elected at the annual meeting and shall take office immediately after their election and shall hold office for three (3) years, or until their successors shall be elected and shall qualify, except that the original Trustees shall hold office until there are at least twenty-five members of the Swim Club, following which they may be re-elected or replaced upon a vote of the members at the next succeeding Annual Meeting.

IV. OFFICERS

A. At the first meeting of the Board of Trustees, the Board shall elect a President, Vice-President, Secretary and Treasurer, and such other officers as the Board shall determine. Any officer may serve concurrently as a Trustee.

B. PRESIDENT AND VICE-PRESIDENT

The President, or in his absence the Vice-President shall preside at all meetings of the Club and the Trustees, and shall have general supervision of the affairs of the Club, its property and employees, subject to the Code of Regulations and the direction of the Trustees.

The President, or in the case of his absence, or for any reason he is unable to attend, the Vice-President shall, with the Secretary, sign all written contracts and obligations of the Club and shall perform such other duties as the Board of Trustees may prescribe.

C. SECRETARY

The Secretary shall keep the records of the meetings of the Swim Club and of the Trustees and shall keep a complete list of employees, and shall perform such other duties as from time to time be prescribed by the Board of Trustees.

D. TREASURER

The Treasurer shall collect and keep all monies of the Swim Club and disburse them as directed by the Board of Trustees. The Treasurer shall keep accounts of the Swim Club and books belonging to the Swim Club, shall make monthly reports in writing to the President and Vice-President of money received and disbursed and the amount of funds on hand, shall make a report of the financial condition of the Swim Club at each annual meeting and shall supply the Board of Trustees with such financial data as the Trustees shall direct. All checks must be signed by the Treasurer, and shall be countersigned by the President or in his absence, the Vice-President.

Prior to each Annual Meeting the Treasurer shall prepare an estimate and budget for expected expenditures in connection with the Swim Club facilities and operations, and shall submit the same as part of his report at the annual meeting of the Swim Club. Upon adoption of this budget, or a modification thereof, the proportionate part for each lot shall become the assessment for that lot, said sum to be due at once upon adoption, and payable within thirty (30) days of said adoption, to provide funds for payment of taxes on the Swim Club facilities and of expenses of operations of the Swim Club. If unpaid, within said thirty days, the assessments and any other unpaid assessments shall become liens upon the land pursuant to statute, and the Treasurer without further notice or order shall so certify them.

V. INDEMNITY

A. 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 trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust, (including reasonable attorneys' 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 and 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 was 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.

B. 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, or is or was serving at the request of the corporation as a trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise, 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.

C. Any indemnification under Sections A and B (unless otherwise ordered by a court of competent jurisdiction) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the trustee, officer, employee, or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in sections A and B. 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 provisions of sections A and B 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.

D. Expenses incurred in defending a civil or criminal action, suit or 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.

E. The indemnification provided by this Article Five 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 Swim Club members or otherwise, both as to action taken in his or her 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.

VI. GENERAL PROVISIONS

A. FISCAL YEAR

The fiscal year of the Swim Club shall end on October 31st of each year.

B. AMENDMENTS

The Code of Regulations may be modified, altered or amended by a majority vote of the entire membership, voting in person or by proxy, at any annual meeting or at any adjourned session thereof, or at any special meeting called for that purpose.

C. CONSTRUCTION OF REGULATIONS

The construction of these regulations, when questions concerning them arise in matters involving their application, shall be by the Board of Trustees, whose decisions shall be final and conclusive.

D. DEPOSITORIES OF FUNDS

The Trustees are authorized to select, by appropriate resolution of the Board of Trustees, such depositories as they shall deem proper for the funds of the Club.

E. EMERGENCIES

The President, or in his absence, the Vice-President, with approval of at least one other officer, may order any emergency repairs or maintenance to Swim Club property and access road up to the sum of \$100.00. For repairs or maintenance expenses above such sum, resolution of the Board of Trustees shall be required.

F. CONSENT TO ACTION WITHOUT MEETING

Either or both of the Swim Club and the Board of Trustees may take any authorized action by written consent at any other time than at a regular meeting, according to the procedure for Corporations in Ohio Revised Code Section 1701.54; provided that at least two-thirds of the members of the Board of Trustees, or owners of at least two-thirds of the lots sign and approve minutes or petition for such action.

G. INSURANCE

The officers shall insure all lot owners and tenants and all persons lawfully using any part of the Swim Club property in a minimum amount of \$250,000 each person, \$500,000 each occurrence, for bodily injury and \$5,000 property damage arising from or relating to the Swim Club swimming, tennis and other recreational facilities, and shall also obtain for the benefit of all lot owners fire and extended coverage insurance on all buildings and structures of the Swim Club property in an amount not less than eighty percent (80%) of the fair market value thereof.

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