

**Section 6.17: Duties of the Council Members.** It will be the duty of the Council Members to take the following actions.

- A. Exercise of Authority. The Council will have the duty to exercise all rights, powers and authority of the Society in the manner, at the time, and to the extent that the Council reasonably and in good faith determines to be in the best interest of the Society.
- B. Record of Proceedings. The Council will cause to be kept a complete record of all of its acts and corporate affairs and to present a statement of the record to the Members at the annual meeting of the Members, or at any special meeting when the statement is requested in writing by Members representing one-half (½) or more of the Members.
- C. Supervision. The Council will supervise all officers, employees, volunteers and agents of the Society and see that their duties are properly performed.
- D. Actions Required in Declaration and Other Governing Documents. The Council will take all actions required of the Council as set forth in the Declaration, the Articles of Incorporation, these Canons of Order, Applicable Law, any Governing Document, or duly required by the Association.
- E. Funds. The Council will deposit all funds received on behalf of the Society, if any, in a bank depository which it will approve, and will use the funds solely for the benefit of the Society.
- F. Books and Records. The Council will have the responsibility of keeping books with detailed accounts of the receipts and expenditures of the Society.
- G. Annual Budgets. The Council will determine, prepare and adopt annual budgets, and establish each Owner's share of Assessments.
- H. Collection of Assessments. The Council will take those actions that are reasonably necessary or beneficial to assess and collect Assessments from the Owners in as efficient and cost effective manner as possible. The Council will also, upon request of the Association, serve as the Association's agent for the collection of Assessments levied by the Association upon the Owners in the Neighborhood.
- I. Common Areas. The Council will accept all obligations the Association may delegate to it regarding the care, irrigation, and maintenance of all or any portion of the Community Common Areas within or adjacent to the Neighborhood, and will take those actions that are reasonably necessary or



beneficial to provide for the operation, care, upkeep, improvement and maintenance of those Common Areas in a manner which is consistent with the Declaration.

- J. Enforcement of Covenants, Restrictions and Design Review Standards. The Council will cause the covenants, restrictions and Design Review Standards created by the Declaration to be enforced in a manner which is consistent with the Governing Documents and the directives of the Association.
- K. Forum for Discussion and Input. The Council will facilitate the Society's goal of providing a forum where Owner Members in the Neighborhood will have an opportunity to provide input into matters that affect the Neighborhood.
- L. Coordination and Facilitation of Social Activities. To the extent reasonably possible, the Council of the Society will encourage and facilitate social functions among the Members with the goal of fostering closer relationships and a sense of community involvement among the Members.
- M. Copies of Canons of Order. The Council will issue, or cause an appropriate officer to issue, upon the written request of any Owner Member and after payment of a reasonable fee, a true and accurate copy of these Canons of Order.
- N. Other. The Council will take all other actions required to comply with all requirements of Applicable Law, the Articles of Incorporation, the Declaration, and all other Governing Documents.

**Section 6.18:** Management. The Council may obtain for the Society the services of a professional management agent or agents at such compensation as the Council may establish, and to perform such ministerial duties and services as the Council may authorize. The Council may delegate such powers as are necessary for the managers to perform the assigned duties, but may not delegate any policymaking authority. The Developer or any Related Party may be hired as managing agent or manager.

**Section 6.19:** Accounts and Reports. The following management standards of performance will be followed, unless the Council by resolution specifically determines otherwise:

- A. Accrual Accounting. The Council will utilize accrual accounting, as that term is defined by generally accepted accounting principles.
- B. Generally Accepted Accounting Principles. All accounting and controls should conform to generally accepted accounting principles.



- C. No Commingling. Cash accounts of the Society will not be commingled with any other accounts.
- D. No Remuneration. No remuneration will be accepted by any Council Member, Officer, employee, agent or managing agent from vendors, independent contractors, or others providing goods or services to the Society, whether in the form of commissions, finder's fees, services fees, prizes, gifts, trips, awards or otherwise. Anything of value offered or received will become the property of the Society.
- E. Disclosure of Financial Interest. Any financial or other interest, and any conflict of interest, that the managing agent may have in the form of providing goods or services to the Society will be promptly disclosed to the Council.
- F. Annual Financial Statements. Commencing upon the election of the first Voting Member, financial reports will be prepared for the Association at least annually containing: (i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis; (ii) a statement reflecting all cash receipts and disbursements for the preceding period; (iii) a variance report reflecting the status of all accounts in "actual" versus "approved" budget format; (iv) a balance sheet as of the last day of the preceding period; and (v) a delinquency report listing all Owners who are delinquent in paying any Assessments or other charges at the time of the report and describing the status of any action to collect such Assessments or charges that remain delinquent.
- G. Copies of Annual Reports. An annual report consisting of at least the following will be made available to all Members within One Hundred Twenty (120) days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income) statement; and (iii) a statement of changes in financial position for the fiscal year.

**Section 6.20:** Borrowing. The Council will have the power to borrow money for any legal purpose that the Council deems necessary or beneficial to the proper operation and administration of the Society.

**Section 6.21:** Prohibited Activities of the Council. The Society may, but will not be required to, adopt Rules and Regulations restricting or prohibiting the Society from engaging or participating in certain activities to assure that the Society maintains a neutral



position in potentially sensitive issues beyond the normal scope of the Society's purpose and authority that may be opposed or supported by some, but not all, of the Members of the Community. Furthermore, the Society is strictly prohibited from endorsing, sponsoring, encouraging, contributing to, or otherwise sponsoring any candidate for any political office. The Society is also strictly prohibited from initiating, sponsoring, petitioning, supporting, encouraging, opposing or otherwise participating in any attempt to incorporate the Neighborhood as a separate municipality, or to annex all or any part of the Neighborhood into any other municipality. Finally, the Society is strictly prohibited from taking any action which has been vetoed or completely preempted (either explicitly or implicitly) by the Community Association. However, the restrictions in this Section apply only to actions of the Society as an organization, and will not be construed to limit the individual rights of any Owner to engage in such activities, personally or collectively, separate and apart from the Society.

## **ARTICLE VII**

### **OFFICERS**

**Section 7.01:**        **Designation.** The principal Officers of the Society will be a President, a Vice President, a Secretary and a Treasurer. The Voting Member elected by the Owner Members will automatically also be deemed to be the President of the Society. The alternate Voting Member elected by the Owner members will automatically be deemed to be the Secretary of the Society. The Vice President and the Treasurer of the Society may be elected by the Council. However, to the extent that the Council does not elect such Officers, the President of the Society will also serve as the Treasurer, and the Secretary will also serve as the Vice President.

**Section 7.02:**        **Terms of Office; Vacancies.** The Officers of the Society will hold office until the next annual organizational meeting of the Members and the Council, or until their successors are elected, except in the case of resignation, removal from office or death. The Owner Members may remove the President and the Secretary at any time, with or without cause, by a majority vote of the Owner Members. To the extent that the Treasurer and/or the Vice President are elected by the Council Members, such officers may be removed at any time, with or without cause, by a majority vote of the Council Members. Any vacancy in any office may be filled by the majority vote of the Council Members for the remaining term of the vacant office.

**Section 7.03:**        **President.** The President will be the Neighborhood's Voting Member and chief executive officer of the Society. In addition to the President's duties as Voting



Member, the President will preside at all meetings of the Society and of the Council. Subject to directions of the Council, the President will have general executive supervision over the business and affairs of the Society. The President may execute all authorized deeds, contracts and other obligations of the Society, and will have such other authority and will perform such other duties as may be determined by the Council or otherwise provided for in the Declaration or in these Canons of Order.

**Section 7.04:**        **Vice President.** The Vice President will perform the duties of the President whenever the President is unable to act, and will have such other authority and perform such other duties as may be determined by the Council.

**Section 7.05:**        **Secretary.** The Secretary will be the alternate Voting Member, will prepare and serve all notices required by the Declaration and by these Canons of Order, and will keep the minutes of all meetings of the Members and the Council. In addition to the Secretary's duties as alternate Voting Member for the Neighborhood, the Secretary will have charge of and keep and maintain such books and papers as the Council may direct and will perform all other duties required by the Council.

**Section 7.06:**        **Treasurer.** The Treasurer will have the responsibility for Society funds and securities and will be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Society. The Treasurer will be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Society in such depositories as may, from time-to-time, be designated by the Council. The Treasurer will also prepare an annual budget and statement of income and expenses of the Society and will present them at each annual meeting of Members.

**Section 7.07:**        **Special Appointments.** The Council Members may elect such other Officers as the affairs of the Society may require, each of whom will hold office for the period, have the authority, and perform the duties as the Council may, from time-to-time, determine.

**Section 7.08:**        **Resignations.** Any Officer may resign at any time by giving Ten (10) days written notice to the Council, the President or the Secretary. The resignation will be effective either on the date of receipt of the notice or at any time specified in the notice. Resignation by or removal of the President as an Officer will automatically be deemed to be a resignation as the Neighborhood's Voting Member, and vice versa. Resignation by or removal of the Secretary as an officer will automatically be deemed to be a resignation as the Neighborhood's alternate Voting Member, and vice versa.



**Section 7.09:**        **Signing Requirements.** Any instruments of the Society, including but not limited to agreements, contracts, deeds, leases and checks, must be signed by at least Two (2) Officers of the Society or by the other Person or Persons designated by the Council.

**ARTICLE VIII**  
**COMMITTEES**

**Section 8.01:**        **General.** The Council may appoint such committees as it deems appropriate or beneficial to perform the tasks and functions as the Council may designate by resolution. The Developer, any Owner Member and any Founding Member are eligible to be appointed to and to serve on any committee, unless the resolution of the Council states otherwise. All committee members will serve at the Council's discretion for the periods as the Council may designate by resolution. However, any committee member, including the committee chairperson, may be removed at any time and for any reason by the vote of a majority of the Council.

**Section 8.02:**        **Authority of Committees.** Each committee will operate in accordance with the terms of the Council resolution establishing the committee. Unless otherwise stated in the resolution, or in the Declaration or any other Governing Document, all committees will be advisory in nature, and will not have the authority to take any action that would be binding upon the Council or the Society. All final decisions and actions relating to recommendations of any such advisory committee must be approved in advance by appropriate vote of the Council.

**Section 8.03:**        **Meetings of Committees.** All meetings of committees will be subject to the same notice, quorum, participation and other requirements as apply to meetings of the Council.

**ARTICLE IX**  
**INDEMNIFICATION**

**Section 9.01:**        **General Indemnification.** The Society will indemnify any current or former Council Member, Officer, employee, agent or volunteer of the Society, who was or is a party, or is threatened to be made a party, to any threatened, pending or completed civil, criminal, administrative or investigative action, suit or proceeding, other than an action by or in the right of the Society, in the manner and to the extent provided in Section 1702.12(E) of the *Ohio Revised Code*, as that statute is now in effect or as it may be amended in the future. However, as a condition of indemnification, the person to be indemnified must have acted in good faith and in the best interest of the Society with



respect to the incident or circumstance which is the subject matter of the proceeding that has given rise to the claim for indemnification. This determination will be made in the sole discretion of the Council, excluding any Council Member who is then seeking the indemnification. The termination of any action, suit or proceeding will not create a presumption that the Person did not act in good faith or in the best interest of the Society.

## ARTICLE X

### MISCELLANEOUS PROVISIONS

**Section 10.01:** Amendment of Canons of Order. During the Development Period, only the Developer may amend these Canons of Order. Any amendment by the Developer will not require any notice to, or consent, approval or signature of, the Society, the Council, any Member, or any other Person. After the Development Period, only the Owner Members of the Society may amend these Canons of Order by the affirmative vote of not less than Seventy-Five Percent (75%) of all Owner Members. However, at no time may any provision of these Canons of Order or any of the other Governing Documents be amended in any respect which affects the rights or obligations of the Founding Members without the prior written consent of all of the then living Founding Members.

**Section 10.02:** Dissolution. The Society may only be dissolved in the manner provided in the *Ohio Revised Code*.

**Section 10.03:** Service of Notices. Any notices required or permitted to be given to the Society, the Council, any Officer, or any Members, may be served by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone communication, either directly to the party to be notified or to a person at that party's home or office who would reasonably be expected to communicate the notice promptly to the party; or (iv) telephone facsimile, computer, fiber optics or other electronic communication device, with confirmation of transmission. All notices will be given at the subject party's telephone number, facsimile number, electronic mail number, or sent or delivered to the party's address as shown on the records of the Society. Notices of special meetings of the Council will also be posted in a prominent place within the Neighborhood. Notices sent by first class mail must be deposited into a United States mailbox at least Four (4) business days before the date scheduled for the meeting, event or deadline. Notices given by personal delivery, telephone or other device must be delivered or transmitted at least Seventy-Two (72) hours before the time set for the meeting, event or deadline. Notices to the Society or the Council must be addressed to the President of the Association, unless



otherwise required in the Declaration, these Canons of Order, Rules and Regulations or any other Governing Documents.

**Section 10.04:**     **Non-Waiver of Covenants.** No covenants, conditions, restrictions, obligations or provisions contained in the Declaration or these Canons of Order will be deemed to have been void or waived by reason of any delay or failure to enforce the same, irrespective of the number of violations or breaches that may occur.

**Section 10.05:**     **Conflicts with Other Documents.** If any provision of these Canons of Order conflicts with any provision of the Declaration, then the Declaration will control. If any provision in these Canons of Order conflict with any provision in the Articles of Incorporation, then the Articles of Incorporation will control.

**Section 10.06:**     **Binding Effect.** All agreements and determinations lawfully made by the Society or the Council in accordance with the procedure established in the Declaration and these Canons of Order will be deemed to be binding on all Members and their respective heirs, beneficiaries, executors, administrators, personal representatives, successors and assigns.

**Section 10.07:**     **Severability.** The invalidity of any covenant, condition, restriction, limitation or any other provision of these Canons of Order or of any part of the same will not impair or affect in any manner the validity, enforceability or effect of the rest of these Canons of Order.

**Section 10.08:**     **Gender and Grammar.** As used in these Canons of Order, the singular will be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions in these Canons of Order apply to either corporations, partnerships or individuals, male or female, will in all cases be construed in that manner in order to reach a reasonable and just interpretation of these Canons of Order.

**Section 10.09:**     **Fiscal Year.** The fiscal year will begin on the first day of January each year, except the first year, which will begin at the date of the Incorporation. The fiscal year will be subject to change by the Council Members of the Society.

**Section 10.10:**     **Books and Records.** The books and records of the Society will be available for inspection by any Member during regular business hours. The Articles of Incorporation and Canons of Order will be made available to Members at the offices of the Society. Members will be entitled to purchase copies of the documents for a reasonable cost.



Approved and adopted by the initial Owner Members as the Canons of Order of the Society, effective as of the \_\_\_\_\_ day of August, 2002.

**INITIAL OWNER MEMBERS:**

**STONEHILL DEVELOPMENT, LTD.,**  
An Ohio Limited Liability Company

BY: \_\_\_\_\_  
Robert W. Nutter, Member

BY: \_\_\_\_\_  
Kenneth E. Nutter, Member

**SIMMS SC, LTD.,**  
An Ohio Limited Liability Company  
BY: Charles V. Simms Development  
Corporation, An Ohio Corporation,  
Its Sole Member

BY: \_\_\_\_\_  
Charles H. Simms, President

**This Instrument Prepared By:**

Thomas M. O'Diam  
O'Diam & Associates Co., LPA  
2681 Commons Boulevard  
Beavercreek, Ohio 45431



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**CANONS OF ORDER**

of

**STEEPLECHASE NEIGHBORHOOD SOCIETY, INC.**

**An Ohio Nonprofit Corporation**

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**ARTICLES OF INCORPORATION  
OF  
STEEPLECHASE NEIGHBORHOOD SOCIETY, INC.  
(An Ohio Nonprofit Corporation)**

The undersigned, desiring to form a nonprofit corporation under the nonprofit corporation laws of the State of Ohio, Chapter 1702 of the *Ohio Revised Code*, certifies as follows:

**ARTICLE I  
NAME**

The name of the nonprofit Corporation will be:

STEEPLECHASE NEIGHBORHOOD SOCIETY, INC.

**ARTICLE II  
PRINCIPAL OFFICE**

The place in this state where the principal office of the Corporation is to be located is in Beavercreek Township, Greene County, Ohio.

**ARTICLE III  
PURPOSE AND POWERS**

The Corporation is organized for the purpose of acting as a neighborhood association for the residential neighborhood known as Steeplechase at Stonehill Village (the "Neighborhood"). Stonehill Village (the "Community") is a residential and commercial subdivision located in Beavercreek Township, Greene County, Ohio. In order to carry out this general purpose, the Corporation has, without limitation, the following powers:

- A. To adopt, amend, interpret and enforce a Code of Regulations, to be known as the Corporation's "Canons of Order," and any Rules and Regulations of the Corporation;
- B. To fulfill all of its obligations, and to exercise all of its rights and powers, under these Articles of Incorporation, the Canons of Order, the Declaration and other Governing Documents applicable to the Neighborhood;
- C. To acquire, own, maintain, manage, operate, regulate, improve, modify, repair, replace and take any other necessary or beneficial action with respect to any real or personal property of the Corporation;
- D. To sell, convey, lease, transfer or otherwise dispose of all or any part of, or any interest in, any real or personal property in which the Corporation owns or has an interest;



- E. To prepare, adopt and amend budgets for actual and anticipated revenues, expenditures and reserves relating to the operations of the Corporation;
- F. To determine, fix, levy, collect and enforce payment, by any lawful means, all forms of Assessments and other charges for expenses of the Corporation, according to the terms of the Declaration and the Corporation's Canons of Order;
- G. To serve as a conduit for the billing and collection of any form of Assessments charged by the Association, as applicable to Owners of Lots in the Neighborhood according to the terms of the Declaration;
- H. To provide, perform or otherwise make available or require services for the individual or mutual benefit of Owners of Lots in the Neighborhood, as provided in the Canons of Order for the Corporation;
- I. To impose and collect reasonable fees and charges for providing information or services for which the Corporation is required or permitted to provide under the terms of the Declaration, the Canons of Order, or as delegated to it by the Association;
- J. To pay all costs and expenses arising out of, in connection with, or relating to, the conduct of the business of the Corporation, including without limitation all licenses, fees, taxes, assessments or other governmental charges levied or imposed against the property of the Corporation;
- K. To borrow money, and to incur debts and liabilities, to fulfill the purposes of the Corporation;
- L. To enter into contracts, and to hire, retain and discharge managing agents and other employees, agents and independent contractors necessary or beneficial for carrying out the purposes of the Corporation, and to delegate such authority as it desires to one or more Officers, committees, managing agents, employees, agents or independent contractors as may be permitted in the Canons of Order;
- M. To institute, defend or intervene in any litigation, administrative proceeding, or alternative dispute resolution, in the name of or on behalf of the Corporation, or on behalf of any Owners, pertaining to any matters affecting or relating to the Neighborhood;
- N. To participate in mergers or consolidations with other nonprofit corporations organized for the same or similar purposes;
- O. To be, function and act as the Neighborhood Society for the Neighborhood, and to take all action necessary or beneficial to promote the health, safety and welfare of the Owners, Occupants and Users of the Neighborhood;



- P. To provide a forum for the Owners of Lots in the Neighborhood to elect an individual to serve as the Neighborhood's representative in the Stonehill Village Community Association, Inc., an Ohio non-profit corporation;
- Q. To encourage and facilitate social interaction among the Owners in the Neighborhood;
- R. To exercise any other rights, powers or authority as may be necessary or beneficial for the proper governance, operation and administration of the Corporation; and
- S. To engage in any other lawful act, activity or business for which nonprofit corporations may be formed under Chapter 1702 of the *Ohio Revised Code*, and to have and exercise all powers conferred by Applicable Law on nonprofit corporations.

#### **ARTICLE IV RESTRICTIONS**

The Corporation is not intended to derive pecuniary gain or profit for or from its Members, Directors or Officers. No part of the net earnings of the Corporation will inure to the benefit of, or be distributable to, any Member, Director, Officer or other private persons. However, the Corporation will be authorized to pay reasonable compensation for services rendered for or on behalf of the Corporation, and to make payments for the ordinary and necessary expenses incurred in carrying out the purposes of the Corporation. The Corporation may not engage in any activity which is in violation of any provision of Chapter 1702 of the *Ohio Revised Code*, or that would otherwise disqualify the Corporation as a non-profit organization under applicable provisions of the Internal Revenue Code and Treasury Regulations.

#### **ARTICLE V MEMBERSHIP**

There are Three (3) different types of Members in this Corporation: (i) Owner Members; (ii) Developer Member; and (iii) Founding Members. The qualifications, voting rights, other rights and privileges, obligations, and all other matters pertaining to Membership in this Corporation are described in the Declaration and this Corporation's Canons of Order.

#### **ARTICLE VI DIRECTORS**

There will be Three (3) original Directors of this Corporation. The number of Directors may be increased or decreased at any time in the manner provided in the Canons of Order, but may never be less than Three (3). The Directors will exercise any and all of the corporate



powers provided by these Articles, the Canons of Order, and Applicable Law. The names and addresses of those persons who will act in the capacity of the original Directors of the Corporation until the selection of their successors are as follows:

	<u>Name</u>	<u>Address</u>
1.	Robert W. Nutter	925 Hilltop Road Xenia, Ohio 45385
2.	Kenneth E. Nutter	2750 Nantucket Road Beavercreek, Ohio 45434
3.	Charles H. Simms	2785 Orchard Run Road Dayton, Ohio 45449

**ARTICLE VII**  
**CORPORATE LIABILITIES**

No Member, Director, Officer, employee, agent or volunteer of this Corporation will be personally liable for any debts, liabilities, or other obligations of the Corporation.

**ARTICLE VIII**  
**INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS**

All Directors, Officers, employees, agents and volunteers of this Corporation who are made or threatened to be made a party to any threatened, pending or contemplated civil, criminal, administrative or investigative action, suit or proceeding, other than an action by or in the right of the Corporation, will be entitled to indemnification by the Corporation only to the extent and subject to the terms and conditions provided in the Canons of Order of the Corporation pursuant to Section 1702.12(E) of the *Ohio Revised Code*, as that statute is now in effect or as it may be amended in the future.

**ARTICLE IX**  
**DISSOLUTION**

During the Development Period of the Community, only the Developer will have the right to dissolve this Corporation, without notice to or the consent of any of the other Members of the Corporation. After the Development Period, the Corporation may only be dissolved by the affirmative vote of not less than Seventy-Five Percent (75%) of all of the Owner Members of the Corporation, plus the affirmative vote of not less than Seventy-Five Percent (75%) of the Board of Directors of the Community's Association. Upon dissolution of the Corporation, other than incident to a merger or consolidation, any remaining assets will be distributed in accordance with a plan of distribution adopted by the Developer, the Members or the Directors in the manner provided in the Canons of Order of the Corporation.



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