

Candlewood Lake Association, Inc.

7326 State Route 19 Unit 1507
Mount Gilead, Ohio 43338-9592
www.candlewoodlake.us

AMENDED ARTICLES OF INCORPORATION

As Amended in 2019

All Candlewood Lake handbooks are updated throughout the year. Refer to our website www.candlewoodlake.us
(Contact and Info) for the most current version of Candlewood documents.

CANDLEWOOD LAKE ASSOCIATION, INC.
AMENDED ARTICLES OF INCORPORATION
As amended in May 2019

Incorporated
July 12, 1974

Corporation
Number 455679

	<u>ARTICLE I</u>	
NAME		Page 4
	<u>ARTICLE II</u>	
PRINCIPAL OFFICE		Page 4
	<u>ARTICLE III</u>	
PURPOSE AND POWERS OF THE ASSOCIATION		Page 4
Section 1. Purposes.		Page 4
Section 2. Powers.		Page 5
	<u>ARTICLE IV</u>	
BOARD OF TRUSTEES		Page 7
	<u>ARTICLE V</u>	
MEMBERSHIP		
Section 1. General.		Page 7
Section 2. Voting Members.		Page 7
Section 3. Associate Members.		Page 8
Section 4. Limited Members		Page 9
Section 5. Privileges.		Page 9
Section 6. Assumption of Risk.		Page 9
	<u>ARTICLE VI</u>	
MERGERS AND CONSOLIDATIONS		Page 9
	<u>ARTICLE VII</u>	
AUTHORITY TO DEDICATE		Page 9

CANDLEWOOD LAKE ASSOCIATION, INC.
AMENDED ARTICLES OF INCORPORATION
As amended in May 2019

Incorporated
July 12, 1974

Corporation
Number 455679

ARTICLE VIII

DISSOLUTION

Page 9

ARTICLE IX

DURATION

Page 10

ARTICLE X

AMENDMENTS

Page 10

ARTICLE XI

NOTICE AND QUORUM

Page 10

ARTICLE XII

INDEMNIFICATION

Page 10

**CANDLEWOOD LAKE ASSOCIATION, INC.
AMENDED ARTICLES OF INCORPORATION
As amended May 2019**

**Incorporated
July 12, 1974**

**Corporation
Number 455679**

Candlewood Lake Association, Inc., an Ohio corporation not-for-profit, formed under Ohio Revised Code Chapter I702, hereby amends its Articles of Incorporation. To adapt to changed conditions, the following Amended Articles of Incorporation shall supersede the existing Articles of Incorporation.

ARTICLE I

NAME

The name of the corporation is Candlewood Lake Association, Inc., hereinafter called "the Association".

ARTICLE II

PRINCIPAL OFFICE

The principal office of the Association shall be located at Candlewood Lake, 7326 State Route 19, Mt. Gilead, Ohio, 43338 (Congress Township, Morrow County).

ARTICLE III

PURPOSE AND POWERS OF THE ASSOCIATION

The Association is formed as a not-for-profit corporation under the provisions of Ohio Revised Code Sec. I702. It is not formed for pecuniary gain or profit, and its net earnings, or any part thereof, shall never be distributable to its members, trustees, officers or other private persons. This provision shall be applied, to the maximum permissible extent, so as to come within the meaning of Title 26, United States Code Sec. 528(c) (I976), with respect to "homeowners associations".

Section I. **Purposes.** The purposes of the Association are as follows:

(a) To promote pleasure, social recreation and sports activities for its Voting members, their families and guests and to develop and maintain a recreationally-oriented residential environment at Candlewood Lake Subdivision, Morrow County, Ohio as shown on the plats thereof filed with the Recorder of Morrow County, Ohio (referred to herein as "Subdivision").

(b) To provide a means whereby the streets, and those areas within the subdivision designated as parks, dams, lakes, recreational areas, buildings, utilities, and such other common facilities with the Subdivision as may be conveyed to the Association or established by it, may be owned, operated, maintained, developed, repaired, and replaced.

(c) To provide means for the promulgation and enforcement of regulations necessary to governing the use and enjoyment of the streets, parks, dams, lakes, recreational facilities or other amenities and such other common facilities within the Subdivision as may be conveyed to the Association.

Section 2. **Powers.** The Association shall have the power under Ohio Revised Code Sec. 1702.03 to do whatever is necessary, conducive, incidental, or advisable to accomplish and promote its purposes. In connection therewith, the Association shall have, but shall not be limited to, the following powers:

- (a) To acquire real or personal property by gift, purchase, or other means, and to sell or dispose of it.
- (b) To own, hold, enjoy, lease, operate, maintain, convey, sell, assign, transfer, mortgage or otherwise encumber, or dedicate for public use, any real or personal property owned by it;
- (c) To exercise the powers and functions granted to it in the recorded Deed Restrictions with respect to property within the Subdivision.
- (d) To construct, maintain and operate recreational facilities of all kinds within the Subdivision.
- (e) To care for vacant, unimproved, unkept or unsold lots.
- (f) To construct, maintain, operate, rebuild, repair, beautify and otherwise care for all streets, utilities, dams, project parks, buildings, recreational facilities, easements and drainage improvements within the Subdivision not subject to maintenance by governmental authority.
- (g) To pay taxes and assessments, if any, levied by any governmental authority on property owned by it.
- (h) To enforce charges, easements, covenants, conditions, restrictions and agreements existing upon or created for the benefit of the real property in the Subdivision.
- (i) To appoint such committees as may be necessary or convenient to the discharge of any of its obligations or powers.
- (j) To levy an annual charge upon its members and to declare and enforce liens against property in accordance with the Deed Restrictions.
- (k) To prescribe and enforce motor driven vehicle speed limits within the Subdivision and to control watercraft operation and to impose safety requirements for the lake.

- (l) To take any lawful action to collect any charges not paid and in connection therewith to foreclose any lien granted to the Association.
- (m) To borrow money, contract debts, and issue bonds, notes and debentures, and secure the payment or performance of its obligations.
- (n) To expend funds for the payment and discharge of all proper costs, expenses and obligations incurred in carrying out all or any of these powers in furtherance of its purposes and objectives.
- (o) To contract for and pay any premiums for fire, casualty, liability and other insurance, including indemnity and other bonds.
- (p) To contract and pay for maintenance, gardening, utilities, materials, supplies and services relating to property or facilities owned or operated by it and to employ personnel; including, but not limited to legal counsel, accountants, and engineers, reasonably necessary for the administration of its affairs;
- (q) To do all other acts necessary or expedient for administration of its affairs and the attainment of its purposes.
- (r) To levy such dues and assessments, fines and penalties on members as may be provided in the Bylaws and to take action to collect or enforce the same as the Bylaws or the Deed Restrictions may authorize.
- (s) To operate water and sewage systems and any other public utility at the Subdivision.
- (t) To have and exercise all such further powers as are now or may hereafter be permitted by the Not-for-Profit Corporation Law of Ohio, and all successor acts.
- (u) To promote, advertise and sell unsold lots within the Subdivision that are either owned or controlled by the Association.
- (v) To perform all legal functions related to the sale of the platted lots within the Subdivision.

ARTICLE IV

BOARD OF TRUSTEES

The Board of Trustees shall consist of not less than three (3) trustees, provided that the Trustees shall presently consist of nine (9) Trustees. The number of Trustees, the manner of selection of their successor Trustees, and their terms of office shall be as set forth in the Association's Bylaws.

The Trustees shall have such powers, not inconsistent with law or vested herein in the members, as are set forth in the Association's Bylaws.

ARTICLE V

MEMBERSHIP

Section 1. **General.** Members of the Candlewood Lake Association shall be those persons who hold recorded title as residential owners of lots in the subdivision, or a person or entity who has been granted the authority to tap into the Association's water and/or sewer services. Residential lots for the purpose of defining membership shall mean each numbered lot in Units 1 through 12 as described and set forth in the plat maps of the subdivision as illustrated in the Morrow County, Ohio Recorder's office. Unnumbered lettered parcels are considered property belonging to the Association for general community use.

There are three classifications of membership in the Association: (1) Voting Members who are those persons who hold recorded title as owners of lots in the subdivision, (2) Associate Members who are those persons who permanently reside with the Voting Member including the title owner's spouse or significant other and dependent children, and (3) Limited Members who are either a person or entity who has been granted the authority to tap into the Association's water and/or sewer services.

"Significant Other" means one who stands in place of a spouse and who resides with the residential owner of a lot in the subdivision.

People or firms such as those who hold a security interest, or who are serving as executors, or Bankruptcy Trustees or hold a power of attorney are not eligible for membership if their names do not appear on the deed although they may be granted access to the Subdivision for purpose of inspection and maintenance.

Section 2. **Voting Members.** Regardless of the number of names shown on a deed, the first and second name on the deed shall be designated as Voting Members. In the case of a corporation, partnership or organizational ownership, only one vote will be granted. In addition, in regard to Trusts, there will be two votes and the Voting Members must be identified in writing to the Association Office. Voting Members shall have one vote each at member meetings or by mail ballot, as long as they are in good standing. Good standing is defined as maintaining all Association accounts current and not being under any suspension of privileges. Voting Members shall be the responsible party to ensure that all Bylaws, the Articles of Incorporation, the Deed

Restrictions (formerly called Covenants, Conditions, and Restrictions) and other Rules and Regulations are observed by himself or by herself and any Associate Members or guests.

Regardless of the number of residential lots owned by the same person, the Voting Member is entitled to only one vote in Member meetings. However, if more than one person owns more than one lot as shown on the deeds, different owners may be designated the Voting Member for each owned lot.

The Voting Member, whose name must appear on the deed, must be designated at the Candlewood Lake Association Office at the time of new membership. The voting member designated may be changed at any time by written notice given to the Association Office. This will be effective 30 days after receipt of written authorization to change voting member.

Section 3. Associate Members. A person shall be entitled to Associate Member status upon the request of the Voting Member. The Associate Members shall have all the rights and responsibilities of membership if they satisfy one of the following categories, but they are not entitled to vote at Member meetings:

- (a) Spouse or significant other of the Voting Member as designated by the Voting Member and their dependent children who live at the same residence full time as the Voting Member. Such an Associate Member shall not have to pay the annual Operations charge.
- (b) Tenants or regular occupants of a dwelling in the Subdivision and his and her spouse or significant other living at the same residence, as designated by the tenant who signed the rental agreement with Candlewood Lake Association, Inc. Such an Associate Member shall pay the same annual Operations charge as the Voting Member who owns the lots.
- (c) Other persons, who qualify for Associate Member status, as defined in published board policy which policy includes all terms and conditions of membership including the payment of charges, if any. Association membership shall cease automatically upon termination of the status giving rise to such membership or by action of the Board of Trustees at their sole discretion.

Effective May 14, 1994, co-owners will no longer automatically qualify for Associate Member status. However, those co-owners who are Associate Members as of said date will be grand-fathered. They will retain their status until the property is transferred to another person and the grand-fathered co-owner is no longer on the deed.

Section 4. Limited Members. Candlewood Lake Association Inc. shall have the authority to grant a person or entity the right to tap into its water and sewer lines to receive water and sewer services. The terms of the tap in fee and fees for continued water and sewer services shall be agreed upon when the person or entity taps into the water and/or sewer line. Any person or entity that taps into a water and/or sewer line maintained by Candlewood Lake Association Inc. shall become a limited member of Candlewood Lake Association Inc. The rights and responsibilities of each limited member shall be set forth in the contract between the parties for the tap in fee and for water and/or sewer services. A limited member shall have no rights of membership in the Candlewood Lake Association, Inc. and further shall enjoy no privileges to the use of the facilities and common property which are owned by the Association.

Section 5. **Privileges.** Voting Members and Associate Members and their guests shall have the use of all the facilities and common property which are owned by the Association and open to the membership subject to the Bylaws, Articles of Incorporation, Deed Restrictions, and Rules and Regulations as published by the Association.

However, the Voting Members and any Associate Members may have privileges revoked for violation of Bylaws, Deed Restrictions or other Rules, Regulations, or Policies as determined by the Board, following notice by the Board of Trustees and an opportunity, if requested in writing, to be heard at an open meeting of the Board of Trustees. In all cases, the decision of the Board of Trustees shall be final and binding. ***Refer to Deed Restrictions P606 for a list of privileges.***

Section 6. **Assumption of Risk.** Use of their own real estate and personal property as well as Association facilities and common property shall be at the sole risk of the Voting Member and his or her Associate Members or guests.

ARTICLE VI

MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of Voting Members holding at least the majority of the voting power of Voting Members actually responding to a written vote solicitation, or at an annual or special meeting, provided that lawful notice shall be first served by mail on all lot owners of record.

ARTICLE VII

AUTHORITY TO DEDICATE

The corporation shall have power to dedicate any of its property to an appropriate public authority for public use, provided that lawful notice, as prepared by the recommendation of the majority of the Board of Trustees, shall be first served by mail on all lot owners, and that any such dedication shall have the assent of Voting Members holding at least the majority of the voting power of Voting Members actually responding to a written vote solicitation, or at an annual or special meeting, provided that lawful notice shall be first served by mail on all lot owners of record.

ARTICLE VIII

DISSOLUTION

The Association may be dissolved with the assent of Voting Members holding at least the majority of the voting power of Voting Members actually responding to a written vote solicitation, provided that lawful notice shall be first served by mail on all lot owners of record. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association, both real and personal, shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, the assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to similar purposes. The net earnings of the Association shall never inure to any of its members, trustees, officers or other private persons.

ARTICLE IX

DURATION

The Association shall exist perpetually.

ARTICLE X

AMENDMENTS

These Articles may be amended or repealed and new Articles adopted by a majority, defined as 51% of the votes cast in person or by absentee ballot, of the Voting Members in good standing, responding to a written vote solicitation of all the Voting Members in good standing, provided that lawful notice shall first have been served by mail on all Voting Members of record at their last known address and according to procedures outlined in the Bylaws. No amendment shall be effective that is inconsistent with the Deed Restrictions as amended.

ARTICLE XI

NOTICE AND QUORUM

Notice and quorum requirements shall be in accordance with the provisions of the Association's Bylaws.

ARTICLE XII

INDEMNIFICATION

(I) To the maximum extent permitted under the authority of Ohio Revised Code Sec. 1702.12 (E), the standards for which are hereby incorporated into these Amended Articles of Incorporation, the Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, other than an action by or in the right of the Association, by reason of the fact that he or she is or was a trustee, officer, employee, committee person, or agent of the Association, or is or was serving at the request of the Association as a trustee, director, officer, employee, committee person, or agent of another corporation, domestic or foreign, non-profit, or for profit, partnership, joint venture, trust, or other enterprise. Indemnification shall include expenses, attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding, if he or she acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association. With respect to any criminal action or proceeding, he or she shall be indemnified if he or she had no reasonable cause to believe his or her 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 or she reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

(2) The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he or she is or was a trustee, officer, employee, committee person, or agent of the Association, or is or was serving at the request of the Association as a trustee, director, officer, employee, committee person, or agent of another corporation, domestic or foreign, non-profit or for profit, partnership, joint venture, trust, or other enterprise. Indemnification shall include expenses, attorneys' fees, actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association. Indemnification shall be made in respect to 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 or her duty to the Association, to the extent that the court of common pleas or the court in which such action or suit was brought shall determine 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 the court shall deem proper.

(3) To the extent that a trustee, director, officer, employee, committee person, or agent has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in divisions (1) and (2) of this Article, or in defense of any claim, issue, or matter therein, he or she shall be indemnified against expenses, including attorneys' fees, actually and reasonably incurred by him or her in connection therewith.

(4) Any indemnifications under divisions (1) and (2) of this Article, unless ordered by a court, shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, trustee, employee, committee person, or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in divisions (1) and (2) of this Article. Such determination shall be made (a) by a majority vote of a quorum consisting of trustees of the indemnifying corporation who were not and are not parties to or threatened with any such action, suit, or proceeding, or (b) if such a quorum is not obtainable, or if a majority of the disinterested trustees so directs, in a written opinion by independent legal counsel other than an attorney, or a firm having associated with it an attorney, who has been retained by or who has performed services for the Association or any person to be indemnified within the past five years, or (c) by a majority vote of the Voting Members participating in the vote, or (d) by the court of common pleas or the court in which such action, suit or proceeding was brought. Any determination made by the disinterested trustee under division (4) (b) of this Article shall be promptly communicated to the person who threatened or brought the action or suit by or in the right of the corporation under divisions (1) and (2) of this Article, and within ten days after receipt of such notification, such person shall have the right to petition the court of common pleas or the court in which such action or suit was brought to review the reasonableness of such determination.

(5) Expenses, including attorneys' fees, incurred in defending any action, suit, or proceeding referred to in divisions (1) and (2) of this Article, may be paid by the Association in advance of the final disposition of such action, suit, or proceeding as authorized by the trustees in the specific case upon receipt of an undertaking by or on behalf of the trustee, director, officer, employee, committee person, or agent to repay such amount if it ultimately be determined that he or she is not entitled to be indemnified

by the Association as authorized by this Article.

(6) The indemnification authorized by this section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the articles or the regulations, or any agreement, or by vote of Voting Members, or by disinterested trustees, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office. It shall also be applied to a person who has ceased to be a trustee, director, officer, employee, committee person, or agent and shall inure to the benefit of the heirs, executors, and administrators of any such person.

(7) The Association may purchase and maintain insurance on behalf of any person who is or was a trustee, officer, employee, committee person, or agent of the corporation, or is or was serving at the request of the corporation as a trustee, director, officer, employee, committee person, or agent of another corporation, domestic or foreign, non-profit or for profit, partnership, joint venture, trust, or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under this section.

(8) As used in this Article, "Association" includes all subsidiary corporations, any related entity, all constituent corporations in a consolidation of merger, and the new or surviving corporation, to the objective that any person who is or was a trustee, officer, employee, committee person, or agent of any subsidiary corporation, any related entity, constituent corporation or is or was serving at the request of such constituent corporation as a trustee, director, officer, employee, committee person, or agent of another corporation, domestic or foreign, non-profit or for profit, partnership, joint venture, trust, or other enterprise, shall stand in the same position under this Article with respect to the new or surviving corporation as he or she would if he or she had served the subsidiary, related, new or surviving corporation in any capacity.

(9) The Association's duty to indemnify shall not be deemed to exclude any other rights to which such trustee, director, officer, employee, committee person, or agent of the corporation may be entitled under the Bylaws, any agreement, any insurance purchased by the Association, or by vote of Voting Members, or otherwise.