

LAKE OF THE WOODS HOMEOWNERS ASSOCIATION

April 2026 Newsletter – Part 2 of 6

A Focus on the Bylaws

This is the second of a six-part newsletter focusing on different aspects of the process of soliciting membership approval of the proposed revisions of our current Declaration and current Code of Regulations (*i.e.*, “Bylaws”). The first part in this series summarized where we stand and what is on the horizon. This installment focuses on the proposed rewrite of the current Association Code of Regulations, now to be known as the “Amended and Restated Bylaws.”

Why “Amended and Restated”?

If amendments are isolated to a few parts of an instrument, the amendment(s) usually will be presented in an “amended” or “modified” instrument. Our current bylaws are essentially being rewritten, not merely amended. Legally, such a rewrite is titled “Amended and Restated.”

Top End View of the New Bylaws

With each of the amendments, we are causing our organization documents to follow the terms used in the Ohio Nonprofit Corporation Act (Chapter 1702 of the Ohio Revised Code) and the post-2010 amendments of the Ohio Planned Unit Community Act (Chapter 5312 of the Ohio Revised Code) governing planned unit communities like ours. For example, the current “Code of Regulations” will now be known as the “Amended and Restated Bylaws.”

The bylaws of an association organized under Chapters 1702 and 5312 spell out the principles of governance that are followed in carrying out the declaration of a homeowners’ association. For example ... who is in charge? How are the board members elected? Who is eligible to serve on the board? How are officers selected? What are the powers and duties of each officer? How are decisions of the board checked by the members? What are a member’s rights to learn how annual assessments are used? How are all forms of assessments determined and levied? What oversight does the membership have over the assessment levying process? What happens if a member fails to keep up with assessments? Can directors be removed from office and, if so, how? How are committed members appointed? How are rules created?

No Material Changes From Current Practice

Most members would not notice any material changes in how the Association is managed if the proposed Amended and Restated Bylaws are approved. The members will continue to elect board members (currently established at three). Board members will continue to elect four officers. About all that really changes in this regard is that the current “Board of Trustees” will be called the “Board of Directors” to fit the nomenclature used in the new version of Chapter 5312.

What Changes Are in the Offing Once the Amended and Restated Bylaws are Adopted?

More Flexibility and Accountability Than Ever Before

The trustees are advocating more flexibility and direct accountability to the members under the new bylaws. One example would be in the process of amending the bylaws. Currently, an affirmative vote of two-thirds of the voting power of the Association would be required through votes cast at a members' meeting. With the new bylaws, that threshold would be reduced for meetings to a simple majority of the total households in the Association, but members no longer would have to wait for an annual meeting or for members to invest the time to organize a special meeting to amend the bylaws. Under the new bylaws, members could organize and get two-thirds to sign a consent resolution that would allow an amendment without forcing members to come to a meeting and vote. While that may not be an easy task, what this represents is a concerted effort by your trustees to give the members *more* powers and *more* options.

Finally ... We'd Take Advantage of Technological Advances Since 1984!

Speaking of meetings, members currently must appear at them in person or by proxy for their votes to count. The same goes for determining whether quorum requirements are met. Under the new bylaws, members not only will be able to participate by video or telephone conference from wherever in the world they may be, but they also will be able to cast votes on business coming before the assembly ... much like we did in holding our recent "Town Hall" meeting. That would provide a degree of flexibility not currently contemplated or referenced in our current organization documents.

Definition of "Lot" Slightly Modified

We have two households in the neighborhood that each occupy 1-½ lots as originally platted. The developer sold each 1-½ lot parcel as a single property and each has been recorded by Summit County with a single parcel number. Counsel has advised the Board that it is appropriate to consider each of these properties as a single lot, each with a single dwelling. Historically, these two properties had 1-½ votes and were charged 1-½ times the assessment of all other properties. This process is cumbersome and inefficient both for vote tallies and for assessment collection. Therefore, the revised bylaws would specify that each current lot with one dwelling (*i.e.*, a total of 83 homes) is treated the same as all other lots: One vote; the same assessment. The net reduction in income from total assessments is approximately 1.2%. This is not significant.

Electing Directors and Their Powers and Duties

At last year's annual meeting, we approved a reduction in the number of board members from five to three. Your trustees believe, however, that the members in the future may want to return to a five-member board (or even a larger number). So, provisions have been made in the new bylaws to allow that change to be approved by the members at an annual meeting, or a special meeting to take up that issue, or in a written consent signed by at least 42 households, as long as the total of all director position shall be an odd number with staggered three-year terms. In all other respects, the qualifications to serve as a board member and the manner in which someone is elected by the

members or appointed by other board members to fill a vacancy is *no different* under the new bylaws than the rules we now follow. The new bylaws do make it clear, however, that two members living in the same household cannot serve on the Board of Directors simultaneously whereas the current rules are silent on this possibility.

The new bylaws make no material changes in either the powers and duties of board members under our current organizing documents or as presently provided by state law. The same holds true for the powers and duties of the officers.

Establishing Reserve Accounts and Approving Budgets

The amendments under state law now expressly require board members to establish reserve accounts in minimum amounts and to approve budgets in a timely fashion each year. Your trustees have included proposed amendments of the bylaws to satisfy these state law requirements. In practice, however, there will be no real impact on our Association as it is presently run because the board members have begun meeting these requirements even though our organization documents technically are out of compliance on these issues.

Final Thoughts

While most of your trustees' attention has focused on updating the covenants and restrictions established in 1984, that does not mean the proposed changes to the bylaws can be discounted or overlooked. After all, the bylaws are what make the authority embraced by the Declaration capable of being used for the betterment of our community.

What happens if the Amended and Restated Bylaws pass, but the Amended and Restated Declaration does not? The Association would benefit from the upgraded bylaws no matter which version of the Declaration will survive the membership vote. The amended and restated bylaws will keep the Association square with the post-2010 changes in state law.

What happens if the Amended and Restated Bylaws do not pass? A future Board would have to approach the membership again. What the Amended and Restated Bylaws do more than anything else is to gather in one place all of the corporate governance rules, regulations, procedures, and requirements under the law. Plus, we would be taking advantage of advances in communication technology that cannot be realized without amending the current bylaws to make that all possible.

Board members recommend APPROVAL of the Proposed Amended and Restated Bylaws.

For the Board of Trustees:

Gary Himmel, *President*
Dale Freygang, *Vice President and Treasurer*
S. David Worhatch, *Secretary*