

PUCO CASE NO. 97- 887 -ST-ACA

**PUBLIC UTILITIES COMMISSION OF OHIO  
ABBREVIATED APPLICATION FORM FOR A  
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY  
FOR A SEWAGE DISPOSAL SYSTEM COMPANY**

(Please print or type. If additional space is  
required, attach a separate sheet of paper.)

Applicant: After completing this form, forward four copies directly to the Public Utilities Commission of Ohio (PUCO) at address on back. The PUCO will notify the Applicant and the OEPA if a Certificate of Public Convenience and Necessity is issued.

(1) Project Name: Dornoch Estates  
Applicant Name: Dornoch Homeowners Association, Inc.  
Address: 1200 Old Henderson Road, Suite C  
County of Project: Delaware Township of Project: Liberty  
Project Contact Person: Mary W. Christensen, Bricker & Eckler (614) 227-2386 (counsel)  
OEPA District Office (Check One):    NW    NE    SW    SE X CD    CO

(2) Provide a brief description of the project (the facilities to be installed and/or constructed):  
The project that is the subject of the application is a privately owned 100% wastewater reclamation and reuse system producing 120,000 GPD of potable water for its homeowner association owner

(3) Explain how the project will provide for the public convenience and necessity. Explain who will be served by the project, how will the project be advantageous to those to be served by the project, and why is the project necessary (are required facilities unavailable or are existing facilities inadequate or in need of replacement): This project provides for the public convenience and necessity in providing complete wastewater treatment for the owner of the system, who is the customer of the system, which has no other private or public wastewater treatment services available to it.

(4) Provide the name, telephone number and indicate by type the entity(ies) that will own/operate the system/project as it pertains to Section 4905.03 and 4933.25, Ohio Revised Code (see back of this form). Examples of type: Governmental Entity, Home Owners/Property Owners/Condominium Association, Regional District, Cooperative, Privately Owned, etc.:  
Name(s): Dornoch Estates Homeowners Association, Inc. Telephone: (614) 457-4088  
Ownership Type: Homeowners' Association

If the ownership type is an Association, provide with this form a copy of the applicable Articles of Incorporation and the applicable sections from the Association's By-Laws/Code of Regulations indicating system/project responsibility.

This is to certify that the images appearing are an  
accurate and complete reproduction of a case file  
document delivered in the regular course of business.  
Technician Joan Schupler Date Processed 8-18-77

(5) If you (Applicant) intend to transfer ownership of system/project, indicate date or time of transfer (e.g., within one month of project completion):

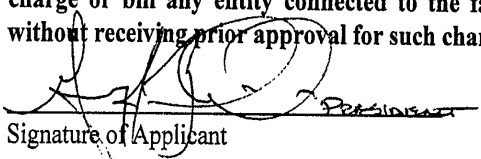
Date/Time of Transfer: N/A

(6) If different than the above named owner/operator, provide the name, telephone number, and type of entity that will bill, collect payment, and retain the payment revenue for the service relative to the system/project:

Name: N/A Telephone: \_\_\_\_\_

Ownership Type: \_\_\_\_\_

Applicant certifies that the above information is true and correct to the best of his/her knowledge and belief and will immediately notify the PUCO of any changes to this information. The PUCO's rules applicable to sewage disposal system companies are included in Chapter 4901:1-15, Ohio Administrative Code. Except for the information requested above, applicant requests a waiver of the rules applicable to the contents of an application for a certificate of public convenience and necessity and service provided by such facilities. Applicant understands that a certificate may not be transferred nor service abandoned without prior PUCO approval. Applicant also understands that it may not charge or bill any entity connected to the facilities installed pursuant to this certificate without receiving prior approval for such charges from the PUCO.

  
Signature of Applicant

8/14/97  
Date

#### Applicable Statutes

Section 4933.25 of the Ohio Revised Code provides that no sewage disposal system company shall construct, install, or operate sewage disposal system facilities until it has been issued a certificate of public convenience and necessity by the Public Utilities Commission of Ohio. Section 4905.03(A)(14) of the Revised Code states that any person, firm, copartnership, voluntary association, joint stock association, company or corporation, wherever organized or incorporated, is a sewage disposal system company when engaged in the business of sewage disposal services through pipes or tubing, and treatment works, or in a similar manner, within Ohio.

Mail Completed Form to:

Public Utilities Commission of Ohio,  
Energy & Water Division, Water/Sewer Section  
180 East Broad St., 3rd Floor  
Columbus, Ohio 43215-3793

Contact the PUCO at (614) 466-0518 (Greg Dewhurst) or (614) 466-5634 (Sue Daly) if you have any questions concerning this form.

05762-1206

**ARTICLES OF INCORPORATION  
OF  
DORNOCH ESTATES  
HOMEOWNERS ASSOCIATION, INC.**

APPROVED  
By.....*VB*  
Date.....*3-5-97*  
Amount.....*25.00*

**97030543201**

The undersigned, for purposes of forming a nonprofit corporation in accordance with Chapter 1702 of the Ohio Revised Code, does hereby state the following:

**ARTICLE 1. NAME**

The name of the Corporation shall be Dornoch Estates Homeowners Association, Inc.

**ARTICLE 2. PLACE OF OFFICE**

The place in Ohio where the principal office of the Corporation is to be located shall be Liberty Township, Delaware County.

**ARTICLE 3. PURPOSES**

The purposes for which the Corporation is formed shall be:

To administer and enforce the covenants and restrictions of the golf course housing development known as Dornoch Estates, a planned unit development.

To own, operate and manage (or provide for the operation and management of) a wastewater treatment system serving Dornoch Estates and Dornoch Golf Club.

To engage in any lawful act, activity or business not contrary to and for which nonprofit corporations may be formed under the laws of the State of Ohio, and to have and exercise all powers conferred by the laws of the State of Ohio on nonprofit corporations.

**ARTICLE 4. RESTRICTIONS**

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its Trustees, officers or other private persons, except that the Corporation shall be authorized to pay reasonable compensation for services rendered, to make payments in furtherance of the purposes of the Corporation and to make distributions to its members as authorized by Chapter 1702 of the Ohio Revised Code.

Notwithstanding anything to the contrary in these Articles of Incorporation, the Corporation may not engage in any activity which is not permitted to be engaged in by an organization exempt from federal income taxation under Section 501(c) (7) of the Internal

05762-1207

Revenue Code of 1986 (or any corresponding provision of any future United States Internal Revenue Law, collectively referred to as the "Code").

#### **ARTICLE 5. MEMBERS**

The members of the Corporation shall be New Green Highlands Development Limited, Dornoch Development Limited and Dornoch Golf Club, together with the other person or persons who are specified in the Code of Regulations of the Corporation. The members of the Corporation may include corporations, whether profit or nonprofit, limited liability companies, partnerships, or other entities, provided they otherwise qualify as members.

If no person is specified in the Code of Regulations-as a member, within the meaning of Chapter 1702 of the Ohio Revised Code, then the Trustees shall, for purposes of any statute or rule of law related to the Corporation be deemed the members of the Corporation. In such event the Trustees shall have all rights and privileges of members conferred by the laws of the State of Ohio, other than the right to receive assets upon dissolution of the Corporation.

#### **ARTICLE 6. TRUSTEES**

For purposes of Chapter 1702 of the Ohio Revised Code, the Corporation shall be controlled and managed under the direction of a Board of Trustees. The names and addresses of the persons who will serve as the initial Trustees of the Corporation are:

David A. Rogers  
100 South Third Street  
Columbus, Ohio 43215

Gary J. Bachinski  
1200 Old West Henderson Road  
Columbus, Ohio 43220

Vern D. Bachinski  
1200 Old West Henderson Road  
Columbus, Ohio 43220

#### **ARTICLE 7. AMENDMENTS**

Any provision of these Articles of Incorporation may be amended by the affirmative vote of a majority of the members of the Corporation, provided that such amendment shall be consistent with the applicable provisions of Chapter 1702 of the Ohio Revised Code.

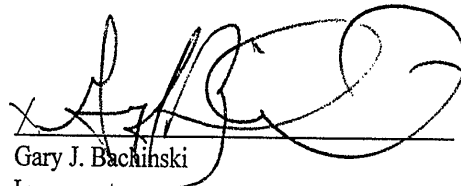
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#### ARTICLE 8. CERTAIN TRANSACTIONS

No contract or other transaction shall be void or voidable with respect to the Corporation for the reason that it is between the Corporation and one or more of its Trustees or officers, or between the Corporation and any other person in which one or more of its Trustees or officers are directors, trustees or officers, or have a financial or personal interest or for the reason that one or more interested Trustees or officers participate in or vote at the meeting of the Trustees or a committee thereof which authorizes such contract or transaction; provided, however, that any such contract or other transaction shall be consistent with the applicable provisions of Chapter 1702 of the Ohio Revised Code; and provided further that the material facts of the relationship or interest as to the contract or transaction are disclosed or known to the Trustees or applicable committee of the Trustees and the Trustees or the committee, in good faith reasonably justified by such facts, authorized the contract or transaction by the affirmative vote of the majority of the disinterested Trustees, even though the disinterested Trustees constitute less than a quorum. The interested Trustees may be counted in determining the presence of a quorum at any meeting of the Trustees or of a committee thereof which authorized the contract or transaction.

#### ARTICLE 9. DISSOLUTION

Upon dissolution of the Corporation, any assets remaining shall be distributed proportionately among the members. If there are no members (other than the Trustees who are deemed as members under the laws of the State of Ohio), then the assets shall be distributed in such manner as determined by the affirmative vote of a majority of the Board of Trustees

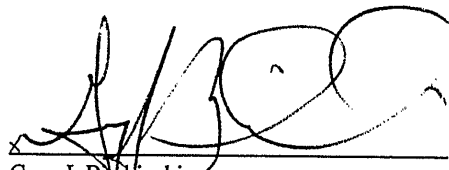
  
Gary J. Bachinski  
Incorporator

05702-1209

**ORIGINAL APPOINTMENT OF AGENT**

The undersigned, being the Incorporator of Dornoch Estates Homeowners Association, Inc., hereby appoints OSAC, Inc., an Ohio non-profit corporation, as agent upon whom process, notice or demand required or permitted by statute upon the Corporation may be served.

Its address is 100 S. Third Street  
Columbus, Ohio 43215

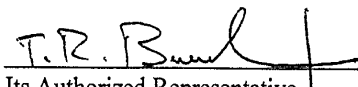
  
Gary J. Bachinski  
Incorporator

Dated: March 4, 1997

**ACCEPTANCE OF APPOINTMENT**

The undersigned, named herein as statutory agent for Dornoch Estates Homeowners Association, Inc., hereby acknowledges and accepts appointment as agent upon whom process, notice or demand required or permitted by statute may be served.

OSAC, Inc.

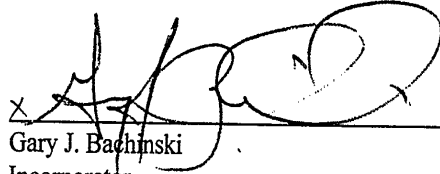
By:   
Its Authorized Representative

Date: March 5, 1997

**PRELIMINARY PROCEEDINGS  
OF INCORPORATOR OF  
DORNOCH ESTATES HOMEOWNERS  
ASSOCIATION, INC.**

March 5, 1997

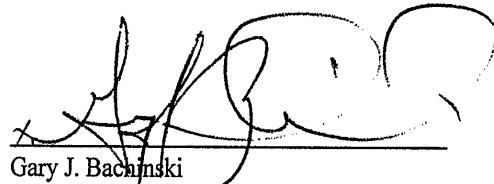
The undersigned, as "Incorporator" for the purpose of forming a nonprofit corporation in accordance with Chapter 1702 of the Ohio Revised Code, did execute the Articles of Incorporation, which Articles, together with a written designation of statutory agent were filed on March 5, 1997 in the office of the Secretary of the State of Ohio. A copy of the Articles as certified by the Secretary of State of Ohio is attached to these Preliminary Proceedings.

  
\_\_\_\_\_  
Gary J. Bachinski  
Incorporator

**PRELIMINARY PROCEEDINGS  
OF INCORPORATOR OF  
DORNOCH ESTATES HOMEOWNERS  
ASSOCIATION, INC.**

March 5, 1997

The undersigned, as "Incorporator" for the purpose of forming a nonprofit corporation in accordance with Chapter 1702 of the Ohio Revised Code, did execute the Articles of Incorporation, which Articles, together with a written designation of statutory agent were filed on March 5, 1997 in the office of the Secretary of the State of Ohio. A copy of the Articles as certified by the Secretary of State of Ohio is attached to these Preliminary Proceedings.

  
\_\_\_\_\_  
Gary J. Bachinski  
Incorporator



**CONSENT FOR USE OF  
SIMILAR NAME**

**KNOW ALL MEN BY THESE PRESENTS**, that on the fourth day of March, 1997,  
the Board of Trustees of "DORNOCH GOLF CLUB", Charter 950444, passed the following  
Resolution:

**RESOLVED**, that Dornoch Golf Club hereby gives consent to Gary J. Bachinski,  
Incorporator, to use the name Dornoch Estates Homeowners Association, Inc.

The undersigned, Secretary of Dornoch Golf Club, an Ohio Corporation, does hereby  
certify that the foregoing is a true and correct copy of a Resolution duly adopted by the Board of  
Trustees of said Corporation in an action by unanimous written consent dated March 4, 1997  
pursuant to which all members of said Board voted in favor of said Resolution, and that said  
Resolution has not been rescinded or amended and is still in full force and effect;

**IN WITNESS WHEREOF**, the undersigned, as Secretary has set his hand at Columbus,  
Ohio this 4th day of March, 1997.

Dornoch Golf Club

By: \_\_\_\_\_

David A. Rogers  
Secretary

Witness: \_\_\_\_\_

Jeffrey Lyon  
Print Name

**CONSENT FOR USE OF  
SIMILAR NAME**

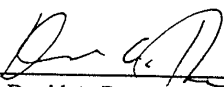
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Resolution:


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Trustees of said Corporation in an action by unanimous written consent dated March 4, 1997  
pursuant to which all members of said Board voted in favor of said Resolution, and that said  
Resolution has not been rescinded or amended and is still in full force and effect;

IN WITNESS WHEREOF, the undersigned, as Secretary has set his hand at Columbus,  
Ohio this 4th day of March, 1997.

Dornoch Golf Club

By:   
David A. Rogers  
Secretary

  
Witness: Jeffrey Lyon  
Print Name

**CODE OF REGULATIONS  
OF  
DORNOCH ESTATES  
HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I**

Definitions

All of the terms used herein shall have the same meanings as set forth in the Deed Restrictions or other Declaration of Protective Covenants, Conditions and Restrictions for Dornoch Estates ("the Declaration"), recorded in the office of the Delaware County, Ohio Recorder, with respect to the real property described therein ("Property"), and as the Declaration may be lawfully amended from time to time.

**ARTICLE II**

Name and Location

The name of the Association is Dornoch Estates Homeowners Association, Inc. The principal office of the Association shall be as provided by the Articles.

**ARTICLE III**

Members

Section 1.   **Membership.** Membership in the Association is divided into five separate categories as follows:

- (a)   Declarant (New Green Highlands Development Limited)
- (b)   Builders
- (c)   Owners
- (d)   Dornoch Development Limited
- (e)   Dornoch Golf Club

Section 2.   **Voting Rights.** Owners and builders shall be entitled to one vote for each lot owned. Dornoch Development Limited and Dornoch Golf Club shall have one vote each. If ownership of a lot is held by more than one person or entity, then the owners shall determine, among themselves, who shall be entitled to exercise the single vote for each lot. If the owners cannot jointly agree as to which of them shall be entitled to exercise the vote attributable to that lot, then the right to vote shall be forfeited until such time as the owners designate which of them shall exercise such vote.

**Section 3. Number of Votes.** At the time this Association comes into existence, the Declarant category of membership (New Green Highlands Development Limited) shall be entitled to cast a total of one thousand five hundred seventy-two (1572) votes, that being the combined total of single-family homes that may be constructed upon the land originally platted as "Dornoch Estates" multiplied by four. This total number of votes shall not be reduced by any transfers of lots from the Declarant to builders, and those builders shall simply have the right to cast one vote for each lot they may own, with the Declarant continuing to hold the aforesaid total number of one thousand five hundred seventy-two (1572) votes.

As each lot is conveyed to an owner, so as to create another vote in the membership category of owners, the number of votes held by the Declarant shall decrease by two votes.

Through this arrangement of voting rights, participating builders will have an opportunity to act as members and to exercise voting rights, but control of the Association will remain with the Declarant since the Declarant's voting powers are not reduced merely by virtue of transfer of ownership of a lot to builder. This procedure also provides for eventual transfer of control of the Association to owners of lots from the Declarant in that the number of votes that may be cast by the Declarant is reduced by two every time a lot is conveyed to an owner.

At such time as all of the combined number of available single-family homes and homesites have been sold, then the Declarant category of membership and the builder category of membership shall cease to exist. Thereafter, the Association shall operate with only three classes of membership, that being (i) Dornoch Golf Club, (ii) Dornoch Development Limited and (iii) owners of lots, and any builder who holds a title interest in a lot shall be deemed an owner of lots and thereby a member of the Association.

**Section 4. Annual Meetings.** A regular annual meeting of the members shall be held on the first Monday of April of each calendar year hereafter, or on such other date as may be designated by the Board of Trustees at an hour and at a location established from time to time by the Trustees.

**Section 5. Special Meetings.** Special meetings of the members may be called at any time by the Chairman, the President, the Board of Trustees, or upon written request of members entitled to exercise one-fourth or more of the voting power of members, and shall be held on such date, hour and location within Delaware County, Ohio as specified by the person calling the meeting.

**Section 6. Notice of Meetings.** Written notice of each meeting of members shall be given by, or at the direction of, the person or persons authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least five days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice, or by delivering a copy of that notice at such address at least five days before the meeting. The notice

shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting

Section 7. **Quorum.** The members present, in person or by proxy, at any duly called and noticed meeting of members, shall constitute a quorum for such meeting.

Section 8. **Proxy.** At any meeting of members, a member may vote in person or by proxy. All proxies shall be in writing and in the event more than one person or entity owns any single lot, then each person and an authorized representative of each entity or any combination thereof, representing the total ownership of any single lot shall join in signing the proxy. All proxies shall be filed with the Secretary prior to the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by a member of his, her or its lot.

Section 9. **Voting Power.** Except as otherwise provided herein, in the Articles or in the Declaration, or by law, a majority of the voting power of members voting on any matter that may be determined by the members at a duly called and noticed meeting shall be sufficient to determine that matter. The rules of Roberts Rules of Order shall apply to the conduct of all meetings of members except as otherwise specifically provided herein or in the aforesaid documents.

Section 10. **Action In Writing Without Meeting.** Any action that could be taken by members at a meeting may be taken without a meeting with the affirmative vote or approval, in a writing or writings, of members having not less than a majority of the voting power of members.

## ARTICLE IV

### Board of Trustees

Section 1. **Initial Trustees.** The trustees shall initially be those named in the Articles, or substitutes or additional trustees selected by Declarant

Section 2. **Successor Trustees.** At each annual meeting of members held, the members shall elect five trustees, who shall serve until removed by member action or the election of a successor. Notwithstanding the foregoing, members exercising not less than a majority of the voting power of members may, from time to time, change the number and terms of trustees.

Section 3. **Removal.** Any trustee may be removed from the Board, with or without cause, by members exercising a majority of the voting power of members. In the event of death, resignation or removal of a trustee other than an initial trustee or a replacement selected by Declarant, that trustee's successor shall be selected by the remaining trustees and shall serve until the next annual meeting of members, when a trustee shall be elected to complete the term of such deceased, resigned or removed trustee. Declarant shall have the sole right to remove, with or without cause, any trustee designated in the Articles or selected by it, and select the successor of

any trustee selected by it who dies, resigns, is removed or leaves office for any other reason before the first election of trustees.

Section 4. **Cumulative Voting.** No cumulative voting shall be permitted in the election of trustees.

Section 5. **Compensation.** Unless otherwise determined by the members at a meeting duly called and noticed for such purpose, no trustee shall receive compensation for any service rendered to the Association as a trustee. However, any trustee may be reimbursed for his or her actual expenses incurred in the performance of duties.

Section 6. **Regular Meetings.** Regular meetings of the trustees shall be held no less than semi-annually, without notice, on such date and at such place and hour as may be fixed from time to time by resolution of the trustees.

Section 7. **Special Meetings.** Special meetings of the trustees shall be held when called by the president, or by any trustee, after not less than three days' notice to each trustee.

Section 8. **Quorum.** The presence at any duly called and noticed meeting, in person or by proxy, of trustees entitled to exercise a majority of the voting power of trustees, shall constitute a quorum for such meeting.

Section 9. **Voting Power.** Except as otherwise provided in the Declaration or Articles, or by law, vote of a majority of the trustees voting on any matter that may be determined by the trustees at a duly called and noticed meeting shall be sufficient to determine that matter.

Section 10. **Action In Writing Without Meeting.** Any action that could be taken by trustees at a meeting may be taken without a meeting with the affirmative vote or approval, in a writing or writings, of all of the trustees.

Section 11. **Powers.** The trustees shall exercise all powers and authority under law, and under the provisions hereof and of the Articles and Declaration, that are not specifically and exclusively reserved to the members by law or by other provisions thereof, and without limiting the generality of the foregoing, the trustees shall have the right, power and authority to:

- (a) take all actions deemed necessary or desirable to comply with all requirements of law, this Code, the Declaration and the Articles;
- (b) obtain insurance coverage, and cause officers and employees having fiscal responsibilities to be bonded, as the trustees deem appropriate;

- (c) enforce the covenants, conditions and restrictions set forth in the Declaration, and design standards set forth in the Design Review Manuals or established pursuant thereto;
- (d) own, operate and maintain (or provide the operation and maintenance of) the Common Property and improvements thereon in and adjacent to Dornoch Estates, including without limitation any private wastewater treatment system which serves Dornoch Estates and Dornoch Golf Club;
- (e) establish, enforce, levy and collect assessments as provided in the Declaration;
- (f) adopt and publish rules and regulations governing the use of the Common Properties and the exterior portions of all improvements and the personal conduct of members and their guests thereon, and establish charges for the infraction thereof;
- (g) suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association (such rights may also be suspended after notice and hearing, for infractions of published rules and regulations or of any provision of the Declaration);
- (h) declare the office of a member of the Board of Trustees to be vacant in the event such trustee shall be absent from three consecutive regular meetings of the Board of Trustees;
- (i) authorize the officers to enter into management and security agreements with third parties in order to facilitate the efficient operation of the Association's affairs and the safety of the occupants of Dornoch Estates;
- (j) borrow funds to finance authorized activities, including the private wastewater treatment system, and grant security and pledge and/or assign revenues received or to be received as security for repayment thereof;
- (k) cause excess funds to be invested in government agency insured accounts as the Board deems desirable and prudent, and such other investments as the members approve; and
- (l) do all things and take all actions permitted to be taken by the Association by law, hereby or by the Articles or Declaration, not specifically reserved thereby to others.

Section 12.     **Duties.** It shall be the duty of the trustees to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of members, or at any special meeting when such statement is requested in writing by members representing one-half (1/2) or more of the voting power of members;
- (b) supervise all officers, agents and employees of the Association and see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
  - (i) fix the amount of assessments against each Lot as provided therein;
  - (ii) give written notice of each assessment to every member subject thereto within the time limits set forth therein; and
  - (iii) foreclose the lien against any Lot for which assessments are not paid within a reasonable time after they are authorized by the Declaration to do so, or bring an action at law against the members personally obligated to pay the same, or both;
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid;
- (e) maintain liability insurance in such amount as is deemed sufficient by the trustees;
- (f) cause the property subject to the Association's scope of authority to be maintained within the scope of authority provided in the Declaration;
- (g) cause the restrictions created by the Declaration to be enforced;
- (h) operate and maintain (or provide for the operation and maintenance of) the private wastewater treatment system; and



- (i) take all other actions required to comply with all requirements of law, the Articles, and the Declaration.

## ARTICLE V

### Officers

Section 1. **Enumeration of Offices.** The officers of this Association shall be a president, a vice president, a secretary, a treasurer and any such other officers as the trustees may from time to time determine. No officer need be a member of the Association nor need any officer be a trustee. The same person may hold more than one office.

Section 2. **Selection and Term.** The officers of the Association shall be selected by the trustees, from time to time, to serve until the trustees elect their successors.

Section 3. **Special Appointments.** The trustees may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the trustees may, from time to time, determine.

Section 4. **Resignation and Removal.** Any officer may be removed from office, with or without cause, by the trustees. Any officer may resign at any time by giving written notice to the trustees, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and the acceptance of such resignation shall not be necessary to make it effective.

Section 5. **Duties.** The duties of the officers shall be such duties as the trustees may from time to time determine. Unless the Board otherwise determines, the duties of the officers shall be as follows:

- (a) President The president shall preside at all meetings of the trustees, shall have the authority to see that orders and resolutions of the Board are carried out, and shall sign all leases, mortgages, deeds and other written agreements.
- (b) Vice President The vice president shall act on behalf of the president in the president's absence. The vice president shall also assume the duties respectively of the secretary and treasurer in the absence of either or both at any meetings of the trustees and of the members.
- (c) Secretary. The secretary shall record the votes and keep the minutes and proceedings of meetings of the trustees and of the

members, serve notice of meetings of the trustees and of the members, and keep appropriate current records showing the names of members of the Association, together with their addresses, and shall act in the place and stead of the president in the event of the president's absence or refusal to act.

- (d) Treasurer. The treasurer shall receive and deposit and/or invest monies of the Association as directed by the trustees, disburse such funds as directed by resolution of the trustees, sign all checks and promissory notes of the Association, keep proper books of account, and prepare an annual budget and a statement of income and expenditures to be presented to the members at the annual meeting, and deliver or mail a copy of each to each of the members.

## ARTICLE VI

### Books and Records

The books, records and financial statements of the Association, including annual financial statements prepared by a certified public accountant, shall be available during normal business hours or under other reasonable circumstances, upon request to the Association, for inspection by members and the holders and insurers of first mortgages on Lots. likewise, during normal business hours or under other reasonable circumstances, the Association shall have available for inspection by members, lenders and their insurers, and prospective purchasers, current copies of the Association's organization documents and its rules and regulations.

## ARTICLE VII

### Financial Statements

Upon written request to the Association by an institutional first mortgagee of a Lot, or its insurer, or by vote of the holders of a majority of the voting power of members, the trustees shall cause the preparation and furnishing to those requesting of a financial statement of the Association as described in Article VI for the preceding fiscal year, provided that no such statement need be furnished earlier than one hundred twenty (120) days following the end of such fiscal year.

## ARTICLE VIII

### Fiscal Year

Unless otherwise changed by the trustees, the fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation of this Association.

## ARTICLE IX

### Amendments

Any modification or amendment of this Code shall be made only by the affirmative vote of a minimum of sixty-six percent (66%) of the total available votes of the members of the Association, subject to the veto power of Dornoch Golf Club and Dornoch Development Limited.

## ARTICLE X

### Special Rights of Dornoch Golf Club and Dornoch Development Limited

Notwithstanding anything herein to the contrary, so long as Dornoch Development Limited shall exist, and so long as Dornoch Golf Club shall exist and operate a golf and recreation club of any kind whatsoever adjacent to Dornoch Estates, each of them shall have veto power over any action of the members and/or Board of Trustees of the Association, if in the absolute discretion of either of them any action will be detrimental to Dornoch Development Limited or Dornoch Golf Club, or shall adversely affect any operation of the private wastewater treatment system operated by the Association.