

BYLAWS  
(CODE OF REGULATIONS)  
OF  
SAND RUN HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the Association is Sand Run Homeowners Association, Inc. (Association), which corporation, not-for-profit, serves as the Homeowners Association for the Sand Run Planned Unit Development located in Akron, Summit County, Ohio. The principal office of the Association shall be as set forth in its Articles of Incorporation (Articles), and the place of meetings of Homeowners (Owners) and of the Trustees of the Association shall be at such place in Summit County, Ohio as the Board of Trustees (Board), may from time to time designate.

ARTICLE II

DEFINITIONS

All of the terms used herein shall have the same meanings as set forth in the Declaration of Restrictions, Covenants, and Easements for Sand Run Allotment (Declaration), recorded with the Recorder of Summit County, Ohio, as thereafter amended.

ARTICLE III

OWNERS (MEMBERS)

Section 1.     Composition. Each Owner, as defined in the Declaration, is a Member of the Association.

Section 2.     Annual Meetings. Regular annual meetings of the Owners shall be held in the first calendar quarter of each year hereafter, on a date and at an hour established, from time to time, by the Board. The order of business at all annual meetings, shall be as follows:

- (a) calling of meeting to order;
- (b) proof of notice of meeting or waiver of notice;
- (c) reading of minutes of preceding meeting;
- (d) reports of officers;
- (e) reports of committees;
- (f) election of inspectors of election;
- (g) election of members of board;
- (h) unfinished and/or old business;
- (i) new business;
- (j) adjournment.

Section 3. Special Meetings. Special meetings of the Owners may be called at any time by the President or by the Board, or upon written request of Owners entitled to exercise one-fourth (1/4) or more of the voting power of the Owners, and when required by the Declaration, Articles or by law.

Section 4. Notice of Meetings. Written notice of each meeting of the Owners shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting, to each Owner entitled to vote thereat, addressed to the Owner's address last appearing on the books of the Association, or supplied by such Owner to the Association for the purpose of notice, or by delivering a copy of that notice at such address at least ten (10) 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 5. Quorum. The Owners present, in person or by proxy, at any duly called and noticed meeting of Owners, shall constitute a quorum for such meeting. Owners entitled to exercise a majority of the voting power of Owners represented at a meeting may, at any time, adjourn such meeting. If any meeting is so adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting.

Section 6. Proxies. At any meeting of Owners, a Owner may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary prior to the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by an Owner of such Owner's Unit.

Section 7. Voting Power. Except as otherwise provided in the Declaration, Articles, or by law, a majority of the voting power of Owners voting on any matter that may be determined by the Owners 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 the Owners except as otherwise specifically provided in the Declaration, Articles, or by law. A majority of the Voting Power is fifty-one percent (51%) of the total votes cast by Owners represented in person or by proxy at each meeting.

Section 8. Action In Writing Without Meeting. All actions, except removal of a Trustee, which may be taken at a meeting of the Association, may be taken without a meeting with the approval of, and in writing or writings signed by Owners having not less than one hundred percent (100%) of the voting power of Owners or such greater percentage of voting power as may be required by the Declaration or Articles. Such writing shall be filed with the Secretary of the Association.

## ARTICLE IV

### BOARD OF TRUSTEES

Section 1. Initial Trustees. The initial Trustees shall be those three persons named as the initial Trustees in the Articles.

Section 2. Successor Trustees. The number, time of election, and term of office of those who will serve as Trustees of the Association to succeed the initial Trustees, shall be as provided in the Declaration and these Bylaws. At no time shall the number of Trustees be more than six (6) or less than three (3).

Section 3. Removal. Any Trustee may be removed from the Board with or without cause, by a majority vote of the Owners. In the event of the death, resignation or removal of a Trustee, that Trustee's successor shall be selected by the remaining members of the Board and shall serve until the next annual meeting of Owners, when a Trustee shall be elected to complete the term of such deceased, resigned or removed Trustee.

Section 4. Nomination. Nominations for the election of Trustees to be elected by the Owners shall be made by a nominating committee. Nominations may also be made from the floor at the meetings. The nominating committee shall consist of a chairman, who shall be a member of the Board, and two (2) or more Owners appointed by the Board. The nominating committee shall make as many nominations for election to the Board as it shall, in its discretion, determine, but no less than the number of vacancies that are to be filled.

Section 5. Election. Election to the Board by the Owners shall be by secret, written ballot. At such elections, the Owners or their proxies may cast, in respect to each vacancy, such voting power as they are entitled to exercise under the provisions of the Declaration or Articles. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 6. Compensation. Unless otherwise determined by the Owners 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 7. Regular Meetings. Regular meetings of the Board shall be held not less than quarterly, without notice, on such date and at such place and hour as may be fixed from time to time by resolution of the Board.

Section 8. Special Meetings. Special meetings of the Board shall be held when called by the President of the Board, or by any two (2) Trustees, after not less than three (3) days notice to each Trustee.

Section 9. Quorum. The presence at any duly called and noticed meeting, in person or by proxy, of Trustees entitled to cast a majority of the voting power of Trustees shall constitute a quorum for such meeting.

Section 10. Voting Power. Except as otherwise provided in the Declaration, the Articles, or by law, the vote of a majority of the Trustees voting on any matter that may be determined by the Board at a duly called and noticed meeting at which a quorum is present, shall be sufficient to determine that matter.

Section 11. Action In Writing Without Meeting. Any action that could be taken by the Board at a meeting, may be taken without a meeting with the affirmative vote or approval, in a writing or writings signed by, of all of the Trustees.

Section 12. Powers. The Board shall exercise all powers and authority, under law, and under the provisions of the Declaration and Articles, that are not specifically and exclusively reserved to the Owners by law or by other provisions thereof, and without limiting the generality of the foregoing, the Board shall have the right, power and authority to:

- (a) Take all actions deemed necessary or desirable to comply with all requirements of law, and the Declaration and Articles;
- (b) Obtain insurance coverage no less than that required pursuant to the Declaration;
- (c) Enforce the covenants, conditions and restrictions set forth in the Declaration;
- (d) Repair, maintain and improve the Common Areas;
- (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 Areas and the personal conduct of Owners, occupants and their guests thereon, and establish penalties for the infraction thereof;
- (g) Declare the office of a member of the Board to be vacant in the event such Trustee shall be absent from three consecutive regular meetings of the Board;
- (h) Subject to such approvals, if any, as may be required pursuant to the provisions of the Declaration and Articles, authorize the officers to enter into one or more agreements necessary or desirable to fulfill the purposes and objectives of the Association, including, without limitation, purchase agreements, loan documents and management agreements in order to facilitate the efficient operation of the property; (it shall be the primary purpose of such management agreements to provide for administration, management, repair and maintenance as provided in the Declaration, and the receipt and disbursement of funds as may be authorized by the Board; the terms of any management agreements shall be as determined by the Board to be in the best interest of the Association, subject, in all respects, to the provisions of the Declaration and Articles);

- (i) Cause funds of the Association to be invested in such reasonable investments as the Board may from time to time determine;
- (j) Borrow funds, as needed, and pledge such security and rights of the Association as might be necessary or desirable to obtain any such loan; and
- (k) Do all things and take all actions permitted to be taken by the Association by law, or the Declaration and Articles not specifically reserved thereby to others.

Section 13.    Duties. It shall be the duty of the Board to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Owners at each annual meeting of Owners, or at any special meeting when such statement is requested in writing by Owners representing one-fourth or more of the voting power of the Owners;
- (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 Unit and;
  - (ii) Give written notice of each assessment to every Owner subject thereto within the time limits set forth therein.
- (d) Issue, or to cause an appropriate representative to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid;
- (e) Procure and maintain insurance as provided in the Declaration, and as the Board deems advisable;
- (f) Cause the property subject to the Association's jurisdiction to be maintained within the scope of authority provided in the Declaration;
- (g) Cause the restrictions created by the Declaration to be enforced; and
- (h) Take all other actions required to comply with all requirements of law and the Declaration and Articles.

Section 14. Fidelity Bonds. The Board will require that all officers and employees of the Association responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association and shall be a common expense.

Section 15. Delegation of Authority. The Board is authorized to delegate the authority and duties of any officer to any other officer and generally to control the action of the officers and to require the performance of duties in addition to those mentioned herein.

## ARTICLE V

### OFFICERS

Section 1. Enumeration of Officers. The officers of this Association shall be a President, a Secretary, a Treasurer and such other officers as the Board, from time to time, determines. 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. Except as otherwise specifically provided in the Declaration or by law, the officers of the Association shall be selected by the Board, from time to time, to serve until the Board selects their successors.

Section 3. Special Appointments. The Board 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 Board may, from time to time, determine.

Section 4. Resignation and Removal. Any Officer may be removed from office, with or without cause, by the Board. Any Officer may resign at any time by giving written notice to the Board, 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 as the Board 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 Board, shall have the authority to see that orders and resolutions of the Board are carried out, and shall sign all legal instruments on behalf of the Association.
- (b) Vice President. The Vice President shall perform the duties of the President whenever the President is unable to act and shall have such other authority and perform such other duties as may be determined by the Board.

- (c) Treasurer. The Treasurer shall assume responsibility for the receipt and deposit in appropriate bank accounts of all monies of the Association, the disbursement of such funds as directed by resolution of the Board, the keeping of proper books of account, the preparation of an annual budget and a statement of income and expenditures to be presented to the Owners at annual meetings, and the delivery or mailing of a copy of each to the Owners.
  
- (d) Secretary. The Secretary shall record the votes and keep the minutes and proceedings of meetings of the Board and of the Owners, serve notice of meetings of the Board and of the Owners, keep appropriate current records showing the names of Owners 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.

## ARTICLE VI

### COMMITTEES

The Board shall appoint a nominating committee and may appoint such other committees as it deems appropriate in carrying out its purposes.

## ARTICLE VII

### FINANCES OF ASSOCIATION

Section 1. Preparation of Estimated Budget. Each year on or before December 1st, the Association shall estimate the total amount necessary to pay all the common expenses for the next calendar year together with a reasonable amount considered by the Association to be necessary for a reserve for contingencies and replacements (estimated cash requirement) and shall on or before December 15th notify each Owner in writing as to the amount of such estimate, with reasonable itemization thereof. The estimated cash requirement shall be assessed to the Owners according to each Owner's percentage of ownership in the Common Areas. On or before January 1st of the ensuing year, and on the first day of the first month thereafter, each Owner shall be obligated to pay to the Association as it may direct one-twelfth (1/12) of the assessment made pursuant to this Section. On or before the date of each annual meeting, the Association shall supply to all Owners an itemized accounting of the common expenses for the preceding calendar year actually incurred and paid together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures plus reserves.

Section 2. Replacements. The Association shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual estimate which may be necessary for the year, shall be charged first against such reserve. If the estimated cash requirement proves inadequate for any reason, including non-payment of any Owner's assessment, such extraordinary expenditures shall be assessed to the Owners according to each Owner's percentage of ownership in the Common Areas. The Association shall serve notice of

such further assessment on all Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall be payable with the next regular quarterly payment becoming due to the Association not less than ten (10) days after the delivery or mailing of such notice of further assessment. All Owners shall be obligated to pay the adjusted quarterly amount.

Section 3. Budget for First Year. When the first Board elected hereunder takes office, the Association shall determine the estimated cash requirement, as hereinabove defined, for the period commencing thirty (30) days after said election and ending on December 31st of the calendar year in which said election occurs. Assessments shall be levied against and paid by, the Owners during said period as provided in the Declaration.

Section 4. Failure to Prepare Annual Budget. The failure or delay of the Association to prepare or deliver to the Owners the annual or adjusted estimate shall not constitute a waiver or release in any manner of such Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined and in the absence of any annual estimate or adjusted estimate, the Unit Owner shall continue to pay the quarterly maintenance charge at the existing quarterly rate established for the previous period until the quarterly maintenance payment which is due more than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered.

Section 5. Status of Funds Collected By Association. All funds collected hereunder shall be held and expended solely for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all of the Owners, and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the use, benefit and account of all of the Owners in proportion to each Owner's percentage of ownership in the Common Areas.

Section 6. Annual Audit. The books of the Association shall be reviewed once a year by the Board and such review shall be completed prior to each annual meeting. If requested by two (2) members of the Board, such review shall be by a Certified Public Accountant. In addition and at any time requested by a majority of the Voting Power of Owners or by the Association, the Board shall cause an audit to be made.

## ARTICLE VIII

### BOOKS OF RECORDS

The books, records and financial statements of the Association, including annual audited financial statements when such are prepared, shall be available during normal business hours or under other reasonable circumstances, upon request to the Association for inspection by Owners and the holders and insurers of first mortgages of Units. Likewise, during normal business hours or under other reasonable circumstances, the Association shall have available for inspection by Owners, lenders and their insurers, and prospective purchasers, current copies of the Declaration, Articles, Code of Regulations and any amendments.



## ARTICLE IX

### FISCAL YEAR

Unless otherwise changed by the Board, 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 day of incorporation of this Association.

## ARTICLE X

### GENERAL PROVISIONS

Section 1. Conflict of Interest. A Trustee or officer of the Association shall not be disqualified by his or her office from dealing or contracting with the Association as a vendor, purchaser, employee, agent, or otherwise. No transaction or contract or act of the Association shall be void or voidable if made by any firm of which any Trustee or officer is a member or any corporation of which any officer or Trustee is a shareholder, director, or trustee, or any trust of which any Trustee or officer of the Association is a trustee or beneficiary is in any way interested in such transaction or contract or act. No Trustee or officer shall be accountable or responsible to the Association for or in respect to any transaction or contract or act of the Association or for any gains or profits directly or indirectly realized by him by reason of the fact that he or any firm of which he is a member or any corporation of which he is a shareholder, director, or trustee, or any trust of which he is a trustee or beneficiary, is interested in such transaction or contract or act, provided the fact that such Trustee or officer or such firm or such corporation or such trust is so interested shall have been disclosed or shall have been known to the Board or such members thereof as shall be present at any meeting of the Board at which action upon such contract or transaction or act shall have been taken. Any Trustee may be counted in determining the existence of a quorum at any meeting of the Board which shall authorize or take action in respect to any such contract or transaction or act, and may vote thereat to authorize, ratify, or approve any such contract or transaction or act, and any officer of the Association may take any action within the scope of his authority respecting such contract or transaction or act, with like force and effect as if he or she or any firm of which he or she is a member, or any corporation of which he is a shareholder, director, or trustee, or any trust of which he or she is a trustee or beneficiary were not interested in such transaction or contract or act. Without limiting or qualifying the foregoing, if in any judicial or other inquiry, suit, cause or proceeding, the question of whether a Trustee or officer of the Association has acted in good faith is material, and notwithstanding any statute or rule of law or of equity to the contrary (if any there be), his good faith shall be presumed, in the absence of proof to the contrary by clear and convincing evidence.

Section 2. Indemnification. Except as otherwise provided herein, every person who is or has been a Trustee or Officer of the Association after the date of the adoption of these Code of Regulations and his or her heirs and legal representatives is hereby indemnified by the Association against expense and liabilities actually and necessarily incurred by him in connection with the defense of either (i) any action, suit or proceeding to which he may be a party defendant, or (ii) any claim of liability asserted against him, by reason of his being or having been a Trustee or Officer of the Association. Without limitation, the term "expenses" included any amount paid or agreed to be

paid in satisfaction of a judgment or in settlement of a judgment or claim of liability other than any amount paid or agreed to be paid by the Association itself. The Association does not, however, indemnify any Trustee or Officer in respect to any matter as to which he shall be finally adjudged liable for gross negligence or malicious misconduct in the performance of his duties as such Trustee or Officer, nor in the case of a settlement, unless such settlement shall be found to be in the interest of the Association by (i) the court having jurisdiction of the action, suit or proceeding against such Trustee or Officer or of a suit involving his right to indemnification or (ii) a majority of the Trustees of the Association then in office other than those involved in such matter (whether or not such majority constitutes a quorum), or if there be not Trustees who are not involved in the matter, then by disinterested Association members entitled to exercise a majority of the voting power shall, by vote at any annual or special meeting of the Association, approve such settlement and the reimbursement to such Board member or Officer of such costs and expenses. The phrase "disinterested members" shall mean all members of the Association other than (i) any Board member or Officer of the Association who at the time is or may be entitled to indemnification pursuant to the foregoing provisions, (ii) any corporation or organization of which any such Board member or Officer owns of record or beneficially ten percent (10%) or more of any class of voting securities, (iii) any firm of which such Board member or Officer is a partner, and (iv) any spouse, child, parent, brother or sister of any such Board member or Officer. The foregoing rights of indemnification shall inure to the benefit of the heirs and legal representatives of each such Board member or Officer, and shall not be exclusive of other rights to which any Board member or Officer may be entitled as a matter of law or under the Declaration, any vote of Association members or any agreement. The rights of indemnification referred to herein shall not apply to any action brought by the Association against any current or former Trustee or Officer.

**ARTICLE XI**

**AMENDMENTS**

Any modification or amendment of these Bylaws shall be made by the approval of a majority of the Voting Power at a duly called meeting of the Owners of the Association.

IN TESTIMONY WHEREOF, the Owners have caused these Bylaws to be duly adopted on or as of the \_\_\_\_\_ day of July, 2000 at a duly called meeting of the Owners.

**SAND RUN HOMEOWNERS  
ASSOCIATION, INC.**

\_\_\_\_\_  
Sally M. Timbrell, President

Attested by:

\_\_\_\_\_  
\_\_\_\_\_, Secretary