

**AMENDED AND RESTATED BYLAWS OF THE OAKS
A CLUSTER DWELLING ASSOCIATION**

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**ARTICLE I
MEETING OF MEMBERS**

Section 1. Annual Meetings. The annual meetings of Living Unit Members shall be held at such time within four (4) months following the close of each fiscal year at such place as may be determined by the Board of Directors and stated in the notice of the meeting, for the election of Directors, the consideration of reports to be laid before such meeting, and the transaction of such other business as may properly come before the meeting.

Section 2. Special Meetings. Special meetings of the Living Unit Members may be called by the President or, in the case of the President's absence, death, or disability, the Vice-President authorized to exercise the authority of the President, or by a majority of the Directors by action with or without a meeting, or by Living Unit Members entitled to exercise at least twenty-five percent (25%) of the voting powers in a writing requesting the President or such Vice-President to call such special meeting. Calls for such meetings shall specify the time, place and purposes thereof. No business other than that specified in the call shall be considered at any special meeting.

Section 3. Notice of Meetings. Written notice of each meeting of the Living Unit Members will be given by, or at the direction of, the secretary or person authorized to call the meeting, delivered in accordance with the methods of delivery permitted in accordance with the Declaration and these Bylaws at least 15 days before the meeting, to each Living Unit Member entitled to vote at the meeting. The notice will specify the place, day and hour of the meeting, the specific motion or motions (other than procedural) to be voted upon.

If the meeting is held via Authorized Communications Equipment, the meeting notice must include any pertinent information that is necessary to allow the Living Unit Member to participate at the meeting via the Authorized Communications Equipment. "Authorized Communications Equipment," as used in these Bylaws, means any communications equipment that is selected by the Board, in its sole discretion, that provides an electronic communication transmission, including but not limited to, by telephone, video conference, or any electronic means, from which it can be determined that the transmission was authorized by, and accurately reflects the intention and participation of the Living Unit Member.

Section 4. Voting Rights. Each Living Unit Member (as defined in Article IV, Section 2 of the Covenants, Restrictions and Easements) shall be entitled to one (1) vote for each Living Unit owned by him.

Section 5. Quorum. The Living Unit Members entitled to exercise a majority of the voting power of the Association at any meeting providing for in person attendance or that attend by using the method of Authorized Communications Equipment, approved by the Board for meetings that are held via Authorized Communications Equipment, present in person or by proxy, constitutes a quorum for the transaction of business to be considered at such meeting; provided, however, that no action required by law or by the Covenants, Restrictions and Easements or Bylaws to be authorized or taken by Living Unit Members entitled to exercise a designated proportion of the voting power may be authorized or taken by a lesser proportion. Ballots submitted via mail or by Electronic Voting Technology, as defined in Bylaws Article I, Section 7, also will count that Living Unit towards the quorum. The Board of Directors may adopt procedures and guidelines to permit the Association to verify that the person attending, either in person or by Authorized Communications Equipment, is eligible to vote and to maintain a record of any vote. Members entitled to exercise a majority of the voting power represented at a meeting, whether or not a quorum is present, may adjourn such meeting, from time to time, until a quorum shall be present.

Section 6. Attendance and Voting of Undivided Interests. If two or more persons, whether fiduciaries, tenants in common, joint tenants or otherwise, own undivided interest in a Living Unit, each shall be entitled to exercise such proportion of the voting power of all owners of such Living Unit which is equivalent to such persons' proportionate interest in the Living Unit. If only one of such persons attends or votes (in person or by proxy) at a meeting of Living Unit Members, such attendance shall be counted for voting purposes as the vote of all such interest holders for such Living Unit.

Section 7. Voting Methods. Depending on the conduct of the meeting, as determined by the Board in accordance with Bylaws Article I, Section 8, as amended, voting will be conducted via one of the following methods:

(a) Voting in Person or by Proxy. For meetings that are held in person and provide for physical attendance, Living Unit Members may vote in person or by proxy. The person appointed as proxy need not be a Living Unit Member of the Association. Each proxy will be executed in writing by the Living Unit Member entitled to vote and must be returned to the Association by regular mail, hand delivery, electronic mail, or other method of delivery provided for or permitted by

the Board. Every proxy will automatically cease upon conveyance of the Living Unit by the Living Unit Member.

(b) Voting by Mail and Electronic Voting Technology. For meetings that are held via Authorized Communications Equipment, voting will be conducted by mail, through the use of Electronic Voting Technology that is approved by the Board, or both. "Electronic Voting Technology" as used in these Bylaws, means an electronic voting system that accurately and securely records the voting Living Unit Member's intent to cast a ballot on a matter in the way identified by the Living Unit Member, and provides for the counting of electronic votes submitted, including by means of internet, application, web, virtual, or other electronic technology. All matters to be voted on at a meeting utilizing Authorized Communications Equipment must be sent to the Living Unit Members no later than the date the meeting notice is sent to the Living Unit Members in accordance with Bylaws Article I, Section 3, as amended. Voting via mail or by use of Electronic Voting Technology is considered to be voting at the meeting, as if the Living Unit Member were physically present.

(c) Voting in Person, by Proxy, by Mail, and by Electronic Voting Technology. For meetings that are held in person and provide for physical attendance, the Board may decide that voting will be conducted either in person or by proxy, as provided for in this Bylaws Article I, Section 7(a) above, by mail or Electronic Voting Technology as provided for in this Bylaws Article I, Section 7(b) above, or any combination of all voting methods permitted in this Section 7.

Any ballots, regardless of method, received subsequent to the date and time the Board sets for ballots to be turned in will be held invalid. Any costs associated with voting, including mailing costs, printing, Authorized Communications Equipment and Electronic Voting Technology costs and subscriptions, are common expenses. The Board may adopt any additional regulations, procedures, or rules as may be necessary to effectuate the intent and purpose of this voting provision to provide for the use of the desired voting method.

Section 8. Conduct of Meetings. Prior to the meeting notice being sent to the Living Unit Members in accordance with Bylaws Article I, Section 3, as amended, the Board will determine whether the meeting will be conducted physically so that the Living Unit Members may attend in person, if the meeting will be conducted by the use of Authorized Communications Equipment, or a combination of both methods.

If Authorized Communications Equipment is employed, the attendees must have the ability to communicate with the other participants to indicate their motion, vote, or statement, provided that the chair or moderator moderating the meeting may silence or mute the Authorized Communications Equipment unless the Living Unit Member is voting or has been recognized by the meeting chair or moderator to participate in the meeting. The meeting chair or moderator has the authority to decide and determine all procedural motions or other procedural matters to be decided at the meeting, including points of order and adjournment. The Board must document in the Board's meeting minutes the reason or purpose for conducting the meeting using Authorized Communications Equipment when meetings are not conducted in person.

Section 9. Actions Without a Meeting. Any action which may be authorized or taken at a meeting of the Members, (except the election or removal of Directors, which must be taken at an Association meeting), may be authorized or taken without a meeting in accordance with the voting methods in Bylaws Article I, Section 7, as amended. All voting records will be filed with the Association.

ARTICLE II **BOARD OF DIRECTORS**

Section 1. Qualifications. Each Director must be a Living Unit Owner or the spouse of a Living Unit Owner, provided that if a Living Unit Owner is not an individual, that Living Unit Owner may nominate for the Board of Directors any principal, member of a limited liability company, partner, director, officer, or employee of that Living Unit Owner to serve on the Board of Directors. In addition, a trustee or a qualified beneficiary of a trust which owns the Lot is also eligible to serve as a Director. The majority of the Board may not consist of the Living Unit Owners or representatives from the same Living Unit unless authorized by a resolution adopted by the Board prior to the majority being comprised of Living Unit Owners or representatives from the same Living Unit.

Directors must be in good standing. "Good standing" means the Director is not an adverse party in any litigation involving one or more of the following parties: the Association, the Board or any Director (in that Living Unit Member's capacity as a Director). Good standing also requires that the Director not be more than 60 days delinquent in the payment of any fees or assessments owed to the Association. Any current Director not in good standing, as defined in this Section, at the time this amendment was recorded with the Cuyahoga County Fiscal Office on December 21, 2024, has 30 days to become in good standing, otherwise they may be removed by a majority vote of the remaining Directors. Each Director must also provide and cooperate with all State and Federal reporting requirements, if any,

including provision of contact and other information and documentation as the law may require.

Section 2. Number. Until changed in accordance with the provisions of this section, the number of Directors of the Association shall be three (3). The number of Directors shall at all times be not less than three (3) and may be fixed or changed at any annual meeting or at any special meeting called for that purpose by the affirmative vote of the Living Unit Members entitled to exercise a majority of the voting power, but no decrease in the number of Directors shall have the effect of removing any Director prior to the expiration of his term.

Section 3. Nominations, Election of Directors, Terms. The nominations, election, and terms of Directors is as follows:

(a) Nominations. Nominations for the election of Directors to be elected by the Living Unit Members will be made by a nominating committee appointed by the Board or, if a committee is not appointed, by the Board itself; there will be no nominations from the floor. The nominating committee, or Board, will make as many nominations for election to the Board as it, in its discretion, determines, but no fewer than the number of vacancies that are to be filled and will verify that the nominees satisfy all qualification requirements of Bylaws Article II, Section 1. Any qualified candidate may submit their name to the nominating committee, or Board, as a candidate, and the nominating committee, or Board, must nominate that person if that person satisfies all the qualification requirements of Bylaws Article II, Section 1. If there are fewer nominees than vacancies, the nominating committee, or Board, must nominate additional person(s) to be elected prior to the ballots being sent to the Living Unit Members so that there are, at all times, a sufficient number of nominees to fill all Board vacancies that are up for election.

Prior to sending the meeting notice, the nominating committee, or Board, will establish deadlines for when a request for nominations is sent to all Living Unit Members and when receipt of nominations must be obtained. Nominations must be made and received within a reasonable time period prior to the notice of any meeting where Directors are to be elected is sent in accordance with Bylaws Article I, Section 3, as amended, so that the voting information containing all the candidates' names and an informational sheet, within size limitations determined by the Board, containing their biographical information and affirming their candidacy, can be transmitted to the Living Unit Members no later than the sending of the meeting notice. The Board may adopt any additional regulations, procedures, or rules necessary to establish processes and deadlines in accordance with this nominations provision.

(b) Election of Directors. Unless there are no more nominees than vacancies, election to the Board by the Living Unit Members is by secret ballot, submitted either in person, by proxy, by mail, or by Electronic Voting Technology, as determined by the Board pursuant to Bylaws Article I, Section 7, as amended. The Association is not required to distribute ballots to the Living Unit Members via any method if there are an equal number of nominations as there are candidates, in which case the nominated candidates will automatically be elected to the Board of Directors at the election meeting.

Regardless of the voting method, the Board must adopt rules and safeguards to determine a method by which the secrecy of the ballots is maintained for those Living Unit Members while also maintaining the integrity of the voting process to ensure each Living Unit Member has only exercised their allotted vote once so that any other individuals can only identify that a Living Unit has voted, and not how a Living Unit has voted. The ballots, whether electronic or written, will list the number of open seats for Directors up for election and list the names of all of the nominated candidates.

If voting by mail, ballots must be submitted within dual envelopes. One of the two envelopes must contain the ballot itself, the "Ballot Envelope." The Ballot Envelope need not be signed. The second envelope must contain the Ballot Envelope and the ballot, the "Signature Envelope." The Signature Envelope must be signed by the Living Unit Member(s) voting, and will be used as a record of receipt of the Living Unit Member's ballot as well as to determine quorum. If the Signature Envelope is not signed by the Living Unit Member(s), the ballot in the Ballot Envelope will not be counted.

For the election of Directors, the Living Unit Members, or their proxies, may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration and these Bylaws. The persons receiving the largest number of votes will be elected. Unless the nominated candidates who have received the largest number of votes agree otherwise, ties, including if there are an equal number of nominees as there are positions with different terms, will be determined by lot or flip of a coin by the chair or moderator of the meeting. Cumulative voting is not permitted.

The nominating committee, or if a nominating committee is not appointed, the Board itself (excluding any incumbent Directors who are running for re-election), is responsible for (i) confirming all nominated candidates meet the qualifications to serve as a Director, (ii) receiving and verifying any ballots that are cast in person or by mail, (iii) receiving and verifying any ballots cast using Electronic Voting Technology, (iv) counting each ballot submitted through any voting method, and (v) verifying the results of the election by providing the ballots and results to the chair or moderator of the meeting. The chair or moderator will announce the election results at the meeting to be reflected in the meeting minutes and the Board will ensure the election results are provided to all Living Unit Members within a reasonable time after the meeting.

(c) Terms. Directors will be elected to hold office for the term of three years, and the terms will be staggered so that no less than one-third of the terms expire annually.

Section 4. Term of Office. Each Director shall hold office until his successor is elected and qualified as provided in Section 3 hereof, or until his earlier resignation, removal from office, or death.

Section 5. Removal. All the elected Directors, or all the Directors of a particular class, or any individual Director may be removed from office without assigning any cause by the vote of the Living Unit Members entitled to exercise a majority of the voting power of the Association. In case of any such removal a new Director may be elected at the same time for the unexpired term of each Director removed. Failure to elect a Director to fill the unexpired term of any Director removed shall be deemed to create a vacancy on the Board.

In addition, the Board, by a majority vote, may remove any individual Director and create a vacancy on the Board, if:

- (a)** by order of court, the Director has been found to be of unsound mind;
- (b)** the Director files for bankruptcy or has been adjudicated bankrupt;
- (c)** the Director is or has been convicted of a felony for theft or other theft related crime, including larceny, forgery, false pretenses, fraud, embezzlement, conversion, or any conspiracy related to any theft-related crime, at any time in the past, or convicted of a felony for any other type of crime within the last 10 years;

- (d) the Director is no longer a Living Unit Member in good standing or meets the qualifications to serve as a Director as defined in Bylaws Article II, Section 1, as amended;
- (e) the Director is physically incapacitated in a manner that prohibits the Director from voting or participating in Board meetings; or
- (f) the Director fails to attend three consecutive meetings.

Section 6. Vacancies. Vacancies in the elected Board of Directors may be filled by a majority vote of the remaining Directors until an election to fill such vacancies is had. Members shall have the right to fill such vacancy in the Board (whether the same has been temporarily filled by the remaining Directors or not) at any meeting of the Living Unit Members called for that purpose.

Section 7. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business, except that a majority of the Directors in office shall constitute a quorum for filling a vacancy on the Board. Whenever less than a quorum is present at the time and place appointed for any meeting of the Board, a majority of those present may adjourn the meeting, from time to time, until a quorum shall be present.

Section 8. Annual Meeting. Annual meeting of the Board of Directors shall be held immediately following the annual meeting of the Living Unit Members, or if no annual meeting of the Living Unit Members is held, or if Directors are not elected thereat, then immediately following any special meeting of the Living Unit Members at which Directors are elected. Such annual meeting of Directors shall be held at the same place at which such Living Unit Members' meeting was held.

Section 9. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and place as the Board of Directors may, by resolution or regulation, from time to time, determine. The Secretary shall give notice of each such resolution or regulation to any Director who was not present at the time the same was adopted, but no further notice of such regular meeting need be given. At such meetings, any and all business within the power of the Directors may be transacted.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called to be held at such times and places in the City as the person or persons calling such meeting may determine; by the President or Secretary or any two (2) members of the Board of Directors.

Section 11. Notice of Annual or Special Meeting. Notice of the time, place, and purposes of each annual or special meeting shall be given to each Director by the Secretary or by the person or persons calling such meeting. Such notice shall state the purpose or purposes of the meeting and may be given in any manner or method and at such time so that the Director receiving it may have reasonable opportunity to attend the meeting. Such notice shall, in all events, be deemed to have been properly and duly given if mailed at least forty-eight (48) hours prior to the meeting and directed to the residence of the Director as shown upon the Secretary's records. The giving of notice shall be deemed to have been waived by any Director who shall attend and participate in such meeting and may be waived, in writing or by telegram, by any Director either before or after such meeting.

Section 12. Compensation. The Directors, as such, shall not receive any compensation for their services, provided that nothing herein contained shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefore. Members of any standing or special committee may, by resolution of the Board, be allowed such compensation for their services as the Board may deem reasonable, and additional compensation may be allowed to Directors for special services rendered.

Section 13. Regulations. For the government of its actions, the Board of Directors may adopt regulations consistent with the Covenants, Restrictions and Easements and these Bylaws, and consistent with the rules and regulations adopted by the Association pursuant to Article VIII hereof.

Section 14. Powers and Duties. Except as otherwise provided by law, the Covenants, Restrictions and Easements or the Bylaws, all power and authority of the Association shall be exercised by the Board of Directors. The Board of Directors shall be responsible for the maintenance, repair, and replacement of the common elements, facilities, Living Units, and Cluster Housing Properties. In carrying out the purposes of the property and subject to the limitations prescribed by law, the Covenants, Restrictions and Easements or these Bylaws, the Board of Directors, for and on behalf of the Association may:

(a) Purchase or otherwise acquire, lease as lessee, invest in hold, use, lease as lessor, sell, exchange, transfer, and dispose of property of any description or any interest therein;

(b) Make contracts, including, without limitation, a contract with other associations of Cluster Housing Properties or with an association of condominiums for the joint or common performance of any duties or procurement of any service,

or for any other purpose deemed by the Board of Directors to be in furtherance of the purposes stated in the Covenants, Restrictions and Easements and Bylaws or incident thereto;

- (c) Effect insurance;
- (d) Borrow money and issue, sell and pledge notes, bonds and other evidence of indebtedness of the Association;
- (e) Levy assessments against Living Unit Owners as described in Article VI, Section 2, of the Covenants, Restrictions and Easements;
- (f) Employ a Managing Agent to perform such duties and services as the Board may authorize;
- (g) Merge or consolidate other associations with like interests and general purposes; and,
- (h) Do all things permitted by law and exercise all power and authority within the purposes stated in the Covenants, Restrictions and Easements or incidental thereto.

Section 15. Committees. The Board of Directors may, by resolution, provide for such standing or special committees as it deems desirable, and discontinue the same at their pleasure. Each such committee shall have such powers and perform such duties, not inconsistent with law, as may be delegated to it by the Board of Directors. Each such committee shall keep full records and accounts of its proceedings and transactions. All action by any such committee shall be reported to the Board of Directors at its meeting next succeeding such action and shall be subject to control, revision, and alteration by the Board of Directors; provided that no rights of third persons shall be prejudicially affected thereby. Each such committee shall fix its own rules of procedure and shall meet as provided by such rules or by resolutions of the Board of Directors, and it shall also meet at the call of the President of the Association or of any two (2) members of the committee. Unless otherwise provided by such rules or by such resolutions, the provisions of Section 11 of Article II relating to the notice required to be given of meetings of the Board of Directors shall also apply to meetings of each such committee. A majority of the committee may act in writing or by telegram or by telephone with written confirmation, without a meeting, but no such action shall be effective unless concurred in by all members of the committee. Vacancies in such committees shall be filled by the Board of Directors or as it may provide.

ARTICLE III OFFICERS

Section 1. General Provisions. The Board of Directors shall elect a President, such number of Vice Presidents as the Board may, from time to time, determine, a Secretary and a Treasurer. The Board of Directors may, from time to time, create such offices and appoint such other officers, subordinate officers and assistant officers as it may determine. The President and any Vice President who succeeds to the office of the President shall be, but the other officers need not be, chosen from among the members of the Board of Directors. Any two (2) of such offices, other than that of President and Vice President, may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity.

Section 2. Term of Office. The officers of the Association shall hold office at the pleasure of the Board of Directors and, unless sooner removed by the Board of Directors, until the organization meeting of the Board of Directors following the date of their election and until their successors are chosen and qualified. The Board of Directors may remove any officer at any time, with or without cause. A vacancy in any office, however created, shall be filled by the Board of Directors.

ARTICLE IV DUTIES OF OFFICERS

Section 1. President. The President shall be the chief executive officer of the Association and shall exercise supervision over the affairs of the Association and over its several officers; subject, however, to the control of the Board of Directors. He shall preside at all meetings of Living Unit Members and shall also preside at meetings of the Board of Directors. He shall have authority to sign all contracts, notes, and other instruments requiring his signature, and shall have all the powers and duties prescribed by the Ohio Revised Code and such others as the Board of Directors may, from time to time, assign to him.

Section 2. Vice Presidents. The Vice Presidents shall perform such duties as are conferred upon them by these Bylaws or as may, from time to time, be assigned to them by the Board of Directors or the President. At the request of the President, or in his absence or disability, the Vice President designated by the President (or in the absence of such designation, the Vice President designated by the Board) shall perform all the duties of the President and, when so acting, shall have all the powers of the President. The authority of Vice Presidents to sign, in the name of

the Association, all contracts, notes, and other instruments shall be coordinated with like authority of the President.

Section 3. Secretary. The Secretary shall keep minutes of all the proceedings of the members and Board of Directors and shall make proper record of the same, which shall be attested by him; shall have authority to sign all contracts, notes, and other instruments executed by the Association requiring his signature; give notice of meetings of Living Unit Members and Directors; keep such books as may be required by the Board of Directors; and, perform such other and further duties as may, from time to time, be assigned to him by the Board of Directors.

Section 4. Treasurer. The Treasurer shall have general supervision of all finances. He shall receive and be in charge of all money, bills, notes, documents and similar property belonging to the Association and shall do with the same as may, from time to time, be required by the Board of Directors. He shall cause to be kept adequate and correct accounts of the business transactions of the Association, including accounts of its assets, liabilities, receipts, expenditures, profits and losses, together with such other accounts as may be required, and upon the expiration of his term of office shall turn over to his successor or to the Board of Directors all property, books, documents, and money of the Association in his hands; and, he shall perform such other duties as, from time to time, may be assigned to him by the Board of Directors.

Section 5. Assistant and Subordinate Officers. The Board of Directors may appoint such assistant and subordinate officers as it may deem desirable. Each such officer shall hold office during the pleasure of the Board of Directors and perform such duties as the Board of Directors may prescribe.

The Board of Directors may, from time to time, authorize any officer to appoint and remove subordinate officers, to prescribe their authority and duties, and to fix their compensation.

Section 6. Duties of Officer May Be Delegated. In the absence of any officer of the Association or, for any other reason the Board of Directors may deem sufficient, the Board of Directors may delegate the powers or duties, or any of them, of such officer, to any Director or the Managing Agent.

ARTICLE V

INDEMNIFICATION OF DIRECTORS, OFFICERS AND MEMBERS OF COMMITTEES

Section 1. Scope of Indemnification. Each Director and officer of the Association and each member of any committee appointed by the Board of Directors shall be indemnified by the Association against the costs and expenses reasonably incurred by him in connection with the defense of any action, suit or proceeding to which he is made a party by reason of his being or having been a Director or officer of the Association or committee member (whether or not he is a Director, officers or committee member at the time of incurring such costs and expenses), except with respect to matter as to which he shall be adjudged in such action, suit, or proceedings to be liable for misconduct or negligence in the performance of his duty as such Director, officer or committee member. In case of the settlement of any action, suit, or proceeding to which any Director or officer of the Association or committee member is made a party or which may be threatened to be brought against him by reason of his being or having been a Director or officer of the Association or committee member, he shall be indemnified by the Association against the costs, expenses and reasonable attorney fees (including the cost of settlement) reasonably incurred by him in connection with such action, suit or proceeding (whether or not he is a Director, officer or committee member at the time of incurring such costs and expenses), if:

(a) The Association shall be advised by independent counsel that such Director, officer or committee member did not misconduct himself or was not negligent in the performance of his duty as such Director, officer, or committee member with respect to the matters covered by such action, suit, or proceeding, and the cost to the Association of indemnifying such Director or officer or committee member (and all other Directors, officers and committee members, if any, entitled to indemnification hereunder in such case) if such action, suit or proceeding were carried to a final adjudication in their favor could reasonably be expected to exceed the amount of costs and expenses to be reimbursed to such Directors, officers, and committee members as a result of such settlement; or,

(b) Disinterested Living Unit Members entitled to exercise a majority of the voting power shall, by vote at any annual or special meeting of Living Unit Members, approve such settlement and the reimbursement to such Director, officer, or committee member of such costs and expenses. The phrase "disinterested Living Unit Members" shall mean all Living Unit Members of the Association other than:

- (i) Any Director, officer, or committee member 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 Director, officer, or committee member owns of record or beneficially ten percent (10%) or more of any voting class;
- (iii) Any firm of which such Director, officer, or committee member is a partner; and,
- (iv) Any spouse, child, parent, brother, or sister of any Director, officer, or committee member.

The foregoing rights of indemnification shall insure to the benefit of the heirs and legal representatives of each such Director, officer, or committee member, and shall not be exclusive of other rights to which any Director, officer, or committee member may be entitled as a matter of law or under the Covenants, Restrictions and Easements and Bylaws.

ARTICLE VI FISCAL YEAR

Section 1. Establishment of the Year. The fiscal year of the Association shall end on the thirty-first (31st) day of December in each year or on such other day as may be fixed, from time to time, by the Board of Directors.

ARTICLE VII ASSESSMENTS AND FINANCES

Section 1. Preparation of Estimated Budget. On or before the first (1st) day of December of each year or if the fiscal year is other than the calendar year, then on or before the first (1st) day of the last month during such fiscal year, the Board shall estimate the amount necessary to pay the common expenses during the fiscal year next succeeding and such amount as the Board may deem necessary as a reserve for contingencies and replacements, and shall on or before December 15th next succeeding, or if the fiscal year is other than the calendar year, then on or before the fifteenth (15th) day of the last month during such fiscal year, notify each Living Unit Owner in writing of the amount of such estimate, with reasonable itemization thereof. Said estimated cash requirement shall be assessed to the Living Unit Owners according to an equitable plan created or devised by the Board

of Directors pursuant to Article II, Section 14(e) of these Bylaws. On or before the first day of each month of the ensuing fiscal year, each Living Unit Owner shall pay to the Association or as it may direct one-twelfth (1/12) of the assessment made pursuant to this section. If the estimated cash requirement proves inadequate for any reason, including the non-payment by any Living Unit Owner of his assessment, the Association may, at any time, prepare an adjusted estimate and levy an additional assessment which shall be assessed to the Living Unit Owners according to the plan as directed by the Board of Directors. The Association shall give written notice of any such additional assessment to all Living Unit Owners stating the amount thereof, reasons therefore, and the time when the same shall become effective, which shall be not less than ten (10) days after the mailing of such notice or, if the same is not mailed, the delivery thereof. Any amount collected by the Association in excess of the amount required for actual expenses and reserves in any fiscal year shall be credited promptly after the same has been determined according to the plan adopted by the Board of Directors to the monthly installments next due from Living Unit Owners until exhausted, and any deficiency shall be added, according to such plan, to the installments due in the succeeding six (6) months after the same has been determined.

Section 2. Reserve for Contingencies and Replacements. The Association shall establish and maintain a reserve for contingencies and replacements in such amount as the Board may deem necessary. Extraordinary expenses not originally included in the annual estimate which may become necessary during the fiscal year shall be charged first against such reserve.

Section 3. Budget. The Board of Directors shall determine the estimated cash requirement, as hereinabove defined. Assessments shall be levied against the Living Unit Owners in such amounts as may be necessary to cover the estimated cash requirement.

Section 4. Failure to Prepare Annual Budget. The failure or delay of the Association to prepare or notify any Living Unit Owner of any annual or adjusted estimate shall not constitute a waiver or release in any manner of any such Living Unit Owners obligation to pay his proportionate share of the common expenses as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, each Living Unit Owner shall continue to pay a monthly assessment at the then existing monthly rate established for the previous period until the amount of the monthly assessment is changed as herein provided.

Section 5. Books and Records of Association. The Association shall keep full and correct books of account and the same shall be open for inspection by any Living Unit Owner or any representative of a Living Unit Owner duly authorized in writing, at any reasonable time or times during normal business hours. Upon ten (10) days written notice to the Board and payment of a reasonable fee, any Living Unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Living Unit Owner.

Section 6. Annual Statements. At or before the annual meeting of Living Unit Members, or the meeting held in lieu thereof, the Association shall furnish to each Living Unit Owner a financial statement consisting of:

(a) a balance sheet containing a summary of the assets and liabilities of the Association as of a date not more than four (4) months before such meeting; and, (b) a statement of the income and disbursements for the period commencing with the date marking the end of the period for which the last preceding statement of income and disbursements required hereunder was made and ending with the date of said balance sheet. The financial statement shall have appending thereto an opinion signed by the President or a Vice-President or the Treasurer or an Assistant Treasurer of the Association or by a public accountant or firm of public accountants to the effect that the financial statement presents fairly the position of the Association and the results of its operations in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding period, or such other opinion as is in accordance with sound accounting practice.

Section 7. 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 against less than all of the Living Unit 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 Living Unit Owners according to the plan adopted by the Board of Directors.

Section 8. Common Expenses. The Association, for the benefit of the Living Unit Owners, shall pay all common expenses arising with respect to the Cluster Housing Properties including, without limitation, the following:

(a) The cost of water, waste removal, electricity and telephone, heat, power, and other necessary utility service for the common elements;

- (b)** Premiums for insurance affected on or with respect to the Cluster Housing Properties and Living Units or of any portion thereof necessary to comply with the decision of the Board of Directors;
- (c)** Premiums for workmen's compensation and unemployment compensation coverage to the extent necessary to comply with any applicable laws;
- (d)** Fees for the services of any person, firm or corporation employed by the Association including, without limitation, the services of a Managing Agent for the Cluster Housing Properties, the services of any person or persons required for the maintenance or operation of the Cluster Housing Properties, and legal and/or accounting services necessary or proper in connection with the operation of the Cluster Housing Properties, the enforcement or interpretation of the Covenants, Restrictions and Easements or the Bylaws and for the organization and operation of the Association;
- (e)** The cost of landscaping, gardening, snow removal, maintenance, decorating, repair and refurbishment of equipment as required under the Declaration's Covenants, Restrictions and Easements or these Bylaws;
- (f)** The cost of any other materials, supplies, furniture, equipment, labor, services, maintenance, repairs, structural alterations or insurance which the Association is required to secure or pay for, pursuant to the terms of the Covenants, Restrictions and Easements or the Bylaws which may be necessary or proper for the maintenance and operation of the property as a high-quality residential property;
- (g)** The cost of any alteration, maintenance or repair of any Living Unit which the Board of Directors deems necessary in order to prevent damage to or destruction of any other part of the property, provided that a special assessment shall be levied against such Living Unit to the extent of such cost; and,
- (h)** The cost of water, waste remove and/or any utilities which are not separately metered or otherwise directly charged to individual Living Unit Owners, provided that the Association may discontinue such payments at any time, in which case each Living Unit Owner shall be responsible for direct payment of his share of such expenses as determined by the Association and provided further that the Association may levy additional special assessments against any Living Unit Owner to reimburse it for excessive use by such Owner of any utility service the expense of which is a common expense.

Section 9. Additions, Alterations or Improvements by Board. Whenever, in the judgment of the Board, the common elements shall require additions, alterations, or improvements (as opposed to maintenance, repair, and replacement) costing in excess of One Thousand Dollars (\$1,000.00) and the making of such additions, alterations, or improvements shall have been approved by Living Unit Owners entitled to exercise not less than a majority of the voting power, the Board shall proceed with such additions, alterations, or improvements and shall assess all Living Unit Owners for the cost thereof as a common expense. Any additions, alterations, or improvements costing One Thousand Dollars (\$1,000.00) or less may be made by the Board without approval of the Living Unit Owners and the cost thereof shall constitute part of the common expenses.

Section 10. Special Services. The Association may arrange for special services and facilities for the benefit of such Living Unit Owners and occupants as may desire to pay for same including, without limitation, the cleaning, repair, and maintenance of Living Units and special recreational, educational or medical facilities. The cost of any such special service or facilities shall be determined by the Association and may be charged directly to participating Living Unit Owners or paid as a common expense in which case a special assessment shall be levied against such participating Living Unit Owners to reimburse the Association therefore.

ARTICLE VIII RULES AND REGULATIONS

Section 1. Preparation and Amendment Requirements. The Association, by the affirmative vote of a majority of the Board of Directors, shall adopt a set of rules and regulations to govern the use, maintenance, and occupancy of the Cluster Housing Properties for the benefit and enjoyment of all Living Unit Members, their families, guests, leasees, or tenants. The Board shall have the right and duty to modify, amend, supplement, or rescind such rules and regulations as they may deem advisable, from time to time, on their own volition or by petition of no less than sixty percent (60%) of the Living Unit Members entitled to exercise the total voting power of the Association.

Section 2. Members to Receive Copies of Rules. Written notice setting forth any such rules and regulations shall be given to all Living Unit Owners and occupants, and the property shall, at all times, be subject thereto, and each Living Unit Owner and occupant shall abide thereby.

ARTICLE IX INTENT

Section 1. General Plan. All rights and authority of the Association, and of its officers and Board of Directors, provided for in the Covenants, Restrictions and Easements or these Bylaws, are granted for the sole purpose of assuring a high-quality cluster of single-family residences. Accordingly, all such rights and authority shall be exercised reasonably and not arbitrarily, with the least possible inconvenience to the Living Unit Owners, and in such manner that each Living Unit Owner shall, to the maximum extent consistent with the general requirements of the Covenants, Restrictions and Easements, these Bylaws, and the interests of the Living Unit Owners generally, be entitled to the use and enjoyment of his Living Unit as a private, single-family residence.

ARTICLE XI AMENDMENTS TO BY-LAWS

Section 1. Required Votes to Amend. Provisions of these Bylaws may be amended by the Living Unit Owners at a meeting held for such purpose by the affirmative vote of those entitled to exercise not less than sixty percent (60%) of the total voting powers. No such amendment shall conflict with the provisions of the Covenants, Restrictions and Easements applicable to The Oaks, or the Covenants and Restrictions applicable to the Meadowood Subdivisions, or the Bylaws of the Meadowood Association.

In addition, the Board of Directors, without further vote of the Living Unit Owners, may amend these Bylaws to delete or modify provisions that are no longer substantively applicable, such as elimination of provisions that applied to the original development of The Oaks Cluster Association, and references to the "Developer", "Grantor", or "Corporation", and the "Developer's", "Grantor's", or "Corporation's", control period. The authority provided in this paragraph also includes the authority to update or modify the terminology used throughout this Declaration and the Bylaws to ensure consistency with Ohio law. Any amendment made by the Board pursuant to this paragraph must be recorded with the Cuyahoga County Fiscal Office to be effective. No amendment made by the Board pursuant to this paragraph may substantively change, alter, delete, or in any way modify any rights, responsibilities, or powers of the Association, the Board of Directors, or the Living Unit Owners.