

BY-LAWS  
OF  
ANNEHURST VILLAGE RESIDENTS' ASSOCIATION, INC.

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Article I

Identity

Section 1. Name. The name of the corporation is Annehurst Village Residents Association (the "AVRA").

Section 2. Principal Office. The initial principal office of the AVRA is 6834 Flags Center Drive, Westerville, Ohio 43081.

Section 3. Adoption. The By-laws have been adopted as the By-laws of the AVRA.

Section 4. Definitions. Terms used in the By-laws which are defined in the Warranty Deeds shall have the same meaning in as in the Warranty Deeds.

Article II

Powers and Duties of the AVRA  
and the Exercise Thereof

The AVRA shall have all the powers granted to it by common law, the Ohio Revised Code, the Warranty Deeds, the Articles of Incorporation, and the By-laws, all of which shall be exercised by its Board of Trustees unless the exercise thereof is otherwise restricted in the Warranty Deeds or by law.

Article III

Membership

The AVRA shall have one class of membership, as described in either Article III or IV of the numerous Warranty Deeds and are incorporated herein by reference.

Article IV

Meetings of Members

Section 1. Date and Place of Meetings. Meetings of the Members shall be held on the date and at the place designated by the Board of Trustees.



Section 2. Annual Meetings. An annual meeting of the Members shall be held each year to elect the Board of Trustees of the AVRA and to conduct such other business as may properly be brought before the meeting.

Section 3. Special Meetings. The President of the AVRA may call special meetings of the Members. In addition, it shall be the duty of the President to call a special meeting of the Members of the AVRA if so directed by resolution of a majority of the Board of Trustees, if after the Turnover Date, upon a petition signed by ten percent of the Members. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member, not less than 10 days before the date of such meeting, by or at the direction of the President or the Secretary.

If mailed, the notice of a meeting shall be deemed to be delivered three days after posting when deposited in the United States mail addressed to the Member at his or her address as it appears on the records of the AVRA.

Section 5. Quorum. Except as otherwise provided in these By-laws, Members who are entitled to vote and who are present in person or are represented by proxy at a duly called and noticed meeting shall constitute a quorum at all meetings of the Members of the AVRA.

Section 6. Vote Required. When a quorum is present at any meeting, a majority of the Members present whether in person or by proxy shall decide any question brought before the meeting, unless the Warranty Deeds, the Articles of Incorporation, these By-laws or any applicable statute provides otherwise.

Section 7. Proxies. Members may vote by proxy. The Board of Trustees will determine the form and procedure for the use of proxies.

Section 8. Conduct of Meetings. The President shall preside over all meetings of the Members of the AVRA, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

Section 9. Action Without a Meeting. Any action which may be taken at a meeting of the Members may be taken without a meeting if written consent setting forth the action so taken is signed by a majority of Members.

## ARTICLE V

### Election of Board of Trustees

Section 1. Number of Trustees. The governance and administration of the affairs of the AVRA shall be vested in a Board of Trustees. After the adoption and recording of these By-laws, the number of trustees of the AVRA shall be five.

Section 2. Election of Trustees. At the first annual meeting of Members after the adoption and recording of these By-laws, the Members shall elect three Trustees to serve two year terms until their successors are elected and two Trustees to serve one year terms until their successors are elected. The three nominees receiving the most votes shall serve two year terms and the two nominees receiving the fourth and fifth most votes shall serve one year terms. At each annual meeting of the Members thereafter, the Members will elect Trustees for two year terms until their successors are elected. There shall be no cumulative voting for Trustees.

Section 3. Qualifications for Election. All Trustees shall be Members, and such Member must not be delinquent in the payment of any obligation to the AVRA or then be an adverse party to the AVRA, its Board or any Member thereof in any litigation at the time of the annual meeting.

Section 4. Nomination of Trustees. A call for nominees is to be sent to Members not less than 90 days prior to each annual meeting of the Members. Members shall nominate themselves or other Members as candidates for election to the Board of Trustees in writing signed by the Member and received by the Secretary of the AVRA at least 60 days prior to the annual meeting. The names of any such nominees, after having been certified by the Secretary or any other officer of the AVRA that they are qualified for election and that they have been nominated in accordance with the provisions of these By-laws, shall be included in any proxy mailing to the Members. All nominees must agree to serve if elected. The annual meeting will be scheduled no later than 60 days following the close of nominations.

Section 5. Removal of Trustees and Vacancies. Any trustee elected by the Members may be removed, with or without cause, by a vote of a majority of the Members. Upon removal of a Trustee, a successor shall be elected by the remaining Trustees to fill the vacancy for the remainder of the term of the removed Trustee.

Any trustee who has three consecutive unexcused absences, as determined by the Board, from Board meetings or who is delinquent in the payment of any Assessment or other charge due the AVRA for more than 30 days may be removed by a majority of the trustees present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the remaining Trustees. In the event of the death, disability, or resignation of a Trustee, the members of the Board may elect a successor to fill the vacancy for the remainder of the term of such Trustee.



Section 6. Compensation. No Trustee shall receive a salary or any other compensation whatsoever from the AVRA for acting as such, but shall be entitled to be reimbursed for expenses reasonably incurred on behalf of the AVRA.

Section 7. Fiduciary Duty. The Trustees elected by the Members shall have a fiduciary duty to all Members and will act solely on their behalf.

## ARTICLE VI

### Meetings of Board of Trustees

Section 1. Annual Meeting. The annual meeting of the Board of Trustees following each annual meeting of Members shall be held within 30 days thereafter at such time and place as shall be fixed by the Board of Trustees.

Section 2. Regular Meetings. Regular meetings of the Board of Trustees may be held at such time and place as shall be determined from time to time by a majority of the trustees, but at least four regular meetings shall be held during each fiscal year with at least one per quarter; provided, however, that the annual meeting shall constitute a regular meeting. Notice of the time and place of the meeting shall be communicated to the trustees not less than 14 days prior to the meeting.

Section 3. Special Meetings. Special meetings of the Board of Trustees shall be held when called by written notice signed by the President of the AVRA or by a majority of the Trustees. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each trustee by personal delivery, first class mail or telephone at least 14 days prior to the date of the meeting, unless the special business is of a nature which requires immediate action, in the reasonable judgment of the party calling the meeting, and then 24 hours notice shall be deemed sufficient.

Section 4. Waiver of Notice. Any meeting of the Board of Trustees, however called and noticed or wherever held, shall be as valid as when taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the Trustees not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. Notice of a meeting shall also be deemed given to any Trustee who attends the meeting without protesting before or at its commencement concerning the lack of adequate notice.

Section 5. Quorum of Board of Trustees. At all meetings of the Board of Trustees, a majority of the Trustees shall constitute a quorum for the transaction of business, and the votes of a majority of the Trustees present at a meeting at which a quorum is present shall constitute the decision of the Board of Trustees. If any meeting of the Board of Trustees cannot be held because a quorum is not present, a majority of the Trustees who are present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 6. Conduct of Meetings. The President of the AVRA shall preside over all meetings of the Board of Trustees, and the Secretary of the AVRA shall keep a minute book of meetings of the Board of Trustees, recording therein all resolutions adopted by the Board of Trustees and all transactions and proceedings occurring at such meetings.

Section 7. Open Meetings. All meetings of the Board shall be open to all Members, but Members other than Trustees may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a Trustee and granted by the President of the AVRA. In such case, the President of the AVRA may limit the time any Member may speak. Notwithstanding the above, the President of the AVRA may adjourn any meeting of the Board of Trustees and reconvene in executive session, excluding Members, when such action is necessary in the reasonable judgment of the President of the AVRA.

Section 8. Telephone Meeting. Any regular or special meeting of the Board of Trustees may be held by telephone conference, at which each participating trustee can hear and be heard by all other participating trustees.

Section 9. Action Without a Meeting. Any action to be taken at a meeting of the Trustees may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the Trustees, and such consent shall have the same force and effect as a unanimous vote of the Trustees.

## ARTICLE VII

### Officers

Section 1. Officers. The officers of the AVRA shall be a President, Vice President, Secretary, and Treasurer, to be elected from among the members of the Board. The Board of Trustees may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Trustees. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election, Term of Office, and Vacancies. The officers of the AVRA shall be elected annually by the Board of Trustees at the first meeting of the Board of Trustees during a fiscal year. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Trustees for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Trustees in the sole discretion of the Board.

Section 4. Resignation. Any officer may resign at any time by giving written notice to the Board of Trustees, the President of the AVRA, or the Secretary of the AVRA. Such resignation shall take effect on the date of the receipt of such notice or at a later time specified in the notice,



and unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective.

## ARTICLE VIII

### Duties of Officers

The officers of the AVRA shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties from time to time specifically be conferred or imposed by the Board of Trustees.

Section 1. President. The President shall be the chief executive officer of the AVRA and shall:

(a) Act as presiding officer at all meetings of Members of AVRA and of the Board of Trustees.

(b) Call special meetings of the Board of Trustees.

(c) Sign, with the Secretary of the AVRA or Treasurer of the AVRA if the Board of Trustees so requires, all checks, contracts, promissory notes, leases, subleases and other instruments on behalf of the AVRA, except those which the Board of Trustees specifies may be signed by other persons.

(d) Perform all acts and duties usually required of a chief executive to ensure that all orders and resolutions of the Board of Trustees are carried out.

(e) Act as an ex-officio member of all committees and render an annual report at the annual meeting of Members.

Section 2. Vice President. The Vice President of the AVRA, in the absence or disability of the President of the AVRA, shall exercise the powers and perform the duties of the President of the AVRA. The Vice President of the AVRA also shall assist the President of the AVRA generally, and exercise other powers and perform other duties as shall be prescribed by the trustees.

Section 3. Secretary. The Secretary of the AVRA shall have the following duties and responsibilities:

(a) Attend all regular and special meetings of the Members and the Board of Trustees and keep all records and minutes of proceedings thereof or cause the same to be done.

(b) Have custody of the corporate seal, if any, and affix the same when necessary or required.

(c) Attend to all correspondence on behalf of the Board of Trustees, prepare and serve notice of meetings and keep membership books.

(d) Have custody of the minute book of the meetings of the Board of Trustees and Members, and act as agent for the transfer of the corporate books.

Section 4. Treasurer. The Treasurer of the AVRA shall:

(a) Receive monies as shall be paid into his hands for the account of the AVRA and disburse funds as may be ordered by the Board of Trustees, taking proper vouchers for disbursements, and be custodian of all contracts, leases and other important documents of the AVRA which he shall keep safely deposited.

(b) Supervise the keeping of accounts of all financial transactions of the AVRA in books belonging to the AVRA, and deliver the books to his successor. He shall prepare and distribute to all of the members of the Board of Trustees prior to each annual meeting, and whenever else required, a summary of the financial transactions and condition of the AVRA from the preceding year. He shall make a full and accurate report on matters and business pertaining to his office to the Members at the annual meeting, and make all reports required by law. He shall be the chairman of the Finance Committee.

(c) The Treasurer of the AVRA may have the assistance of an accountant or auditor, who shall be employed by the AVRA. In the event the AVRA enters into a management agreement, it shall be proper to delegate any or all of the Treasurer's functions to the Manager as are deemed appropriate by the Board of Trustees.

## ARTICLE IX

### Discipline

Section 1. Enforcement. The Board of Trustees shall have the power to impose reasonable fines, which shall constitute an automatic and continuing lien upon the privately owned site of the violating Member. In addition, the Board of Trustees shall have the right to suspend a Member's right to use the Annehurst Village Properties and to preclude contractors, agents and other invitees of a Member or occupant from the Annehurst Village Area for violation of any duty imposed under the Annehurst Village Documents; provided, however, nothing herein shall authorize the AVRA or the Board of Trustees to limit a Member's or occupant's ingress and egress to or from a Site. The failure of the Board of Trustees to enforce any provision of the Warranty Deeds, By-laws, or any Annehurst Village Documents shall not be deemed a waiver of the right to enforce any provision thereafter.

Section 2. Notice. Prior to imposition of any sanction hereunder, the Board of Trustees or its delegate shall serve the accused with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than 10 days within which the alleged violator may present a written request to the Board of Trustees for a hearing;



and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge has been requested within 10 days of the notice.

Section 3. Hearing. If a hearing is requested within the allotted 10 day period, the hearing shall be held in executive session of the Board of Trustees at the next regularly scheduled meeting or at a special meeting or at a meeting of its delegate affording the accused a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, trustee, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the accused appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board of Trustees or its delegate may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the 10 day period. Any suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions by any person.

Section 4. Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the AVRA may elect to enforce any provisions of the Warranty Deeds or these By-laws by self-help or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Member responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

## ARTICLE X

### Fiscal Management

Section 1. Fiscal Year. The fiscal year of the AVRA shall commence upon the first day of January and conclude on the thirty-first day of December.

Section 2. Depositories. The funds of the AVRA shall be deposited in such accounts as may be selected by the Board of Trustees, including checking and savings accounts in one or more banks and/or savings and loan associations, Certificates of Deposit, U.S. Treasury Bills and money market accounts with an investment firm or firms, all in accordance with resolutions approved by the Board of Trustees. The funds shall be used only for lawful purposes of the AVRA.

Section 3. Expenses. The receipts and expenditures of the AVRA may be credited and charged to accounts as the Board of Trustees may determine, in accordance with good accounting practices.

Section 4. Accounts and Reports. The following management standards of performance will be followed:

(a) accrual accounting (exclusive of depreciation and amortization), as defined by generally accepted accounting principles, shall be employed;



(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the AVRA shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by Trustees from vendors, independent contractors, or others providing goods or services to the AVRA, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise;

(e) any financial or other interest which the Trustees may have in any firm providing goods or services to the AVRA shall be disclosed promptly to the Board of Trustees;

(f) financial reports shall be prepared for the AVRA at least annually containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(ii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iii) a balance sheet as of the last day of the preceding period; and

(iv) a delinquency report listing all Members who are delinquent in paying any Assessments at the time of the report and describing the status of any action to collect such Assessments which remain delinquent (An Assessment or any installment thereof shall be considered to be delinquent 30 days after the date due unless otherwise determined by the Board of Trustees); and

(g) an annual report consisting of at least the following shall be distributed to the Board of Trustees within 120 days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. The annual report referred to above shall be prepared annually, but on an audited basis by a Certified Public Accountant selected by the Board of Trustees bi-annually.

Section 5. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the AVRA shall be executed by the President of the AVRA and/or by such other person or persons as may be designated by resolution of the Board of Trustees.

Section 6. Books and Records.

(a) Inspection by Members and Mortgagees. The Warranty Deeds, Articles of Incorporation, By-laws, membership register, books of account, and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any

Member or Mortgagee, or by his or her duly appointed representative, at any reasonable time and for a purpose reasonably related to his or her interest as a Member or Mortgagee at the office of the AVRA or at such other place as the Board shall prescribe. Such records shall include a record of receipts and expenditures and accounts for each Member, which accounts shall designate the names and addresses of the Members, the due dates and amount of each Assessment, the amounts paid upon the account and the balance due. Notwithstanding the foregoing, records concerning the status of accounts payable with respect to a Member shall only be made available to the Member or his Mortgagee. Minutes of grievance hearings will not be released to any person other than the person subject to the disciplinary action.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Trustees. Every trustee shall have the absolute right at any reasonable time to inspect all books, records, and documents of the AVRA and the physical properties owned or controlled by the AVRA. The right of inspection by a trustee includes the right to make extracts and a copy of relevant documents at the expense of the AVRA.

Section 7. Insurance. The AVRA shall procure, maintain, and keep in full force and effect, insurance as may be required by the Warranty Deeds and Ohio Revised Code to protect the interests of the AVRA and the Members.

## ARTICLE XI

### Miscellaneous

Section 1. Parliamentary Rules. Robert's Rules of Order (current edition) shall govern the conduct of the AVRA proceedings when not in conflict with Chapter 1702 of the Ohio Revised Code, the Articles of Incorporation, the Warranty Deeds, or these By-laws.

Section 2. Construction. If there are conflicts between the provisions of Chapter 1702 of the Ohio Revised Code, the Articles of Incorporation, the Warranty Deeds, or these By-laws, the provisions of Chapter 1702 of the Ohio Revised Code, the Warranty Deeds, the Articles of Incorporation, and these By-laws (in that order) shall prevail.

Section 3. Validity. If any rule or regulation is adjudicated to be invalid, such fact shall not affect the validity of any other rule or regulation.

Section 4. Notices. Unless otherwise provided in these By-laws, all notices, demands, bills, statements, or other communications under these By-laws shall be in writing and shall be



deemed to have been duly given three days after posting if delivered personally or if sent by United States Mail, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary of the AVRA or, if no such address has been designated, at the address of such Member located within Annchurst Village; or

(b) if to the AVRA, the Board of Trustees, or the Manager, at the principal office of the AVRA or the Manager, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 5. Amendments. Before the Turnover Date, the Declarant may amend these By-laws in its sole absolute discretion. After the Turnover Date, the Declarant may amend these By-laws in its sole and absolute discretion at any time and from time to time if such amendment is (a) necessary to bring any provisions hereof into compliance with any applicable governmental statute, rule or regulation, or judicial determination; (b) necessary to enable any reputable title insurance company to issue title insurance coverage on any Lot; (c) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on any Lot; or (d) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on any Lot; provided, however, any such amendment shall not have a materially adverse effect on the title to any Lot unless the Owner thereof shall consent thereto in writing. Any amendment not initiated by the Declarant may be made only with the written consent of fifty-one percent (51%) of the Members. However, the percentage of votes or consents necessary to amend a specific clause shall be not less than the prescribed percentage of affirmative votes or consents required for action to be taken under that clause.