

BYLAWS
OF THE
SPYGLASS HILL
HOMEOWNERS' ASSOCIATION

ARTICLE 1

NAME OF THE CORPORATION

The name of the corporation is SPYGLASS HILL ASSOCIATION, doing business as SPYGLASS HILL HOMEOWNERS ASSOCIATION. Incorporated as a non-profit organization under the Non-profit Corporation Law of Ohio, as set forth in the Ohio Revised Code, and subject to the Code of Regulations and Restrictions of Record of the Spyglass Hill Subdivision of Strongsville and North Royalton Ohio. The purpose of these By-laws is to establish procedures for the management of the business of the Association.

ARTICLE II

PURPOSE

The purpose of the Spyglass Hill Homeowners Association is to maintain and operate the common properties, to administer and enforce the covenants and restrictions and to periodically review and revise the restrictions, to collect and disburse the assessments and monies of the Association, and to provide services of general benefit to the homeowners of the Spyglass Hill Subdivision.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Members. Every Owner is automatically a Member of the Association for so long as he is an Owner, provided that any such person or entity who holds such interest merely as a security for the payment of money or performance of an obligation shall not be a Member.

Section 2. Voting Rights. Membership in the Association shall be divided into Class A Members and Class B. Members.

Class A. Class A. Members shall be all Members with the exception of the Class B Members. Class A. Members shall be entitled to one vote for each Lot or Living Unit. In the event a Lot or Living Unit is owned by more than one owner, the owners shall be entitled to no more than one vote with respect to any such Lot or Living Unit.

Class B. Class B Members shall be considered associate Members and will

be non-voting Members. Class B membership shall consist of:

1. Residents, subletting, leasing or renting full living units from owners of living units. Providing that the owners are Members in good standing.
2. Household who are not members of the association but reside in adjacent lots (adjacency defined as described in the Warranty Deed, Article II, Section 3, part C) and have extended arrangements with the Association for use of the recreation facilities.

ARTICLE IV

MEETINGS

Section 1. The annual meeting of the general membership shall be held on the First Sunday in December, or other alternate date as designated by the President. The agenda will include the budget and financial statement and discussion of the dues amount for the following calendar year, and other pertinent matters in accordance with the guidelines of Section 6 below.

Section 2. A meeting of the general membership shall be held in May prior to the pool opening.

(a) The agenda shall include the reviewing of the pool rules.

(b) Three Association members, excluding the Executive Board members, shall be selected for the Nominating Committee by a majority vote of those members present at the May meeting.

Section 3. A meeting of the general membership shall be held the first Sunday in September, after Labor Day. The agenda shall include the annual election of officers.

Section 4. Executive Board meetings shall be held either bimonthly, at the discretion of the President, or by a majority vote of the Executive Board.

Section 5. Special meetings may be called by the Executive Board when it deems it necessary, or the general membership, meeting by request in writing by twenty-five (25) per-cent or more of the voting members. Notice of Special Meetings shall be given to all Members not less than forty-eight (48) hours prior to the meeting date. Notices shall be considered as received if they were delivered to the principal place of residence or by United States Mail, postage paid.

Section 6. Notice of General Association meetings shall be given to all members not less than ten (10) or more than sixty (60) days prior to the meeting date. The notice will include the proposed agenda including a notification of any proposed matters which may be put to a vote during the meeting. Notice of regular Association Meetings shall be considered as received if they

were delivered to the principal place of residence or conveyed by United States Mail, postage paid.

Section 7. Committee meetings shall be called by the Chairman of each committee as necessary to conduct that committee's business.

Section 8. Those members of the Association present at any meeting shall constitute a quorum for the transaction of business. The affirmative vote of a majority of the members present at the meeting shall be the act of the members.

Section 9. Voting at meetings will be by a show of hands or by ballot at the discretion of the President Absentee ballots will be accepted up to one (1) hour prior to the meeting.

ARTICLE V

OFFICERS

Section 1. The Officers of the Spyglass Hill Homeowners Association shall be:

President
Vice-President
Secretary
Treasurer
Chairman of the Recreation Committee
Chairman of the Social Committee

The above officers shall constitute the Executive Committee.

Section 2. Officers shall take office October 1st.

Section 3. The line of Succession to perform in the other's absence or inability to perform on a temporary basis shall be: President, Vice-President, Treasurer, Secretary, Chairman of the Recreation Committee, Chairman of the Social Committee.

Section 4. Officers shall not receive any stated salaries for their services, but by vote of the Executive Board, any officer may be reimbursed for his actual expenses incurred in the performance of his duties as an officer. The six sitting officers of the Executive Board shall receive a suspension of payment of their listed property Association annual dues, for no more than two consecutive years, while they are sitting and actively involved in the functions of the Executive Committee.

Section 5. Removal of Officers. At any regular or special meeting of the general membership, duly called, any one or more of the officers may be removed, with or without cause, by a majority vote of those present and a successor may then and there be elected to fill the vacancy or vacancies thus created. Any Officer whose removal has been proposed shall be given an opportunity to be heard at the meeting.

Section 6. Check signing. The President and Treasurer will be authorized as signers and co-signers of checks and drafts on behalf of the Association, as outlined in Article VI. Any check or draft of an amount of one thousand dollars (1,000.00) or above shall require two authorized signers. The assistant Treasurer shall be an authorized check co-signer as outlined in Article IX, Section B.

ARTICLE VI

DUTIES AND RESPONSIBILITIES

Section 1. President. The President shall:

- (a) preside at all general business meetings of the Association and the Executive Board meetings.
- (b) appoint any special committees and is a member "ex-officio" of all committees except the nominating committee.
- (c) be authorized on behalf of the Association to sign and co-sign checks, file liens, and initiate collection proceedings.
- (d) represent the Association to the Strongsville City Council, North Royalton City Council, the Strongsville Association of Homeowner's Associations and any other associations where in such representation may be deemed advisable by vote of the Association or the Executive Board.
- (e) be authorized to call emergency executive board meetings to obtain a quorum upon which to base action required in emergency situations whose timeliness prohibits convening a general Homeowner's meeting.

Section 2. Vice-President. The Vice-President shall:

- (a) assist and take the place of the President if the President is unable to perform his duties.
- (b) arrange any programs for the Association meetings.
- (c) Chair the Warranty Deed Committee.

Section 3. Secretary. The Secretary shall:

- (a) keep the minutes of all Association and Executive Board meetings.
- (b) keep attendance records at Association and Executive Board meetings and make these

attendance records available to the Nominating Committee.

- (c) conduct all correspondence except that that is related to financial matters.
- (d) edit and distribute a newsletter on at least a quarterly basis.

Section 4. Treasurer. The Treasurer shall:

- (a) keep all financial records of the Association.
- (b) prepare invoices for and keep detailed records of dues collection, file liens on delinquent accounts and add interest to delinquent accounts.
- (c) file the necessary tax forms of the Association.
- (d) prepare the Annual Budget and Fiscal Year Financial Statement for presentation at the annual meeting.
- (e) collect and distribute the Association mail.
- (f) conduct financial business correspondence.
- (g) chair the Finance Committee.
- (h) be authorized, behalf of the Association, to sign and co-sign checks and drafts, file liens, and initiate collection proceedings.
- (i) publish in the quarterly newsletter a "State of the Budget" report and financial statement.
- (j) dispense, record, and collect; expenses, payments, and fees; used generated, or earned by members of the Executive or Standing Committees while acting on behalf of the Association.
- (k) be able to comply with reasonable requests for financial reports and account detail made by Homeowners in good standing.
- (l) assist the Audit Committee in discharging their duties and comply with all reasonable requests made by the Audit Committee.

Section 5. Chairman of the Recreation Committee. The Chairman of the Recreation Committee shall:

- (a) operate and maintain the Common Grounds and Facilities.
- (b) enforce approved rules regarding use of the pool, tennis courts, and Recreation building.
- (c) control rental of the Recreation building, by Members, for private use.

(d) operate the soft drink machine at the Recreation building.

Section 6. Chairman of the Social Committee. The Chairman of the Social Committee shall:

- (a) with the approval of the Executive Committee, plan and hold social functions.
- (b) greet homeowners at the Association meetings.
- (c) welcome new homeowners to Spyglass Hill.
- (d) publish and update the Social Directory.

ARTICLE VII

TERM OF OFFICE AND SUCCESSION

(Other than that occurring under Article V, Section 5)

Section 1. The term of office for all officers shall be for two years beginning October-1st of the year of the election.

Section 2. Any member in good standing is eligible for nomination and election to an office.

Section 3. In the event of the resignation or other termination of service of the President, the Vice-President shall fill his position for the unexpired term of office.

Section 4. In the event of the resignation or other termination of service of the Secretary, the Executive Committee will appoint someone to fill the unexpired term of office.

Section 5. In the event of the resignation of any other Officer who is also Chairman of a committee, the remaining committee members shall meet and elect a new chairman.

Section 6. No individual shall simultaneously serve in more than one office named in Article V, Section 1.

ARTICLE VII

ELECTION OF OFFICERS

Section 1. At the May Association meeting a nominating committee, consisting of the immediate Past President, one member of the Executive Committee and three members of the Association, not currently officers, will be selected.

- (a) In the event that the immediate Past President is not available, two members of the Executive Committee shall be selected to serve.

(b) If any of the selected nominating committee members, for any reason, chooses not to serve, the remaining members may appoint someone from the Association to fill such a vacancy on the nominating committee.

Section 2. The nominating Committee shall report its nominations to the Association, in writing, at least fourteen (14) days prior to the September Association meeting. The slate of officers shall be reported on at the September meeting and further nominations shall be accepted from the floor.

In the case of more than one nominee for an office, a ballot vote must be taken for such office and a simple majority of those present or voting by proxy will elect.

ARTICLE IX

COMMITTEES

Section 1. The Standing Committees will be as follows: Warranty Deed, Recreation, Finance, and Social.

(a) The Warranty Deed Committee shall:

Approve all proposed exterior improvements to property.
Inform errant homeowners of violations of restrictions.
Enforce regulations and restrictions.
Check all proposed building permits for architectural style and square footage of the proposed structure.
Periodically review and amend the restrictions, subject to approval of the homeowners at a regular Association meeting.

(b) The Finance Committee shall:

Assist the Treasurer in preparation of budgets and financial statements.
Audit the books at the close of the fiscal year.
Name the past Treasurer or another committee member as the Assistant Treasurer.
The Assistant Treasurer shall be an alternate signer authorized to co-sign checks and drafts in the absence of the Treasurer. The assistant Treasurer will have a continual working knowledge of the ongoing activities of the Treasurer and stand in for the Treasurer during absences and when the Treasurer is unable to perform.

(c) The Recreation Committee shall assist the Chairman of the Recreation Committee to:

Operate and maintain the common grounds and facilities.
Regulate the use of the pool, tennis courts, and Recreation building.
Rent the Recreation building for Member's use.
Operate the soft drink machine and perform revenue functions in accordance with Article VI, Section 4, part (j).

(d) The Social Committee shall assist the Chairman of the Social Committee to:

Plan and hold social functions subject to the approval of the Executive Committee.
Publish and update the Social Directory.
Greet homeowners at association meetings.
Welcome new homeowners to Spyglass Hill.

Section 2. Membership for any standing committee shall be solicited at the election's meeting and open to all Association members in good standing. Additional standing committee members may be solicited at any time at the discretion of the committee chairman.

Section 3. The standing committee chairmen shall keep complete and detailed records of all activities and expenditures and shall submit a detailed expense report to the Treasurer within one month after the completion date of the activity to which such expenditures relate.

Section 4. Special committees may be appointed by the President and shall terminate upon completion of the purpose for which they are appointed, or may be terminated by direction of the President.

ARTICLE X

ASSESSMENTS AND SINKING FUNDS

Section 1. The Annual dues will be proposed and determined by the Executive Committee and subsequently voted upon and approved at the annual December meeting by the general membership.

Section 2. The annual dues shall be due and payable on January 1st, for the calendar dues year, but considered delinquent if not paid by March 1st. The President and Treasurer, jointly, shall be authorized to modify the date of delinquency of dues on an individual basis. The Finance Committee will notify, in writing, any owner who is delinquent. The Treasurer will keep on file a detail of any special collection approved by the Treasurer and President and the reason for special collection consideration.

Section 3. A lien may be placed upon the property of any homeowner whose dues are delinquent.

Section 4. When a lien is placed upon the property for nonpayment of a delinquent assessment, a \$50.00 handling charge will be added and interest will be charged from January 1st at two (2) percent over the March 1st prime rate of the bank in which the Association has its account at the time at which the lien is filed.

Section 5. Liens may be removed by payment of Association dues, handling charges, and interest. Notification of removal will be sent to the homeowner.

Section 6. Any delinquent homeowner with more than two years liens on his property may be subject to foreclosure.

Section 7. The Association may use any available, reasonable, and equitable method to collect delinquent dues or unpaid assessments.

Section 8. Special Assessments may be proposed by the Executive Committee and require approval of the majority of all voting members of the Association.

Section 9. Sinking funds may be established for special purposes. This fund will not be normally used for general operating expenditures. Any use of the Sinking fund will be with the approval and prior determination of the Homeowners.

ARTICLE XI

AUDIT COMMITTEE

Section 1. Membership. The General Homeowners shall elect from the General Association membership no less than three volunteering members, in good standing, to serve as the Audit Committee. The members of the seated Executive Committee shall be excluded from the membership of the Audit Committee. Other members of Standing Committees will make up no more than half of the Audit Committee.

Section 2. Term. The audit Committee will be selected for a term of one calendar year with no more than half the members being allowed to continue for more than one successive term.

Section 3. Duties. The Audit Committee shall be charged with the verification and auditing of the Financial records of the Association.

Section 4. Procedure. The Audit Committee will be empowered to request an account summary of all of the current financial records of the Association for review. If the Audit Committee requires the financial records of the Association, the Treasurer, or other member of the Finance Committee, must convey the requested records, in the presence of another member of the Finance Committee or Executive Committee. Upon timely completion of their review, the Audit Committee will provide a report to the General membership on the financial standing and functioning of the Association. If the Audit Committee chooses to defer to and substitute their report with the Treasurer's regular report, they may do so by including their signatures on the Treasurer's written report as a sign of acceptance. The Audit Committee will review the finances as to applicability and consistency with the approved decisions of the General membership, and the tenets of these bylaws and the Warranty Deed. The Audit Committee should not conduct their audits in such a manner as to cause unreasonable interference with the normal and usual operation of the business of the Association or the Treasurer's normal duties.

ARTICLE XII

These Bylaws may be amended at any regular Association meeting provided thirty (30) days written notice of such proposed amendments has been given to all Association members.

Revised: June 1989.