FAIRWAY ESTATES OF NEWARK HOMEOWNERS ASSOCIATION, INC.

BYLAWS

ARTICLE I
NAME AND LOCATION

The name of the corporation is **FAIRWAY ESTATES OF NEWARK HOMEOWNERS ASSOCIATION, INC.** The principal office of the corporation shall be located at **441 Gleneagles Drive, Newark, Ohio, 43055**, but meetings of members and Trustees may be held at such places within the State of Ohio as may be designated by the Board of Trustees.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to **FAIRWAY ESTATES OF NEWARK HOMEOWNERS ASSOCIATION, INC.**, its successors and assigns.

Section 2. "Common area" shall mean all real property owned by the association for the common use and enjoyment of the owners.

Section 3. "Declarant" shall mean and refer to the Developer, **Corder-Kibler Homes, LTD.,** its successors and assigns if such successors or assigns should acquire more than one undeveloped lot from the declarant for the purpose of development.

Section 4. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions applicable to the subdivision and recorded on May 15, 1996, in the office of the County Record of Licking County, Ohio, in Book Vol. 800, page 33.

Section 5. "Lot" shall mean and refer to any plot of land shown on the recorded subdivision plat with the exception of the common area.

Section 6. "Member" shall mean and refer to those persons entitled to membership in the association as provided in the declaration.

Section 7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the subdivision, including contract sellers, but excluding those holding title merely as security for the performance of an obligation.

Section 8. "Subdivision" shall mean and refer to that certain tract of real property described in the declaration, and such additions thereto as may be brought within the jurisdiction of the association pursuant to the provisions of the declaration.

ARTICLE III
MEETINGS OF MEMBERS

Section 1. *Annual Meetings.* Annual meetings of members shall be held on the same day of the same month of each year thereafter at a date and time to be determined by the Board of Trustees. If the day for the annual meeting of members is a legal holiday, the meeting will be held at the same hour on the next following day that is not a legal holiday.

Section 2. *Special Meetings.* Special meetings of members may be called at any time by the president or by the Board of Trustees, or on written request of 10% of the members who are entitled to vote one-fourth of all votes of the membership.

Section 3. *Notice of Meetings.* Written notice of each meeting of members shall be given by, or at the direction of, the secretary or other person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 10 but not more than 50 days before such meeting to each member entitled to vote, addressed to the member's address last appearing on the books of the association, or supplied by such member to the association for the purpose of receiving notice. Such notice shall specify the day, hour, and place of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. *Quorum.* The presence at the meeting, in person or by proxy, of members entitled to cast a majority of the votes of each class of the membership shall constitute a quorum for authorization of any action, except as may otherwise be provided in the declaration, the articles of incorporation, or these bylaws. If a quorum is not present at any meeting, the members entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

Section 5. *Proxies.* At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Proxies shall be revocable, and the proxy of any owner shall automatically terminate on conveyance by the owner of a lot.

ARTICLE IV

BOARD OF TRUSTEES
TERM OF OFFICE; FIRST ELECTION; REMOVAL

Section 1. *Number.* The affairs of the association shall be managed by a Board of three (3)Trustees, who shall be members of the association.

Section 2. *Term of Office.* At the first meeting, the members shall elect one Trustee for a term of one year, one Trustee for a term of two years, and one Trustee for a term of three years; at each succeeding annual meeting the members shall elect one Trustee for a term of three years.

Section 3. *Removal.* Any Trustee may be removed from the Board, with or without cause, by a majority vote of the members of the association. In the event of death, resignation, or removal of a Trustee, a successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of the predecessor.

Section 4. *Compensation.* No Trustee shall receive compensation for any service rendered to the association. However, any director may be reimbursed for actual expenses incurred in the performance of duties.

ARTICLE V
BOARD OF TRUSTEES
NOMINATION AND ELECTION

Section 1. *Nomination.* Nomination for election to the Board of Trustees shall be by nominating committee. However, nominations may also be made from the floor at any annual meeting of members. The nominating committee shall consist of a chairman who shall be a member of the Board of Trustees, and two or more members of the association. The committee shall be appointed by the Board of Trustees prior to each annual meeting to serve from the close of such meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board of Trustees as it shall in its discretion determine, but in no event shall it nominate less than the number of vacancies to be filled.

Section 2. *Election.* Election to the Board of Trustees shall be by secret written ballot. At such election the 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. The person receiving the largest number of votes shall be elected..

ARTICLE VI
BOARD OF TRUSTEES
MEETINGS

Section 1. *Regular Meetings.* Regular meetings of the Board of Trustees shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. In the event the regular date for a meeting falls on a legal holiday, the meeting shall be held at the same time on the next following day that is not a legal holiday.

Section 2. *Special Meetings.* Special meetings of the Board of Trustees shall be held when called by the president of the association, or by any two Trustees, after not less than 3 days' notice to each Trustee.

Section 3. *Quorum.* A majority of the Trustees shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of Trustees present at a duly held meeting in which a quorum is present shall constitute the act or decision of the Board.

ARTICLE VII
BOARD OF TRUSTEES
POWERS AND DUTIES

Section 1. *Powers.* The Board of Trustees shall have power to:

(a) Adopt and publish rules and regulations governing the use of the common areas and facilities including the personal conduct of the members and their guests; and to establish penalties for infractions of rules and regulations;

(b) Suspend the voting rights and right to use of the recreational facilities, if any, of any member during any period in which such member is in default in the payment of any assessment levied by the association. Such rights may also be suspended after notice and hearing, for a period not to exceed 30 days, for infraction of published rules and regulations;

(c) Exercise on behalf of the association all powers, duties, and authority vested in or delegated to the association and not specifically reserved to the membership by the declaration, articles of incorporation, or by other provisions of these bylaws;

(d) Declare the office of a member of the Board of Trustees to be vacant in the event that such member is absent from 3 consecutive

regular meetings of the Board of Trustees; and

(e) Employ a manager, independent contractors, and such other employees as deemed necessary, and to prescribe their duties.

Section 2. *Duties.* It shall be the duty of the Board of Trustees to:

(a) Cause a complete record to be kept of all its acts and corporate affairs and to present a statement to the members at each annual meeting, or at any special meeting at which a statement is requested in writing by one-fourth of the Class A members entitled to vote;

(b) Supervise all officers, agents, and employees of the association and see to it that their duties are properly performed;

(c) As more fully provided in the declaration:

(1) Fix the amount of the annual assessment against each lot at least 30 days in advance of each annual assessment period;

(2) Send written notice of each assessment to every owner subject thereto at least 30 days in advance of each annual assessment period; and

(3) Foreclose the lien against any property for which assessments are not paid within 30 days after the due date, or bring an action at law against the owner personally obligated to pay.

(d) Issue, or cause an appropriate officer to issue, on demand by any person, a certificate setting forth whether or not any assessment has been paid. A statement in a certificate to the effect that an assessment has been paid shall constitute conclusive evidence of such payment. The Board may impose a reasonable charge for the issuance of these certificates;

(e) Acquire and maintain adequate liability and hazard insurance on all property owned by the association;

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) Cause the common area to be maintained.

ARTICLE VIII
OFFICERS
DUTIES

Section 1. *Enumeration of Officers.* The officers of the association shall be a president and vice-president, who shall at all times be members of the Board of Trustees, and a secretary, treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. *Election of Officers.* The election of officers shall take place at the first meeting of the Board of Trustees following each annual meeting of members.

Section 3. *Term.* The officers of the association shall be elected annually by the Board. Each shall hold office for a term of one year unless he shall sooner resign, or shall be removed or otherwise disqualified to serve.

Section 4. *Special Appointments.* The Board may elect such other officers as the affairs in the association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board, from time to time, may determine.

Section 5. *Resignation and Removal.* Any officer may be removed from office by the Board at any time with or without cause. Any officer may resign at any time by giving written notice to the Board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified, and unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. *Vacancies.* A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the unexpired term of the officer replaced.

Section 7. *Multiple offices.* The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 4 of this article.

Section 8. *Duties.* The duties of the officers are as follows:

(a) **President**. The president shall preside at all meetings of the Board of Trustees; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other instruments; and shall cosign all checks and promissory

notes.

(b) **Vice-president**. The vice-president shall act in the place of the president in the event of the president's absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

(c) **Secretary**. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the association and affix it to papers as required; serve notice of meetings of the Board and of members; keep appropriate current records showing the members of the association together with their addresses; and perform such other duties as may be required by the Board or by law.

(d) **Treasurer**. The treasurer shall receive and deposit in appropriate bank accounts all funds of the association, and shall disburse such funds as directed by resolution of the Board of Trustees; shall sign all checks and promissory notes of the association; shall keep proper books of account; shall cause an annual audit of the association books to be made by a certified public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures, a copy of which documents shall be delivered to each member, and a report on which shall be given at the regular annual meeting of members.

ARTICLE IX
COMMITTEES

The association may appoint an architectural committee, as provided in the declaration, and a nominating committee as provided in Article V of these bylaws. In addition, the Board of Trustees may appoint such other committees as it may deem appropriate in the performance of its duties.

ARTICLE X
ASSESSMENTS

As more fully provided in the declaration, each member is obligated to pay to the association annual and special assessments, which are secured by a continuing lien on the property against which such assessments are made. Any assessments that are not

paid when due are considered delinquent. If an assessment is not paid within 30 days after the due date, the assessment bears interest from the date of delinquency at the rate of ten percent (10%) per year, and the association may bring an action at law against the owner personally obligated to pay the same, or may foreclose the lien against the property. Interest, costs, and reasonable attorney fees of any such action shall be added to the amount of any assessment due. No owner may waive or otherwise escape liability for assessments by nonuse of the common area or abandonment of the lot.

ARTICLE XI
BOOKS AND RECORDS INSPECTION

The books, records, papers of the association shall be subject to inspection by any member during ordinary business hours. The declaration, articles of incorporation, and bylaws of the association shall be available for inspection by any member at the principal office of the association, where copies shall be made available for sale at a reasonable price.

ARTICLE XII
CORPORATE SEAL

The association shall not be required to have a seal

ARTICLE XIII
FISCAL YEAR

The fiscal year of the association shall be the calendar year.

ARTICLE XIV
AMENDMENTS

These bylaws may be amended, at a regular or special meeting of members, by vote of a majority of a quorum of members present in person or by proxy.

ARTICLE XV
CONFLICTS

In the case of any conflict between the articles of incorporation and these bylaws, the articles shall control; in the case of any conflict between the declaration and these

bylaws, the declaration shall control.

NOTE: Though the association is called "a nonprofit corporation," this does not mean it will be tax exempt for purposes of the Internal Revenue Code. Organizational, operational, and financial requirements are imposed on associations seeking tax exempt status. Rev Rul 74-17, 1974-1 CB 130. Those requirements are discussed at § 5:114.50. Even after qualification, the homeowners' association is only partially tax exempt. A tax is payable on all net income other than fees, dues, and assessments received from the owners of the property. IRC § 528(b).